

IMPACT INVESTING MONTHLY

August 2024

Your monthly update on impact investing

Impact Investing at AOWM

Seeking companies that
turn a profit making a
sustainable impact on
society and the
environment

August's update includes a company highlight on Stantec, charts on greenhouse gas emissions, and links to further resources on these fronts. As always, if you would like to talk about impact investing in general or your impact portfolio specifically, please do not hesitate to email me.

Grace and Peace,



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Company Highlight on Stantec

Stantec (stantec.com) is an engineering, architecture, and environmental consulting firm with a focus on sustainable development. Founded in 1954 and based in Canada, Stantec works on projects around the globe, **envisioning** “a world where infrastructure has a positive outcome for everyone, water is protected, natural systems are valued, biodiversity is respected, economies are circular, nothing gets wasted, development is responsible, everyone can access clean energy, and society is just.” Stantec ranks **9th** on **Corporate Knights Global 100**, a list of public companies that are “driving the transition to a low-carbon, circular economy” according to research by Corporate Knights.



Infrastructure



27%

Water



21%

Environmental Services



20%

Buildings



19%

Energy & Resources



13%

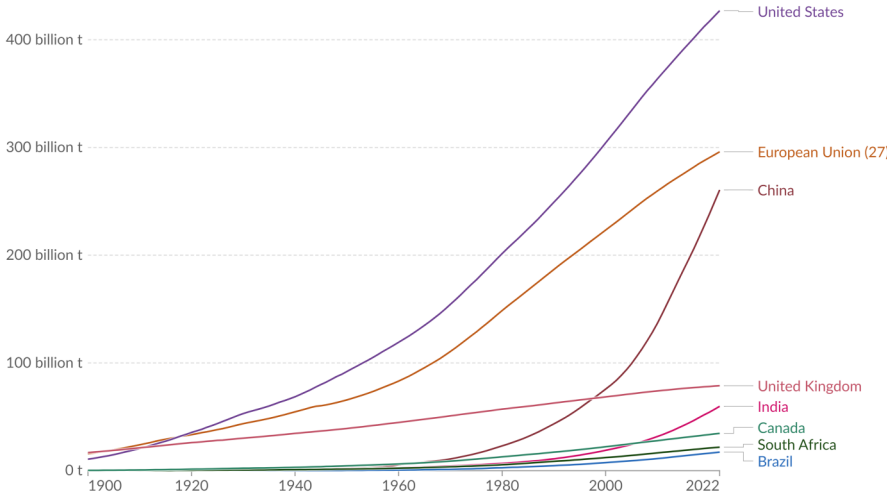
Net Revenue

Charts of the Month

(click on the charts to get a better view and citations)

Cumulative CO₂ emissions

Running sum of CO₂ emissions produced from fossil fuels and industry¹ since the first year of recording, measured in tonnes. Land-use change is not included.



Data source: Global Carbon Budget (2023)

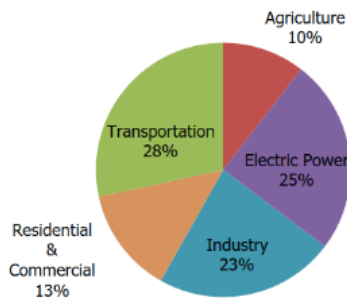
OurWorldInData.org/co2-and-greenhouse-gas-emissions | CC BY

1. **Fossil emissions:** Fossil emissions measure the quantity of carbon dioxide (CO₂) emitted from the burning of fossil fuels, and directly from industrial processes such as cement and steel production. Fossil CO₂ includes emissions from coal, oil, gas, flaring, cement, steel, and other industrial processes. Fossil emissions do not include land use change, deforestation, soils, or vegetation.

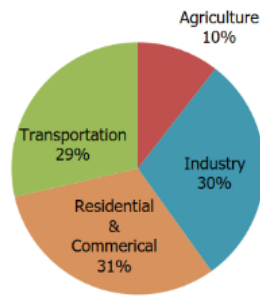
The charts this month focus on greenhouse gas emissions. The first comes from [Our World in Data](#) and the [Global Carbon Budget](#). The top chart shows the cumulative CO₂ emissions since 1900. Although China currently emits the [most](#) CO₂ annually, the United States and Europe account for the greatest historical emissions overtime. The United States also has comparatively higher per capita carbon emissions. These dynamics spark debate about [who is responsible](#) for taking the lead for [mitigating and adapting](#) to climate change.

The bottom charts come from the EPA (Environmental Protection Agency) and show the [major sources of green house gas](#) emissions overall in the US, including industry, electricity, residential & commercial use, transportation, and agriculture. The nonprofit [Project Drawdown](#) offers a comprehensive overview of climate solutions ranked by effectiveness and cost efficiency, and it has a [Climate Solutions 101](#) video series. You can see more about ways to reduce emissions in each of these areas [here](#).

Total U.S. Greenhouse Gas Emissions by Economic Sector in 2022



Total U.S. Greenhouse Gas Emissions by Economic Sector



Total U.S. Greenhouse Gas Emissions by Economic Sector Including Electricity End-Use Indirect Emissions

Resources

Climate Solutions 101
Project Drawdown
2021
(6 videos ~15 min each)

“Have Climate Questions? Get Answers Here”
The New York Times
September 6, 2023
(Glossary of Questions)

The Fifth National Climate Assessment
U.S. Global Change Research Program
November 14, 2023
(32 Chapters)
(Overview 47 pgs)

***“Most Climate Policies Don’t Work. Here’s
What Science Says Does Reduce Emissions.”***
The Wall Street Journal
August 22, 2024
(4 min read)

What is Impact Investing?

The term **“Impact Investing”** focuses on investments made *“with the intention to generate positive, measurable social and environmental impact alongside a financial return.”*¹ Many people talk about this intersection of social, environmental, and financial values as a focus on the **triple bottom line of people, planet, and profit.**² Others also highlight the ways that environmental, social, and financial values are really **“blended values,”**³ given that the operations, products, and services of any business always have effects (whether positive or negative) on society, the environment, and the financial bottom line.

“ESG” is a term that stands for “Environmental, Social, and Governance” factors that can affect a company’s long term financial health as well as well-being for broader society and the environment. The term ESG was coined in a 2004 United Nations report entitled, “Who Cares Wins: Connecting Financial Markets to a Changing World,” and this report highlights the ways *“successful investment depends on a vibrant economy, which depends on a healthy civil society, which is ultimately dependent on a sustainable planet.”*⁴

ESG analysis usually focuses primarily on how a changing world (socially and environmentally) might affect a company’s financial return. Impact analysis usually focuses on how a company’s operations and products affect society and the environment. The two types of analysis are distinct but complementary and can be used to help you blend your values with your investments.

Sources

¹ Thegiin.org; see also rockefellerfoundation.org/from-the-archives/global-impact-investing-network-giin/

² “Triple bottom line,” *The Economist*, Nov 17, 2009. economist.com/news/2009/11/17/triple-bottom-line

³ Blendedvalue.org

⁴ UNepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf

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