



Terra Alpha Newsletter

This newsletter explores the “unknown unknowns” of the Trump 2.0 administration, offers an update on Terra Alpha’s impact work and water campaign, and highlights our latest thought leadership publications. We welcome The Russell Family Foundation as a new mission-aligned investor, share the latest edition of Terra Alpha Voices featuring board member Justin (Chester) White, and provide team updates, including a special note from Tim about his recent trip to Antarctica. Additionally, our summer 2024 interns reflect on their experiences with the team.

“Unknown unknowns”

Observations about Trump 2.0

With the inauguration of Donald Trump as the 47th President and the swearing in of the Republican led US Senate and House, we are quickly seeing actions that will have major policy and budget changes in the years ahead. This follows many surprising nominations for Cabinet positions and some wildcard roles for unofficial advisors to the President. Collectively, these actions foreshadow an administration that will be full of “unknown unknowns,” to quote former US Defense Secretary Donald Rumsfeld. This catch-phrase, first expressed in 2002, is commonly defined as an event about which we were neither previously aware of, nor actually understood (e.g. the idea of “re-taking” the Panama Canal or renaming the Gulf of Mexico).

We all need to be prepared for “unknown unknowns,” which requires perspective and resilience. We also need to prepare for “known knowns,” as the incoming administration has been very open about several of their macro priorities (e.g. deregulation and federal spending cuts). In my mind,

there is also little doubt that many of the actions taken by President Trump will be designed to slow, perhaps reverse, the important progress required to mitigate the worst environmental impacts that we face. These actions will include pulling the US out of the 2015 Paris Accord (again), stopping proposed SEC corporate environmental disclosure rules, reducing funding for the Environmental Protection Agency, halting the Department of Energy's Loan Program Office's lending for innovative clean energy and advanced transportation, and changing energy policies and regulations.

There are also many real world "known knowns" that we should acknowledge as we enter 2025, including:

1. **The environmental threats/challenges we as a society face are growing more rapidly than previously forecasted** with 2024 setting new records for global temperatures. In turn, this caused a record 27 \$1 billion+ weather/climate change related natural catastrophes in the US, with total 2024 event costs of \$183 billion (according to NOAA) ¹. Given the wildfires in LA, 2025 is already likely to break a new record for annual total catastrophic losses.
2. **Progress to mitigate the worst impacts of environmental damage is happening, though at a slower pace than needed** (see point #1), with record levels of global electric vehicle (EV) sales, solar power installation, and progress on emerging clean energy technology.
3. **Given the current and expected unwinding of US Federal government regulation, policy and spending, the onus is once again on the private sector (individuals, NGOs, companies, and investors) to do even more work if we are going to overcome environmental challenges.**
4. **We are and will see even more robust organized obstructive action (both legal, regulatory, and coercion) against private sector initiatives**, targeting high-profile individuals, companies, and investment firms.

Another "known known" is Terra Alpha's commitment to enabling a sustainable planet for all society. We aim to accomplish our shared goals primarily through our investment process, which seeks to provide our investors with competitive financial returns, superior environmental returns, and real-world impact through thought leadership and direct corporate engagement. Central to achieving our goals are our two research frameworks which seek to identify companies that are profitably leading the transition to a truly sustainable future. Based on our internal research, each company in the portfolio has a strong Enduring Business Model and a high level of Environmental Productivity (which we define as being more efficient in the use of natural resources while reducing negative impacts on those essential resources). Broadly, we have also found that most of the companies in which we invest have built into their leadership teams, strategy, and operations a high level of resilience as they have navigated times of both "known knowns" and "unknown unknowns" (e.g. war, pandemic, financial crisis, and/or political change).

As an investment firm, we too have navigated through many "interesting" times over our firm's first 10 years, and for many of us much longer as investment professionals. Of note, we managed through the many "unknown unknowns" of the first Trump administration. Counter to what might have been expected, the four years of the first Trump presidency were positive years for our firm and our investor outcomes. Yet, we acknowledge that the years ahead are likely to hold new

¹ [NOAA - Billion Dollar Weather and Climate Disasters](#)

surprises and unexpected outcomes. We will stay focused on our clearly stated long-term goals, which serve the interests of our investors, as well as society.



Tim Dunn, CFA
Co-Founder and CIO

Terra Alpha Impact

In the final quarter of 2024, we were actively engaged and continued direct engagements with portfolio companies, ending the year with well over 100% engagement with portfolio holdings and some good progress. We were particularly active in the fourth quarter responding to and following up on our 3Q 2024 Water Campaign launch (more details below), as well as continuing efforts to encourage science-based net zero targets, and moving forward our research and engagement plans on plastic waste, which we will share more about later in 2025.

