

# IMPACT INVESTING MONTHLY

## May 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

May's update includes a company highlight on Ecolab, charts on our use of plastic, and links to further resources on plastic use and waste. 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 Ecolab Inc.

Ecolab Inc. ([ecolab.com](https://www.ecolab.com); Economics Laboratory) offers water management, hygiene, sanitation, and cleaning products to “advance food safety, maintain clean and safe environments, and optimize water and energy use,” and its vision is to “protect what is vital: clean water, safe food, and healthy environments.”<sup>1</sup> Headquartered in St. Paul, MN, Ecolab’s roots date back to 1923. In 2024, Ecolab earned the **21<sup>st</sup> spot in Barron’s 100 Most Sustainable U.S. Companies**, which looks at factors including carbon-emissions, workplace diversity, and progress toward creating a circular economy, and Ecolab also holds the **7<sup>th</sup> rank on JUST Capital**. Learn more about Ecolab [here](#), and see below for its 2030 impact goals, as well as accomplishments in 2023.



### Water



By 2030, we aim to help customers conserve 300 billion gallons (~1.1 billion cubic meters) of water every year, equivalent to the drinking water needs of 1 billion people.

In 2023, we helped customers save 226 billion gallons (~857 million cubic meters) of water, equivalent to the drinking water needs of almost 782 million people.

### Climate



By 2030, our ambition is to support customers in achieving carbon neutrality by reducing greenhouse gas emissions by 6 million metric tons, helping prevent nearly 10 million pollution-induced illnesses.

In 2023, we helped customers avoid emitting 3.8 million metric tons of greenhouse gas emissions, preventing over 6 million pollution-induced illnesses.

### Food



By 2030, our goal is to help customers provide high-quality and safe food to 2 billion people for an entire year and prevent 11 million foodborne illnesses.

In 2023, we helped customers provide high-quality and safe food to 1.4 billion people and prevent over 8 million foodborne illnesses.

### Health



By 2030, our goal is to help clean 90 billion hands and provide safe medical care for 116 million people each year, reducing the risk of more than 1.7 million infections.

In 2023, we helped customers clean 60 billion hands, provide safe medical care to 66 million people and reduce the risk of 2.1 million infections.

<sup>1</sup> About Ecolab | We Circle The Globe

# Charts of the Month

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

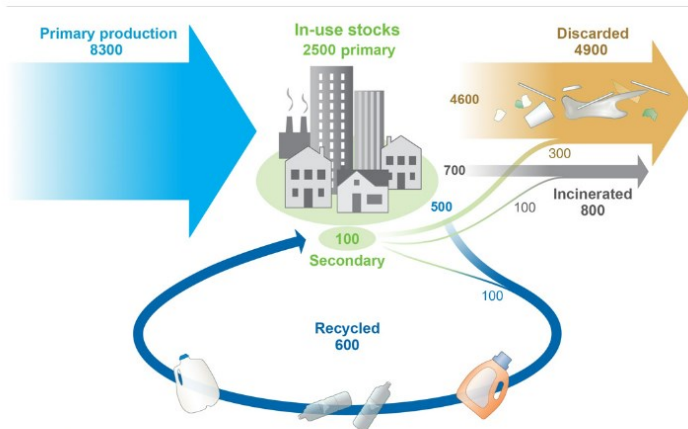
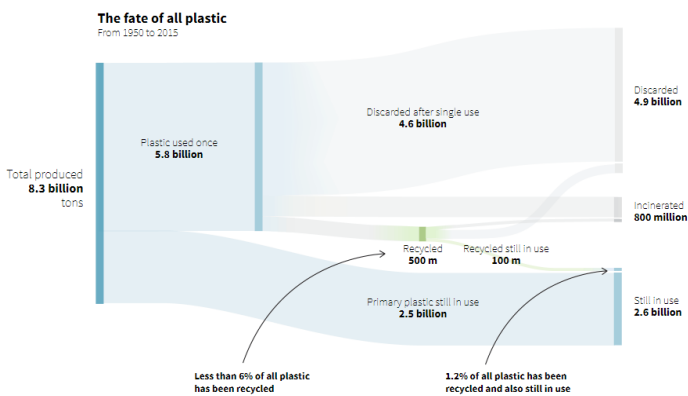


Fig. 2 Global production, use, and fate of polymer resins, synthetic fibers, and additives (1950 to 2015); in million metric tons.

The charts this month focus on plastic production and pollution. Plastic is a versatile material presently derived from [oil](#) as well as natural gas. It was used heavily by the military during World War II, while wider consumer and commercial use of this technology did not begin until the 1950s as single-use plastic became increasingly prevalent part of American life. You can see more about the history of plastic [here](#) and [here](#).



The charts on the left from [Science Advances](#) and [Reuters](#) show the fate of all the plastic produced from 1950-2015. Only about 6% of the plastic produced over those 75 years was recycled. While 31% remains in use, the majority of plastic has ended up in landfills, littering the broader environment, or incinerated often for industrial purposes. The chart below from [The Economist](#) shows the purpose for which plastic is produced by industry, which largely parallels the creation

of [plastic waste](#) since packaging, consumer goods, and textiles have such [short product lifetimes](#). Although plastic has had a huge impact in construction, appliances, food packaging, clothing, electronics, as well as medical instruments and sterilization, the externalities and full costs of plastic pollution, particularly due to single-use plastics, are not generally accounted for in its market price. While increasing recycling infrastructure and habits can help address those costs, most plastic can at best be recycled once before it is then sent to a landfill, incinerated, or slips as litter into the environment, especially rivers and oceans. As a result, [significantly reducing](#) and minimizing the flow of single-use plastic through our everyday lives is critical alongside recycling, as is [designing out plastic waste](#) from products in the first place.



# Resources

## *“The known unknowns of plastic pollution”*

*The Economist*, March 3, 2018  
(5 min read)

## *Plastic Wars*

FRONTLINE PBS, March 31, 2020  
(53 min video)

## *The Plastic Problem*

PBS Newshour, November 17, 2019  
(54 min video)

## *Plastic Pollution: A Global Overview*

Hannah Ritchie  
Our World in Data, 2023  
(34 slides)

## *Wasteland: The Secret World of Waste and the Urgent Search for a Cleaner Future*

Oliver Franklin-Wallis  
July 18, 2023  
(400 pages)

## 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.”*<sup>1</sup> 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.**<sup>2</sup> Others also highlight the ways that environmental, social, and financial values are really **“blended values,”**<sup>3</sup> 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.”*<sup>4</sup>

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

<sup>1</sup> [Thegiin.org](http://Thegiin.org); see also [rockefellerfoundation.org/from-the-archives/global-impact-investing-network-giin/](http://rockefellerfoundation.org/from-the-archives/global-impact-investing-network-giin/)

<sup>2</sup> “Triple bottom line,” *The Economist*, Nov 17, 2009. [economist.com/news/2009/11/17/triple-bottom-line](http://economist.com/news/2009/11/17/triple-bottom-line)

<sup>3</sup> [Blendedvalue.org](http://Blendedvalue.org)

<sup>4</sup> [UNepfi.org/fileadmin/events/2004/stocks/who\\_cares\\_wins\\_global\\_compact\\_2004.pdf](http://UNepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf)

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