

IMPACT INVESTING MONTHLY

October 2023

Alpha Omega Wealth Management

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

October's update includes a company highlight on Owens Corning, a chart of carbon emissions for types of different vehicles, and links to interesting resources on impact investing. As always, if you would like to talk about impact investing in general or your investments specifically, please do not hesitate to email me.

Grace and Peace,



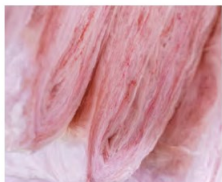
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Company Highlight on Owens Corning

Owens Corning ([owenscorning.com](https://www.owenscorning.com)) is a fiberglass manufacturer with a mission “to build a sustainable future through material innovation.”¹ In business since 1938, Owens Corning is based in Toledo, OH, and has operations in 31 countries. Its products include roofing, insulation, and composites in three main markets: building and construction, renewable energy, and infrastructure (you can check out a fascinating 5-minute video on how fiberglass insulation is made [here](#)).



OWENS CORNING BUSINESS SEGMENTS



Insulation

Insulation products help conserve energy while improving acoustics and fire resistance in the places where we work, live, and play.



Roofing

Roofing products and systems help protect and preserve homes and commercial buildings while enhancing curb appeal.



Composites

Composite materials make products lighter, so less energy is needed to transport and operate them. They also help make products stronger and more durable, which reduces the need to repair or replace them.

Owens Corning defines sustainability as “meeting the needs of the present while leaving the world a better place for the future,”² and in 2023, Owens Corning ranked 19th in [Barron's 100 Most Sustainable U.S. Companies](#), which looked at factors including carbon-emissions, workplace diversity, and progress toward a circular economy. [Calvert](#) Research and Management conducted the analysis. You can learn more about Owens Corning [here](#).

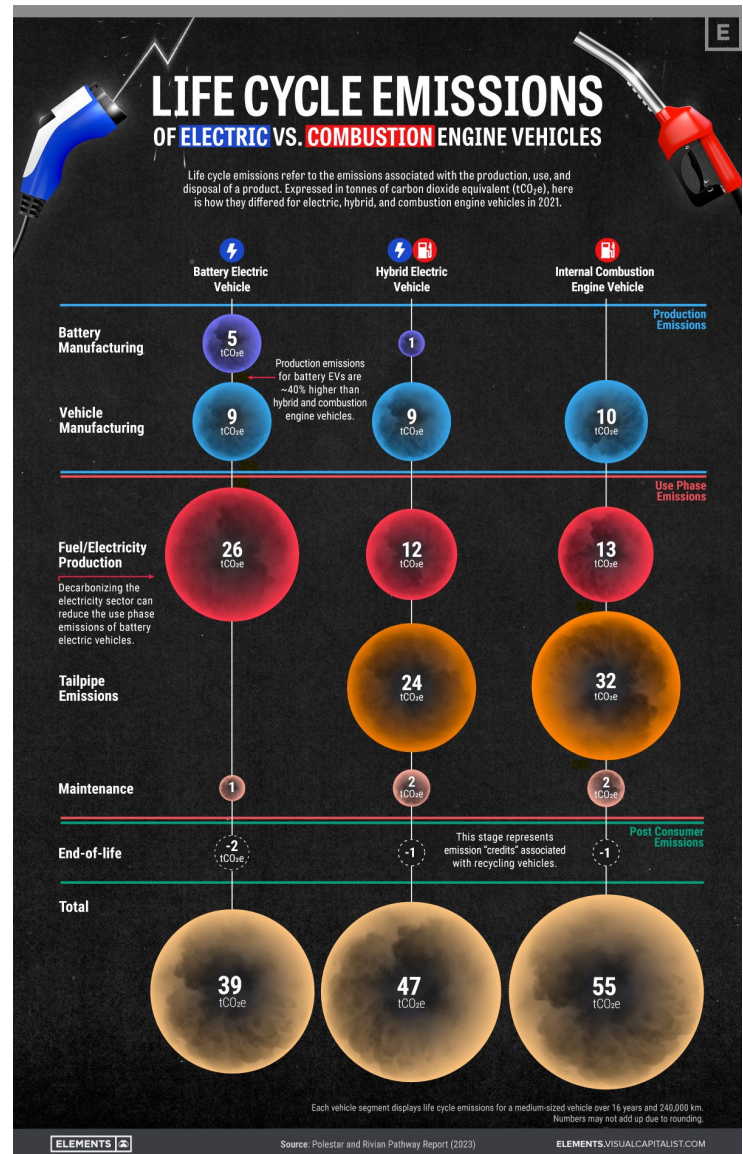
¹ Owens Corning 2022 Annual Report

² [owenscorning.com/en-us/corporate/sustainability](https://www.owenscorning.com/en-us/corporate/sustainability)

Chart of the Month

This graphic comes from [Visual Capitalist \(visualcapitalist.com\)](https://visualcapitalist.com) and shows the total “life cycle” carbon emissions for different vehicles, across their production, use, and disposal. The data is from a [report](#) led by electric car companies Polestar and Rivian. The report highlights the need for electric vehicles (EVs) to draw their power from renewable power plants if EVs are ever going to reach their full potential reducing carbon emissions.

The report also notes the higher carbon emissions currently in EV production, which come from the extra mining and refining of minerals (e.g., lithium, cobalt, nickel, etc.) needed to make EV batteries. Those carbon emissions in EV production can be offset at the end of an EV’s life cycle if those materials are recycled effectively. Furthermore, emissions during production can be reduced as factories and industrial vehicles shift to using renewable energy as well.



Links to Interesting Resources

“Renewable energy, explained”

National Geographic
Environment | Reference
January 30, 2019
(9 minute read)

“Fiberglass Insulation”

How It's Made
TV Series
(5 minute video)

“A World on Fire with Rebecca Henderson”

Next Normal Podcast
July 18, 2020
(43 minutes)

“The History of Impact Investing with Antony Bugg-Levine”

Money + Meaning Podcast
June 16, 2020
(50 minutes)

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 [Global Impact Investing Network \(GIIN\) \(rockefellerfoundation.org\)](http://Global Impact Investing Network (GIIN) (rockefellerfoundation.org))

² “Triple bottom line,” *The Economist*, Nov 17, 2009

³ Blendedvalue.org

⁴ “Who Cares Wins,” UN Global Compact, 2004

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Socially Responsible Investing involves the incorporation of Environmental, Social and Governance considerations into the investment due diligence process (“ESG”). There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Alpha Omega), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful.