



Terra Alpha Newsletter

This newsletter shares a bit of encouraging news in the midst of a bleak news cycle, highlights Terra Alpha's engagement work related to water, provides details on the 2024 Global Investor Statement to Governments on the Climate Crisis, features recent thought leadership publications and actions, including the latest Terra Alpha Voices with Kate Williams, and celebrates positive team updates.

A little bit of optimism in a world awash with negativity

The constant bombardment of negative news and cynically divisive social media challenges even the most optimistic among us. Especially in this moment with a highly consequential US election just a few weeks away, polarizing messages are flooding everyone's email inboxes and phones. This can overwhelm one's senses and create stress and/or depression. A recent LifeStance Health survey indicated that 79% of Americans have said the Presidential election is causing them anxiety.¹

Yet, let's not forget the power of optimism to both lift spirits and engender collaborative efforts to support communities and our environment. At Terra Alpha, our investment work and corporate engagement are built on the belief that over time the collective efforts across society will lead to a shift in our capital markets toward one that rewards companies working to offer societal benefit and reduce their impact on the environment.

As a partial antidote to the negativity, here are some positive news items:

- This week, the [16th UN Biodiversity Conference of Parties](#) (COP 16) is taking place in Cali, Colombia, bringing together 190 countries and 15,000 delegates with the goal of protecting ecosystems.

¹ [LifeStance: The 2024 Election Cycle's Impact on Mental Health & Relationships Survey – October 2024](#)

- The US stock market is at/near an all-time high (this is a good thing!).
- Last month, the UK permanently shut down its last remaining coal-fired power plant.
- The Paris Summer Olympics, despite a rainy start, were a big success.
- This year, Norway became the first country with more electric cars than gas-powered cars.
- The world's first trials for lung cancer vaccines were recently launched across seven countries.
- So far in 2024, 2,288 additional companies saw their Science-Based Targets for greenhouse gas (GHG) emissions reduction efforts validated.
- And after a one-year absence, pandas are back at the Smithsonian National Zoo in DC.



Tim Dunn, CFA
Co-Founder and CIO

Terra Alpha Impact

2024 Engagement Campaign on Water

Catalyzing real world change is one of our firm's three primary outcome goals. We seek to drive companies to improve their environmental performance and reporting, and to advocate for the increased use of environmental productivity thinking in business and investor decision making. To do so, we actively and strategically engage with our portfolio companies on material issues, while also publishing and broadly sharing informative reports, interviews, and insights – primarily on environmental issues.

Terra Alpha views water as a critical business issue for all companies. Key threats to groundwater – such as eutrophication, depletion, metals contamination, and plastic pollution – pose significant risks to the environment and human health. Without deliberate management of our limited water resources, businesses, supply chains, livelihoods, and infrastructure face serious vulnerabilities.

Further, climate change disrupts global water cycles, influencing precipitation and weather patterns that are already impacting business in their value chain. According to CDP's May 2022 article, [High and Dry: How Water Issues Are Stranding Assets](#), "69% of listed equities, reporting via CDP, state that they are exposed to water risks that could generate a substantive change in their business. The potential value at risk tops out at US \$225 billion."

As we shared in our [2023 Impact Report](#), Terra Alpha interprets and ranks quantitative and qualitative data for all portfolio companies to determine which companies are in need of the biggest engagement "push." Led by Investment Analyst and our Resident Expert on Water, Marissa Oliveri, and Director of Corporate Engagement, Amy Dine, we utilized our dashboard that tracks

water-related metrics and engaged with each of our portfolio companies, focusing particularly on the “laggards” that either do not disclose water data or conduct water risk assessments. Terra Alpha views such disclosures as investment-critical for understanding business use and impact of freshwater resources, and for assessing the level of risk a business faces.

We also engaged with the “leaders” in our portfolio who do disclose such data, as we recognize that no company is “perfect” at this time. These engagements revolved around target-setting and plans to achieve those targets. We have pushed to talk to each of these companies, and look forward to sharing progress in a later publication.

2024 Global Investor Statement to Governments on the Climate Crisis

In September, Terra Alpha once again signed the annual Global Investor Statement to Governments on the Climate Crisis, which asks governments across the globe to support regulations and policies to address climate change.

