

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING SEPTEMBER 1, 2017 EDITION 209



### PASSIVE MANAGER ENGAGES

*Vanguard releases its stewardship data*

Vanguard Group, the passive asset manager, has increased its [engagement](#) with companies. Engaging with 954 companies in 2016, up 39% from the previous year. The Asset manager is also voting in more proxy contests, 171,385 in total, another 39% jump on the previous year. Vanguard's investment stewardship officer stated, 'Increasingly, we've taken stronger positions on emerging topics, including gender diversity on boards and climate risk disclosure'.

Vanguard's move could worry a few management boards who have relied on Vanguard's non-engagement stance. Recently it was [revealed](#) that Vanguard voted against Exxon Mobil and Occidental, but not Chevron and Marathon Petroleum. Read the 2017 Stewardship report [here](#).

### ROAD DEATHS AND CLIMATE

*Analyzing the data*

A recent [report](#) suggests that climate change may be responsible for the increase in road deaths in the USA. In 2015, there was a 7% increase in US road deaths reversing a decades old downward trend. Initial reasons for the rise in deaths suggested the use of cell phones was to blame. This study, of the 100 most densely populated counties, found that motorists drive more as the temperature and precipitation rises. An additional 1 degree F (0.5C) resulted in an additional 60 miles (97km) per person per year, while an additional inch (2.5cm) of rainfall resulted in increased mileage of 66 miles (106km). If climate change continues, will the upward trend in road deaths persist?

### DID YOU SEE?

Today, new on-road emission [testing](#) comes into force in the European Union. The new tests involve Real Driving Emissions (RDE), which aim to reflect everyday driving conditions rather than laboratory tests.

### THIS WEEK IN NUMBERS

**46,000**  
sq. km (17,800 sq. miles) of Amazonian forest have been protected by a Brazilian court ruling which suspended a Government decree opening the area up to mining

**2027**  
is forecast to be the year when India will have the largest labor force in the world, accounting for 18.6% of the global total

**2018**  
is the year in which Finland will introduce a law to phase out coal and increase carbon taxes

**390**  
million US Dollars has been set aside by six mining companies with operations in South Africa to settle a class action for lung diseases

**51**  
shark nets have been installed along the coast of New South Wales (Australia) although a report on a one-year trial has not been released

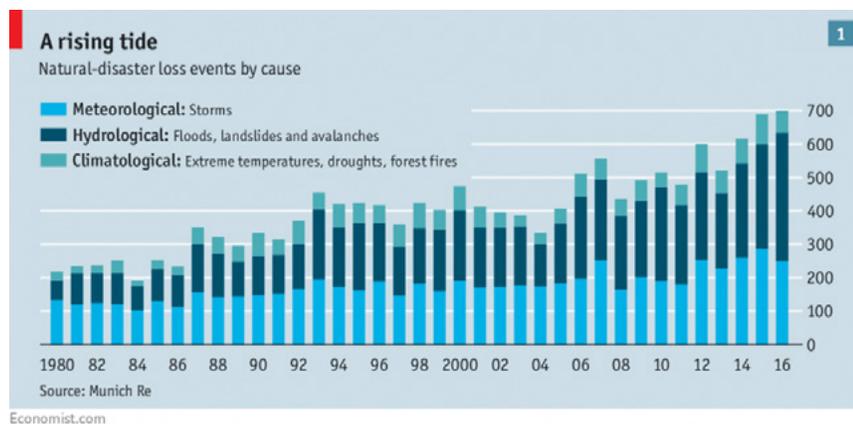
**14.5**  
percent of all anthropogenic greenhouse gases are caused by livestock

**4**  
billion people will be living in countries which will be chronically short of water by 2050

**3.5**  
million unwanted accounts were opened by Wells Fargo (WFC) employees, 1.4 million than the company's previous estimate

### INFOGRAPHIC OF THE WEEK

*Natural-disaster events by cause*



Source: [The Economist](#)

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Sustainable Insight  
CAPITAL MANAGEMENT

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### US NUCLEAR REVIVAL?

*Southern Company's reactors rebooted*

This week, Southern Company (SO) announced to state regulators that it plans to keep constructing two new **nuclear** reactors in eastern Georgia. Westinghouse, the lead contractor, went bankrupt in March putting the Plant Vogtle reactors on hold.

Recommencing with this \$7.4 billion project will make this project the only nuclear reactors under construction in the US. Completion is expected in 2021 and 2022. No reactor has been built in the country since the Three Mile Island accident in 1979.

### WORTH NOTING

A **study** recently published in 'Sustainability' examined how sporting venues could best achieve a reduction in greenhouse gas emissions, energy use and landfill demand. Although most stadiums opt for a zero waste policy, the researcher found that the most effective policies were to eliminate edible food waste and recycling. Options such as donating unsold food to charities should be examined as well as providing more recycling containers in the stadium.

### TAKE A LOOK

An **app** has been released which aims to connect the general public with scientists. The Local Environmental Observer (**LEO**) allows users to share material on environmental topics such as plants, insects, marine life, weather patterns etc.

### VW WINS ON EMISSIONS COSTS

*Two victories in court*

A US District Judge in California has rejected a **lawsuit** by Wyoming which sought more than \$1 billion in additional penalties for environmental damages linked to Volkswagen's diesel emissions. The judge ruled that the EPA was best placed to regulate this situation as VW's action took place during the manufacturing process.

Meanwhile, in **Germany** a court dismissed a claim by a consumer group seeking compensation for the German owners of VW passenger cars. The court ruled that as the vehicles still have their road certification, consumers had not been disadvantaged enough to warrant compensation. An appeal is planned.

### WE'RE WATCHING

Hurricane affected areas of Texas are being offered free access to **online web tools**. One portal helps the user find debris-haulers. Wastebits assists with coordination and clean-up efforts. A second tool provides information about chemicals released in their area by allowing access to safety data sheets.

### BAD NEWS

The Trump Administration looks set to halt the **requirement** that corporates must collect data about remuneration by gender, race and ethnic grouping. This requirement was brought in by President Obama.

### READING LIST



The Economist  
For Want of a Drink



Pew Charitable Trust  
Policy Proposal: Generic Drug Applications



Wall Street Journal  
Scientists explain why Harvey was so devastating

### BELIEVE IT OR NOT

Saved by a selfie? Computer scientists and clinicians have developed an app that attempts to spot the early signs of pancreatic cancer. [READ MORE](#)

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