

MORNINGSTAR PROVIDES DETAILS ON SUSTAINABILITY RATINGS

Ratings provider will offer investors a lens for sustainability analysis on portfolios

Morningstar's [new initiative](#) will rate portfolios on sustainability in order to "allow investors to understand how well the companies held in a portfolio are addressing their ESG risks and opportunities". [Morningstar](#) will use [Sustainalytics](#) data and incorporate

environmental, social, and governance factors. The one-to-five rating will apply to all funds globally and cover approximately 86% of US Equity AUM and about 85% of global equities AUM. The preliminary release date for the data feeds of historical portfolios is Q2 2016 and for fund of funds is Q4 2016.

For more on ESG rating agencies, see our latest research brief: [Who are the ESG rating agencies?](#)

@SICMGMT TWEET OF THE WEEK

 Understanding exposure is the first step to transitioning to a low carbon economy
[#riasia](#) [@FTSERussell](#)



MOSQUITOS AND CLIMATE CHANGE

What does the Zika virus have to do with climate change? [Scientists say](#) that global warming has contributed and is likely to increase the range and speed of the life cycle of the mosquitoes carrying Zika, as well as other diseases, such as Lyme and malaria.

RECOMMENDATION TO FSB: CONSIDER EXISTING CLIMATE DATA TO CUT COSTS

The think tank [Two Degrees Investing Initiative](#) has suggested that the climate change task force of the Financial Stability Board (FSB) pool its climate data to cut costs and simplify matters. Two Degrees Investing Initiative has released a position [paper](#) containing 10

recommendations to the FSB's task force. Some of the questions they are asking include: "What do we know about materiality for investors?" and "Which data already exist".

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THIS WEEK IN NUMBERS

50,000

tons of antibiotics were discharged into China's waterways in 2013.

10,760

is the number of coal mines in China, with more than 1,000 to close in 2016.

1,000

metric tons a year is the target for removing carbon dioxide from the atmosphere, by Climeworks AG.

663

marine species were identified as affected by marine debris, with over half affected by ingestion and entanglement.

500

acres of forest fires in north Sarawak (Malaysia) have increased air pollution to hazardous levels.

200

Indonesian Rupiah (USD 0.01) is the new levy on plastic bags in the country, of which 9.6m are handed out daily.

92

percent of pension funds intend to improve their governance models

7.84

metric tons of waste is produced by US companies for every million dollars of revenue

INSIGHTS

For the Mainstream Investor



Week ending February 26, 2016

Edition 131

ECONOMICS OF CLIMATE CHANGE

Lord Stern, the [Grantham Institute](#) chair and former Treasury advisor, urged researchers to inform policymakers of the immediate risks of climate change and the opportunities in clean tech. In a [piece](#) he authored for the journal *Nature*, he wrote: "Current economic models tend to underestimate seriously both the potential impacts of dangerous climate change and the wider benefits of a transition to low carbon growth. There is an urgent need for a

new generation of models that give a more accurate picture."

He went on to write: "The business-as-usual baseline, against which costs of action are measured, conveys a profoundly misleading message to policymakers that there is an alternative option in which fossil fuels are consumed in ever greater quantities without any negative consequences to growth itself."

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WE'RE WATCHING

The Pensions and Lifetime Savings Association ([PLSA](#)), representing 1,300 schemes in the UK, pushed back against the government proposal to "curb" ESG policies. This comes on the heels of the UK government [banning boycotting](#).

[READ MORE](#)

IS ORGANIC MORE NUTRITIOUS?

The results of a new [meta-analysis](#) published this week in the British Journal of Nutrition adds to the evidence that organic production can boost key nutrients in foods.



DID YOU SEE?

Beijing plans to [raise the threshold](#) for issuing air pollution 'red alerts'

CAN BIG OIL USE 'NO ACTION' – WATCH THE SEC

A group of investors, including New York State Comptroller, Thomas DiNapoli, and the Church Commissioners (Church of England) asked the SEC to deny ExxonMobil's request to block the 2016 shareholder proposal

calling for a response to how the company may be affected by the COP21 climate change agreement. Meanwhile, the Saudis tell big oil to [fight back](#).

[READ MORE](#) (subscription required)

WHAT WE'RE READING THIS WEEK



US Chamber of Commerce Foundation: *Trash to Treasure*

Waste is inefficient and results in significant economic cost. This can be turned into profit.

[READ THE REPORT HERE](#)

BELIEVE IT OR NOT

Bats are known for harbouring some of the deadliest diseases to humans: Ebola, rabies, etc. But the animals themselves don't die from the disease. Therein lies a clue that may provide researchers with clues to treat and prevent these diseases in humans.

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