

IMPACT INVESTING MONTHLY

November 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

November's update includes a highlight on American Water Works, charts about water sanitation, 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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Highlight on American Water Works

American Water Works Company, Inc (amwater.com) is a regulated water and waste water treatment utility serving 14 million people across 14 states and 18 military installations in the US. American Water's [mission](#) is to "keep life flowing by providing safe, clean, reliable, and affordable water and wastewater services." With roots back to 1886, American Water is headquartered in Camden, NJ, and the top five states it serves are NJ, PA, MO, IL, and CA. Its core customer base is residential and commercial. American Water currently ranks [68th](#) on [JUST Capital's](#) ranking of large public companies' investment in all stakeholders and [52nd](#) on [Forbes America's Best Large Employers](#) list. See more about American Water Works in its Sustainability Report [here](#).



Chart of the Month

Our chart of the month (see below) comes from [Our World in Data](#) and provides an overview of access to safely managed, effective sanitation facilities across the globe. Clean water and sanitation is critical to reducing communicable diseases, which were by far the **leading cause of death** in the United States a hundred years ago, and remain a leading cause of death in many countries around the world. See more on these fronts [here](#).

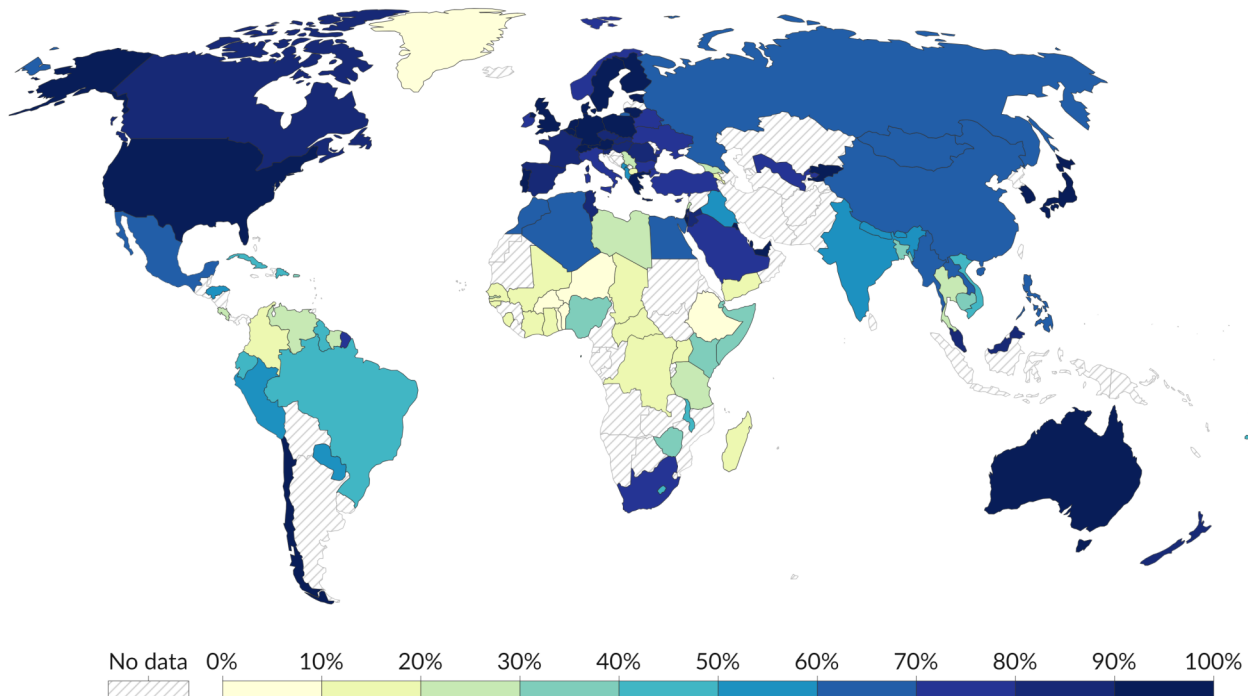
To the right is an infographic from United Nations Sustainable Development **Goal 6: Clean Water and Sanitation**, which aims to “ensure availability and sustainable management of water and sanitation for all.” You can see how wastewater treatment plants commonly work [here](#).



Share of the population using safely managed sanitation facilities, 2022

Our World in Data

Safely managed sanitation is improved facilities¹ which are not shared with other households and where excreta are safely disposed in situ or transported and treated off-site.



Data source: WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP) (2024)
OurWorldinData.org/sanitation | CC BY

1. Improved sanitation facilities: Improved sanitation facilities are those designed to hygienically separate excreta from human contact, and include: flush/pour flush toilets connected to piped sewer systems, septic tanks or pit latrines; pit latrines with slabs (including ventilated pit latrines), and composting toilets.

Resources

How Do Wastewater Treatment Plants Work?

Concerning Reality
December 1, 2017
(10 min video)

A Brief History of Toilets

TED Ed Video
Lessons Worth Sharing
June 2021
(5 min video)

Flushed Away: Sewers through History

Science Museum, London
February 2, 2021
(5 min read)

Take the Toilet Quiz 6 Questions

Bill & Melinda Gates Foundation
Discovery Center
August 28, 2024

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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