China’s rapid economic development over the last four decades has come at a cost, as the country now faces an array of environmental challenges. The government is fighting back with a comprehensive policy response designed to create a more sustainable economic model.

**A COMPREHENSIVE POLICY RESPONSE**

**TOTAL: 2.2 TRILLION USD – INVESTMENTS TO 2020**

- **ENERGY EFFICIENCY**
  - USD373bn

- **WASTE MANAGEMENT**
  - USD831bn

- **RENEWABLE POWER**
  - USD361bn

- **WATER MANAGEMENT**
  - USD291bn

- **AIR POLLUTION**
  - USD248bn

- **ELECTRIC VEHICLES**
  - USD98bn

**BY 2030 CHINA INTENDS TO:***

- Reach peak CO² emissions
- Increase the share of non-fossil energy to around 20%
- Reduce the carbon intensity to 60-65% below 2005 levels

**INVESTORS CAN CAPITALIZE ON SOLUTIONS THAT PROVIDE EXPOSURE TO THE CHINESE ENERGY TRANSITION**

- **HARNESS THE FUNDAMENTAL CHANGES IN CHINESE ECONOMIC GROWTH.**
  - S&P NEW CHINA INDEX
    - An index that captures China’s transition from investment-led growth to consumption-led growth – such as consumer, technology and healthcare.

- **CREATING A CLEAN BENCHMARK FOR THE CHINESE ENERGY TRANSITION.**
  - FTSE DIVEST INVEST CHINA A INDEX
    - An index that invests in Chinese companies leading the shift to a Low Carbon Economy, while utilizing FTSE’s Divest Invest Methodology.

- **INVEST IN THE CHAMPIONS OF THE CHINESE ENERGY TRANSITION.**
  - CHINA GREEN BASKET
    - A basket of stocks that invests in environment and clean energy stocks, where the majority of the revenue is from environmental protection and clean energy.

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*Source: ENEA Consulting analysis based on National Energy Administration, 2016 - IEA Energy Efficiency report, 2016 - International Trade Administration

**Source: China NDC (www4.unfccc.int)**
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