With a positive outlook, we are eager to take our impact work into 2025, expecting that there will be regulatory changes and challenges, while our direct engagement with companies aims to continue to encourage better operational efficiency with natural resources, plans to achieve such, disclosure, and identifying and managing risks and opportunities. We do our impact work to catalyze capital markets and companies to value sustainable business activity that results in successful investments for our portfolio.



Amy Dine
Director of Corporate Engagement

2024 Engagement Campaign on Water Update

As we have noted in our 3Q 2024 newsletter about our Water Campaign, 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. As such, we strive to have all portfolio companies be engaged in their use of and impact on global freshwater resources.

The portfolio-wide water campaign had a high rate of immediate responses to customized letters sent to portfolio companies in September, and as a result, we met with over 20% of our companies about Water in the fourth quarter. We are focused especially on moving the needle for companies

we have deemed “laggards” – those who are behind their industry peers by providing weak to no water risk assessment or have not disclosed operational water data. The good news is that this category was only about a third of our portfolio at the launch of our Water campaign in the third quarter, as 69% of our portfolio have conducted and disclosed a Water Risk Assessment. We heard back within the fourth quarter from 40% of the laggards and are going forward to understand the evolution of each company’s plans. We will be engaging, monitoring progress, and escalating our communication efforts as needed.

2024 PRI Reporting Cycle Results



The [Principles for Responsible Investment](#) (PRI) is a UN-supported network of investors that is the world’s leading proponent of responsible investment. It works to promote sustainable investment through the incorporation of environmental, social and governance factors into investment decision-making.

The UN PRI recently released the results from the 2024 reporting cycle. Terra Alpha Investments has been a signatory to the UN PRI since 2017, and first reported in 2018. We are pleased to continue to be active signatories of UN PRI, as we have always advocated for greater disclosure of material environmental information and data.

[You can find Terra Alpha’s full Transparency Report here.](#)

Note: The high-level assessment methodology can be found [here](#) and question-level assessment criteria can be found after each indicator in the Investor Reporting Framework, [here](#).

Thought Leadership

The Russell Family Foundation & Terra Alpha

Terra Alpha is proud to welcome [The Russell Family Foundation](#) (TRFF) as an investor. Aligned in our shared commitment to sustainability, we look forward to advancing the transition to a net-zero economy together. In the article below, TRFF shares how they use their investment portfolio as a tool to work toward their goal of reaching net zero by 2030, and building a sustainable and equitable future for all.

Both Terra Alpha and TRFF are driven by mission-aligned investing, and this partnership reflects our mutual commitment to advancing sustainability through strategic investments.

Read more in TRFF's article below.

Forward-thinking Climate Action Strategies with Terra Alpha Investments



The Russell Family Foundation is a private family foundation that is focused on creating a thriving, equitable, and sustainable Earth. Their mission is to invest in people and places to advance environmental sustainability and address the climate crisis.

Events & Engagements

- Senior Investment Analyst, Nathaniel Schwartz, CFA, attended the S&P [Datacenter and Energy Innovation Summit](#) in Washington, D.C.
- Research Analyst, Roshni Puli, attended Innovation Forum's [Sustainable Packaging Innovation Forum](#) in Philadelphia, PA.
- Co-Founder and CIO, Tim Dunn, CFA, was a session panelist at [Gratitude Railroad's](#) gathering in Santa Cruz, CA, where he spoke on the current politics and trends in sustainable investing.
- Director of Corporate Engagement, Amy Dine, attended the [Intentional Endowments Network's](#) 10 Year Anniversary Gala Dinner in Boston, MA.
- Tim attended the [CFA Society of Washington's](#) Impact Investor reception.

Terra Alpha Voices | Justin (Chester) White



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 Chester White, Founder & CEO of [LTMA Capital](#), a blended debt and venture fund advancing human rights and gender equality. Chester is also the owner of Main Line Social, a forthcoming restaurant and community event space in Carbondale Colorado, which is committed to exclusively serving women-owned beers, wines, and spirits, while being a best-in-class employer.

In their conversation, Chester reflects on his journey – from teaching in Costa Rica to leading social justice and gender equality initiatives at Mars, Inc. – and how these experiences ultimately inspired him to launch LTMA Capital. They also discuss how businesses can drive social change, empower individuals, and create lasting, scalable impact in communities around the world.

Chester joined Terra Alpha's board in 2024, bringing valuable perspectives shaped by his work at a global multinational, a focus on social and labor issues, and a fresh, youthful viewpoint.

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

EP Insight | Zillow: Climate Risk Data Integration



As climate change drives more frequent extreme weather events, over 80% of homebuyers are considering climate risks in their purchasing decisions. In December 2024, Terra Alpha highlighted how [Zillow](#), in partnership with [First Street](#), integrates climate risk data – covering flood, wildfire, wind, air quality, and heat – directly into property listings, empowering consumers to make informed, climate-conscious choices. This innovative approach is

setting a new standard for sustainability in real estate.