This statement is signed by 534 financial institutions managing more than USD \$29 trillion in assets. Investors recognize that policy mechanisms are essential to achieve a net zero emissions economy by 2050 or sooner, with interim targets in line with credible 1.5°C pathways. To achieve this goal, this statement calls for a whole-of-government approach across five critical policy groupings:

1. Enacting economy-wide public policies;
2. Implementing sectoral strategies, especially in high-emitting sectors;
3. Addressing nature, water and biodiversity-related challenges contributing to and stemming from the climate crisis;
4. Mandating climate-related disclosures across the financial system; and
5. Facilitating further private investment into climate mitigation, resilience, and adaptation activities in emerging markets and developing economies.

Find out more about the climate policy asks [here](#).

Thought Leadership

The Sustainable Finance Podcast with Paul Ellis, Featuring Tim Dunn



Our Co-Founder and CIO, Tim Dunn, sat down with Paul Ellis on [The Sustainable Finance Podcast](#), a podcast where advisors and investors can learn about sustainable and impact investing from experts in the field. In this episode, Paul and Tim discuss how Terra Alpha approaches sustainable investing and corporate engagement, and works to have impact.

[Listen to the full podcast episode here.](#)

Events & Engagements

- Director of Corporate Engagement, Amy Dine, led Terra Alpha’s effort in submitting our 2024 Report to [Principles for Responsible Investment](#) (PRI).
- Senior Investment Analyst, Nathaniel Schwartz, and Tim Dunn attended and shared our perspectives on the GHG emissions and water impact from data centers at a community meeting held by the [Piedmont Environmental Council](#).

Terra Alpha Voices | Kate Williams



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.

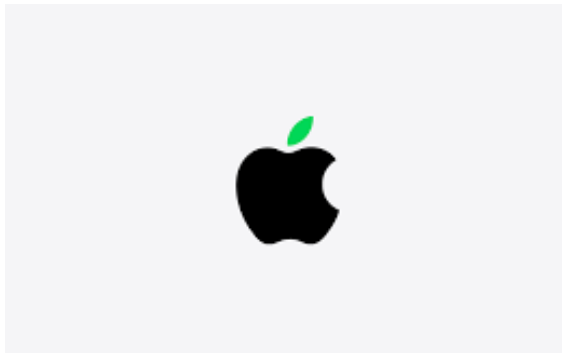
In our latest installment, KK sat down with [Kate Williams](#), CEO of [1% for the Planet](#), where they discuss how the organization is empowering

businesses to drive purposeful environmental progress.

Terra Alpha has been an active member of 1% for the Planet since 2017 with over \$70,000 donated to their environmental network partners.

[Read the full Terra Alpha Voices here.](#)

EP Insight | Apple: Electronic Waste



In September 2024, Terra Alpha highlighted how Apple is working to address the unprecedented surge in toxic, nonbiodegradable electronic waste with advancements in product durability, recycled materials, and technology.

Their multifaceted approach demonstrates their leadership in innovation and environmental stewardship, and is an example of how advances in recycling technology and industry-wide

collaboration can drive progress toward a more sustainable future.

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

EP Insight | Waste Management: CORE®



In our latest EP Insight, Terra Alpha highlighted how Waste Management’s CORE® (Conversion of Organic Residuals) technology is helping to lower methane emissions by transforming organic food waste into renewable energy.

Landfills emit a significant amount of methane, and the US Environmental Protection Agency (EPA) estimates that food waste accounts for an estimated 58% of those emissions.² WM’s innovative approach, alongside emerging

policies and government support, is paving the way for a healthier, more sustainable planet.

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

Team Updates

- Congratulations to our Senior Investment Analyst, Nathaniel Schwartz, for earning his Chartered Financial Analyst (CFA) designation from the CFA Institute.
- We are happy to note that our Senior Investment Analyst and Director of Research, Julianna Brunini, returned from maternity leave on October 1st. Julianna and her husband, Ben, welcomed their first child, Isaac, on June 26th, 2024. The whole family is doing well.



About Terra Alpha

Terra Alpha Investments is a global public equity manager that is 100% committed to sustainable investing. We seek to allocate investor capital toward companies we expect to profitably lead the transition to a truly sustainable economy. We believe that our rigorous and

² [WasteDive: EPA reports quantify methane emissions from organic waste, retire food recovery hierarchy](#)
EP Insight Photos: Apple & WM

proprietary Environmental Productivity and Enduring Business Model investment process and our corporate engagement strategy can generate financially competitive and superior environmental returns for our investors, while also driving impact. Both our diversified and our concentrated strategies are long-only, in highly liquid securities, and open to accredited and qualified investors.

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