

**Re-branding toxic strategies:** This month we spoke at the CLSA Investor Forum on the same day as Steve Bannon. His rhetoric on economic nationalism is nothing new, but do these strategies make sense given China's dominance in critical raw materials (CRMs)? CLSA U@'s report warns that transitional risks are abound across key CRMs as China says no to pollution and yes to a high-tech future. However brands' "no sense strategies" point to focus on short-term profits rather than mitigating such risks. Is this sustainable? Find out in our review. Even Apple does not have a traceability system in place for CRMs found in their products. Plus, what lies ahead for rare earth recycling? Researcher Liu expands. With China committing to embed environmental risk into credit policies, it's essential to identify 'hotspots' across assets or supply chains. Here, we expand on a new dashboard which gauges water risks across operations, suppliers or investments - check it out! The textile industry also faces similar risks and circular fashion was a hot topic during World Water Week. Is fast fashion poised for a circular makeover? See our key takeaways. Government action is also ramping up with the recent initiation of Green Power Certificate trading. China is gearing up to be "future ready" on less pollution: brands need to wake up and re-brand toxic and short-sighted strategies for a cleaner and circular future.



**EDITORIAL**

**Re-branding toxic strategies:** This month, aside from a panel on Environmental Risk Assessment (ERA) moderated by the Bank of England, we also spoke at the CLSA Investor Forum on the same day as Steve Bannon. His rhetoric on economic nationalism and protecting America is nothing new, but do these strategies make sense given China's dominance in critical raw materials (CRMs)?

CLSA U@'s report "Toxic Phones: China Controls the Core", which we guest-authored, warns that transitional risks are abound across key CRMs as China says no to pollution and yes to a high-tech future. These CRMs are essential to driving the phone's interactive core (from touch, sound, feel and vision).

However, despite looming risks, brands' current "no sense strategies" point to focus on short-term profits rather than mitigating such risks. Is this sustainable? Find out in our review of key risks and brand performance.

There is also significant reputational risk associated with the toxic core. Even Apple, which leads in green commitments, does not have a traceability system in place for CRMs and rare earths found in their products, making them complicit to the global black market, illegal mining and improper treatment of radioactive waste. Plus, what lies ahead for rare earth recycling? Researcher Hongqiao Liu expands.

With the rise of ERA and China's commitment to embed environmental risk into its credit policies, it's important to be able to identify 'hotspots' across your assets or in your supply chain. Here, we expand on a new dashboard which can help gauge different types of water risks across your operations, suppliers or investments at a glance - check it out!

It's not just electronics, the textile industry also faces similar risks. Our recent report revealing insights from manufacturers in China show that they are already bearing the increased costs of compliance. Indeed, circular fashion was a hot topic during World Water Week. Is fast fashion poised for a circular makeover? Check out our key takeaways from Stockholm.

Government action is also ramping up. Although China's current subsidy system for renewable energy is overburdened, we see positive change ahead with the recent initiation of Green Power Certificate trading.

China is gearing up to be "future ready" on less pollution. Brands need to wake up to a new resource reality and re-brand toxic and short-sighted strategies for a cleaner and circular future.



**Toxic Phones: China Controls the Core**  
We review CLSA U@'s report which warns that transitional risks are abound as China says no to pollution and yes to a high-tech future. Tan queries Bannon's logic and sets out our top-5 'beware's'  
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**Apple & Rare Earth Recycling**  
Although Apple is leading smartphone giants in green commitments, its transparency and traceability of rare earth supply can be improved. Plus, what lies ahead for rare earth recycling? Hongqiao Liu expands  
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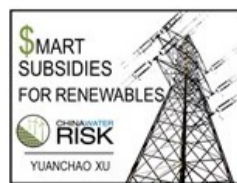
**Electronic Brands: Sustainable Or Not?**  
The new CLSA U@ report cautions that despite looming risks, brands' no sense strategies point to focus on short-term profits rather than sustainability. See who's doing what from green supply chains, recycling, obsolescence to reparability  
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**At A Glance: Water Risk Dashboard**  
Need to gauge water risks across your operations, suppliers or investees at a glance? CWR's Thieriot expands on a new dashboard for exactly that - check it out!  
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**2017 World Water Week: Key Takeaways**  
The theme this year was 'Water and Waste: Reduce & Reuse' and perhaps unsurprisingly textiles was a key focus area along with circularity. Check out CWR McGregor's takeaways on both water and textiles from Stockholm  
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**GPC: Smart Subsidies For Renewables**  
China's current subsidy system for renewable energy is overburdened. However, we see positive change ahead with the recent initiation of Green Power Certificate trading  
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**TAPPING IN**

**New CWR Reports!**

- CWR: [Insights From China's Textile Manufacturers: Gaps To Overcome For Clean & Circular Fashion](#)
- CLSA U@: [Toxic Phones: China Controls The Core](#): CWR guest-authors report for CLSA U@ (CLSA Clients only)

**Government**

- NDRC, MIIT, MoF, MEP, MWR, PBoC, NEA et al: [Promoting the Structural Reform of the Supply Side to Prevent & Resolve the Risk of Over-capacity of Coal-fired Power Industry](#): coal-fired power capacity to be <1.1TW by 2020
- MEP: [Implementation Opinions on Promoting Third-party Treatment of Environmental Pollution](#): including trading pollutant discharge permits
- MEP, NDRC, MIIT, MPS, MoC, SAIC: [Notice on Jointly Carrying out the Clean Up & Rectification of Recycling Sectors](#): incl. e-waste, plastics & clothes
- NEA: [Notice on Establishing Monitoring & Appraising System for PV Power Plant Development Market \(Consultation Paper\)](#)

**Reports**

- Trucost, Energy Foundation China: [The Hidden Costs of China's Coal-to-Chemical Sector](#)
- IPE, Wilson Center: [Corporate Water Risk Assessment Tool: A Look at China's Coal Co's](#)
- IPE, NDRC: [Pollution Info Transparency Index](#)
- BSDC: [Better Business Better World: Sustainable Business Opportunities in Asia](#): USD5trn in business opportunities in Asia to pursue SDGs
- WRI: [Thirsting for Justice: Transparency & Poor People's Struggle for Clean Water in Indonesia, Mongolia, & Thailand](#)
- CDP, AECOM, Bloomberg Philanthropy: [Who's Tackling Urban Water Challenges?](#)
- UNIDO: [Accelerating Clean Energy Through Industry 4.0](#)

**Interest**

- Rare earths, tungsten & cobalt prices soar
- China to ban new mercury mines
- 200,000 river chiefs appointed so far
- China launches 8,000 water clean-up projects worth USD100bn in 1H
- China pledges to cut northern air pollution by 15% each year
- China targets farm waste as a 'clean power source'
- 18,000 co's punished & 12,000 officials disciplined in last pollution crackdown
- Beijing: issues fines worth >RMB83mn in campaign against pollution
- 1,000+ summer flood casualties in south Asia

**Hot on Weibo:**

- At least 3 arrested after 800 tonnes of dead pigs dumped in east China

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