



Terra Alpha Newsletter

Celebrating 245 Years of Change

Reflecting on the 245th U.S. Independence Day, it's impossible to ignore this country's remarkable history of resilience through constant change. Since its founding, the U.S. economy has, over the long run, remained a reliable engine of opportunity despite wars, recessions, pandemics, and social upheaval. Innovation has been a central part of our shared history as new approaches and technologies have forged new markets and careers, often causing the demise of existing ones.

We are living in a unique period of particularly rapid global change. Social inequities and critical environmental threats demand action, while disruptive tech permeates virtually every sector of the economy. In order to maintain our long-term economic success, we must confront these realities to build a truly sustainable economic system that serves the needs of society while operating within our planet's natural resource boundaries.

As a firm, we embrace the inevitability of change that can bring a more enduring and sustainable world to all. We incorporate long-term secular trends into our investment process and actively engage with the business sector to support more sustainable business practices. In this quarter's newsletter, we share some of the recent work we have taken on to make a positive impact in our changing world.

Terra Alpha Advisory Board 2021 Meeting

The Terra Alpha Advisory Board provides critical insights to support our firm's mission and inform our investment and impact processes. The board consists of scientists, economists, academics, financiers, authors, and astronauts who bring a wide diversity of perspectives to our work.

In May, the board held its annual meeting (virtually). The primary agenda item for this year's meeting was to review our firm's impact work and reassess our firm's sustainable outcome priorities. We have set ambitious goals, but we live in times that require bold actions.

The advisors were in strong agreement that Terra Alpha's primary impact focus should remain on achieving:

- 1) Global reduction of GHG emissions
- 2) Global reduction in water use and impact
- 3) Global reduction in waste creation
- 4) Increased corporate disclosure of environmental impact

There was also considerable input from our board about the importance of seeing an increase in diversity within corporate boards and senior management (and within the Terra Alpha team).

Our board and our team strongly believe that succeeding in these objectives is essential if we are going to build a truly sustainable economy. We plan to share much more information regarding our existing initiatives in the months ahead, including specific targets and methodologies for achieving our impact priorities.

Impact Work

SEC Engagement Letter

In June, we submitted a letter to the U.S. Securities and Exchange Commission in response to its request for comments regarding climate-related financial disclosure.

Our central message to the SEC was as follows, "... we consider material, decision-useful climate-related and ESG information a critical input into well-informed investment decisions and long-term value creation for our investors."

[The full letter is available here.](#)

2021 Global Investor Statements to Governments on the Climate Crisis

Terra Alpha Investments has joined 457 investment firms representing \$41 trillion in assets in signing the [Investor Agenda](#) 2021 statement urging all governments to commit to ambitious climate action by the 26th United Nations Climate Change Conference of the Parties.

[The full statement can be found here.](#)

CERES Valuing Water: Investor Working Group

Terra Alpha was invited by CERES to join a small cohort of investment firms which prioritize corporate water risks and opportunities in order to develop science-based protocols and tools for investors to utilize in their engagements with companies. The overall goal of the initiative is to lower global water use and impact in the business sector.

Thought Leadership

Terra Alpha Voices – Kathryn Murdoch and Margot Lee Shetterly Share Their Perspectives

Terra Alpha Voices highlights thought leaders who inform our investment process, our impact work, and our understanding of current global affairs. This series, created in partnership with author and photographer [KK Ottesen](#), seeks to shed light on the subjects' diverse perspectives rather than their illustrious careers.

A few of our favorite excerpts from recent Voices interviews include:



“What are the responsibilities of companies? I think it was where we started to say, it’s not enough to just focus on this concept of shareholder value. You know, if you’re only designed for shareholder value, you can destroy all the other things that society cares about, right? That could be democracy. That could be the environment. That could be social structures, etc. And ultimately, businesses can’t survive if those underlying structures aren’t there.” - [Kathryn Murdoch](#)



“And I think that is what makes me feel so great about being a part of Terra Alpha is that it is a part of the solution. It’s not the whole solution. I think people kind of think, well, everyone thinks we can just, like, capitalism our way out of this. No. There have to be a lot of different ways and approaches. And this is one of them. One of many. Terra Alpha is proving that if the option is there, people will want to make a better decision.” -[Margot Lee Shetterly](#)

EP Insights - Unilever



Unilever is a London-based consumer goods company and an innovative sustainability leader.

After four years of collaboration across the global packaging industry and waste management organizations, Unilever recently announced the launch of recyclable toothpaste tubes in France and India. These countries represent two of Unilever’s largest markets for toothpaste but are just the tip of the iceberg, as the company plans to make all toothpaste tubes fully recyclable by 2025. The new tubes will be made of mostly High-Density Polyethylene (HDPE), one of the most commonly recycled plastics in circulation. The company’s design is a thin HDPE plastic, further reducing the amount of plastic used in each product. This is a shift from the nearly impossible-to-recycle plastic and aluminum-lined toothpaste tubes that have historically been the industry norm.

[Read our full EP Insight here.](#)

Team News

Welcoming Anea to the Team



We are excited to introduce the newest member of our team, Anea Ferrario. Anea graduated from Brown University in May with dual degrees in Business, Entrepreneurship and Organizations (*Senior Capstone: Rhode Island Infrastructure Bank – Expanding Clean Energy Programs in Rhode Island*) as well as a Bachelor of Arts in Environmental Studies (*Senior Capstone: The Theory and Practice of Sustainable Investing*). He was also Captain of the Men's Varsity Ice Hockey team.

On joining Terra Alpha, Anea says, “My first few weeks have exceeded my expectations. I feel very fortunate to work for a company where impact, continued learning, and collaboration are at the heart of everything we do.”

Anea will work closely with Tara and Katie to support all aspects of the firm's

Business Development activities as we continue growing our investor base and expanding Terra Alpha's brand reach through our thought leadership and impact work.

SASB's Fundamentals of Sustainability Accounting Credential

Senior Research Analyst Jacob Hampton and Investor Relations Senior Associate Katie Bovard each passed their Fundamentals of Sustainability Accounting (FSA) Level II exams and are now FSA Credential Holders.



Team Spotlight: Terra Alpha Summer Interns



Nandhini Nallamotu

Nandhini is from Loudoun County, Virginia. She is a rising junior at The College of William & Mary studying Finance and South Asian Studies. On campus, Nandhini is involved in Women in Business and the Finance Academy. She loves traveling with her family, watching travel and culinary documentaries, and enjoying the outdoors.



Vyshnavi Kosigishroff

Vysh is from Newark, Delaware. She is a rising senior at the University of Pennsylvania, where she studies Economics and Environmental Studies. At Penn, she spends most of her time chairing the undergraduate climate group, exploring vegan restaurants, and with her a capella group. She currently lives in Philadelphia.



About Terra Alpha

Terra Alpha Investments is a public equity manager founded in 2014 by highly experienced investors who share the conviction that our rapidly evolving world requires a change in investing thinking. Our rigorous and proprietary Environmental Productivity (EP) analysis values our planet's natural resources and sits at the center of our successful investment process. Our unique combination of quantitative and qualitative analysis helps us identify companies with the optimal combination of enduring business models and superior EP; which we believe is the primary driver of our ability to deliver superior long-term investment returns for our investors.

Contact

info@terraalphainvestments.com