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

EP Insight | Alphabet: Navigating Global Data Demand vs. Net Zero Commitments



As digital demand rises, so does the energy consumption of data centers, which are projected to account for up to 9% of global electricity use by 2030. While data centers are essential to modern infrastructure, renewable energy struggles to keep pace, and much of the new energy needed is still sourced from fossil fuels, further driving emissions and contributing to climate change.

In our latest EP Insight, Terra Alpha highlighted how [Alphabet Inc.](#) is publicly addressing these challenges through innovative partnerships to align future data center growth with renewable

energy. While this commitment to progress is a step in the right direction, we recognize urgent action is still needed by Alphabet and across the industry.

Alphabet’s efforts show that meaningful change is possible when technology and clean energy work together.

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



Team Updates



Travels To Nature – A note from Tim on his trip to Antarctica



Many thanks to Gustav and Eve Ohrstrom and Ken Garret for the photos of Antarctica. Middle photo of Tim Dunn and Ellen Stofan

I spent the first 12 days of the year about as far removed from humanity as one can be while still on the planet. I had the good fortune to travel into the Southern Ocean and visit Antarctica. As a true lover of nature this was an incredibly cathartic lifetime experience. For almost a week, other than the fellow shipmates, I never saw another human or non-aquatic mammal (yes, we did see penguins, seals, whales, and birds). The rugged topography, luminescent icebergs, and grinding glaciers allows one to almost forget the 9 billion+ people living on the other six continents. Now that I am back in DC, I am all the more mindful of our planet’s natural resources and eco-systems upon which we all depend.



Photo - Zillow EP Insight: [Huduser.gov](#) (US Department of Housing & Urban Development’s Office of Policy Development and Research)
Photo - Alphabet EP Insight: [Inside Google > Data Centers and Infrastructure](#)

Our 2024 Summer Interns Share their Experiences



Abigail Ore Isola

How did your experience at Terra Alpha influence your understanding of sustainable investing?

Prior to my internship at Terra Alpha, the only thing I had heard about sustainable investing was that it was a ‘myth,’ and investment firms that want to make a profit don’t seriously consider environmental data when making decisions. I am happy I had the opportunity to work at Terra Alpha and understand how untrue that is. The role that the finance industry plays in the move to a more sustainable economy cannot be overstated and investment firms like Terra Alpha are an important part of that. The more investors prioritize sustainability practices when analyzing companies, the more companies are compelled to do better environmentally. If most investors lean toward companies with better environmental practices, it gives those companies a competitive advantage that other companies will try to neutralize by also adopting responsible environmental practices.

What was your biggest takeaway from your internship at Terra Alpha?

My biggest takeaway from this internship was learning how to think critically on a large scale. I learned many other things like analyzing financial statements, identifying and interpreting trends and presenting my findings to experts. But those were all things I expected to learn. The biggest impact this internship had on me is on the way I process things internally. Now, I ask more questions on a wider range of factors than I previously would have considered. That has positively impacted many areas of my life.



Neal Kinnard

How would you describe the learning environment and culture at Terra Alpha?

My experience at Terra Alpha was great and unique. The environment Terra Alpha created was one of a kind, offering me the opportunity to develop my equity research skills. I gained hands-on experience analyzing 10-K filings, conducting deep dives into companies’ business strategies, management, historical performance, etc. The one thing that stood out to me was the level of responsibility I was given. I was not doing typical intern tasks; I contributed in ways that helped analysts. Unlike other internships, Terra Alpha trusted me with two research projects, and I had the opportunity to pitch my ideas to the investment team. The culture was fantastic; they never made me feel like “the intern.” I truly felt part of the team. The atmosphere was more like a family, where everyone supported and collaborated with one another.

What would your advice be to people considering applying for internship opportunities at Terra Alpha?

I recommend three things to those considering applying for an internship at Terra Alpha. First, be yourself during the application and let your personality shine. Second, take the time to understand the company and what Terra Alpha stands for. Dive deep into their philosophy on sustainability and investing. Lastly, don't overstress about the application process. Everyone at Terra Alpha is supportive, and their goal is to see you succeed.

Other Updates

- The Terra Alpha 2024 Advisory Board Meeting took place in October. The [Terra Alpha Investments Advisory Board](#) provides experienced and knowledgeable policy, science, and business insights on topics that are relevant to our investment and impact work. The group meets with the full Terra Alpha team at least annually.
- The Terra Alpha Team spent two days at L'Auberge Provençale in a rural community on the outskirts of D.C. for our annual Team Retreat. The retreat provided us with the opportunity to focus on our purpose of enabling a sustainable planet for society, while reconnecting with nature, sharing ideas, reflecting on 2024, and setting our priorities for 2025.



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 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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