

Insight **Trash talk: why waste might not be wasted**

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**Consumers are showing few signs of cutting down their consumption or the waste they create**



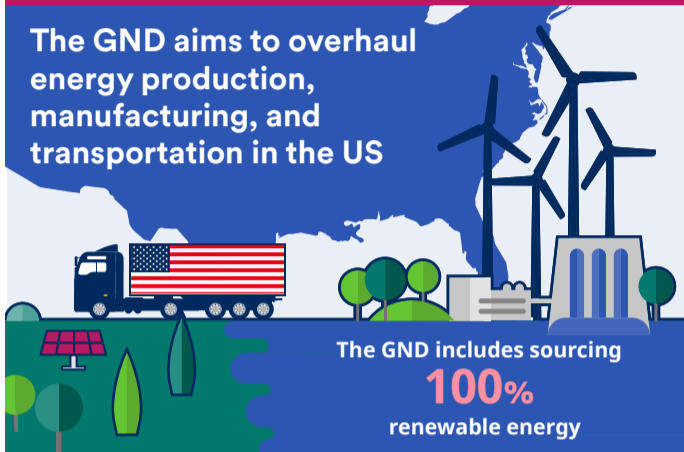
So...

- Turning trash into treasure** now looks crucial to combatting climate change
- Waste is valuable** - a tonne can generate 500-600kWh of electricity
- Improving technologies are providing attractive** business opportunities:
  - Developing plastic eating bacteria
  - Turning waste into insulation

Interpret **The US Green New Deal (GND) and what it means for investors**

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**The GND aims to overhaul energy production, manufacturing, and transportation in the US**

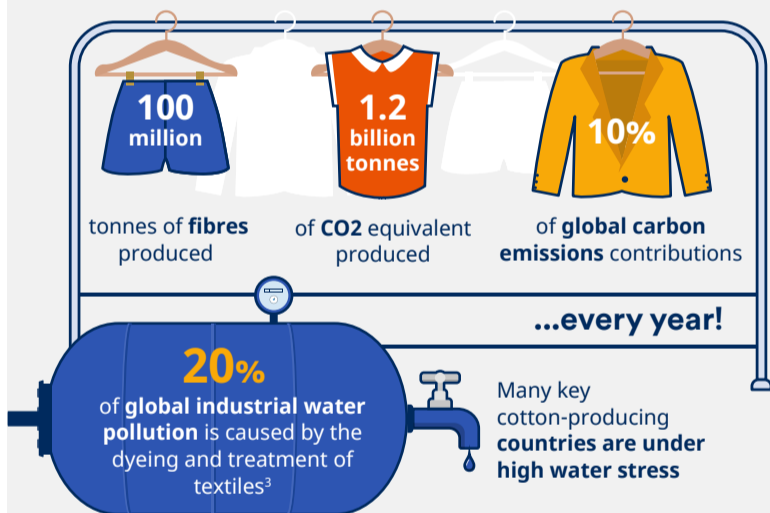


- It also targets **environmental policies, poverty, unemployment, and inequality**
- 54 countries have committed** to make their power 100% renewable, but the GND is the most ambitious
- Humans are the biggest factor** affecting climate change and public policy will be crucial to combatting this
- The impact of the GND means that **companies can no longer push costs** created by their products, services and operations onto society
- Unpriced social impacts will become **priced financial impacts**

Influence **Sustainable fashion: the future of the textile industry**

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**The textile industry is one of the most polluting industries globally...**



So what can be done?

More consumers say they are willing to pay more for sustainable goods⁴



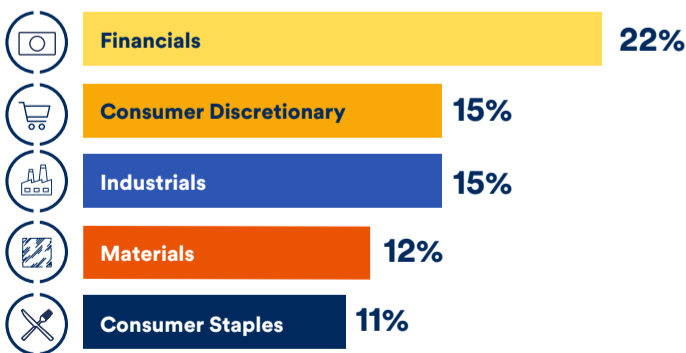
Potential solutions:

- Produce fibre using **"closed loop"** systems which avoid waste
- Save water by **using alternative ways to dye textiles** - e.g. digital printing
- Use more **environmentally friendly wood-based fibres** like Lyocell and Modal
- Recycle fibres and extend garment life** - less fast fashion

Influence

**Our engagement with companies**

Top 5 sectors in Q2 2019

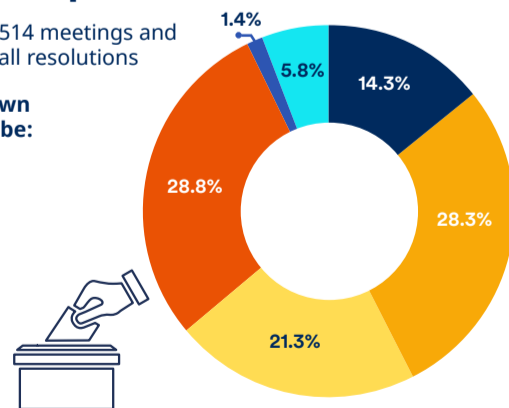


**Active ownership**

In Q2 2019 we voted on 3514 meetings and approximately 99.29% of all resolutions

How the votes break down by region across the globe:

- UK
- Europe (ex-UK)
- North America
- Asia Pacific
- Middle East & Africa
- Latin America



Source: Schroders as at 30 June 2019. ¹World Economic Forum estimates ²World Bank estimates ³World Bank estimates ⁴Nielsen data

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