

# IMPACT INVESTING MONTHLY

## November 2023

Alpha Omega Wealth Management

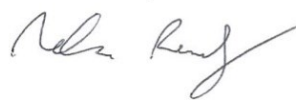
*Your monthly update on impact investing*

### Impact Investing at AOWM

Seeking companies that  
turn a profit making a  
sustainable impact on  
society and the  
environment

November's update includes a company highlight on Radius Recycling, a chart on the cheapest sources of electricity, and links to interesting resources about impact investing. As always, if you would like to talk about impact investing in general or your investments in particular, please feel free to email me.

Grace and Peace,



Nelson Reveley  
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## Company Highlight on Radius Recycling

One of North America's largest manufacturers and exporters of recycled metal, Radius Recycling ([radiusrecycling.com](https://radiusrecycling.com)) has been operating for over a century. Its roots go back to 1906 in Portland, Oregon, where its founder, Sam Schnitzer bought and sold scrap metal. The company shifted its name from Schnitzer Steel to Radi-

us Recycling this past summer to better reflect its "position in the circular economy and further its commitment to advance the recovery, reuse, and recycling of the essential metals required to support global carbon reduction."<sup>1</sup> In 2023, Radius Recycling also earned the

**#1 rank in Corporate Knights Global 100**, a list of the 100 most sustainable public companies that are "driving the transition to a low-carbon, circular economy" according to Corporate Knights research. Radius Recycling sells its recycled materials primarily to steel mills around the world, and Radius Recycling works with scrap metal from vehicles, rail cars, home appliances, industrial machinery, manufacturing scrap, and construction and demolition.



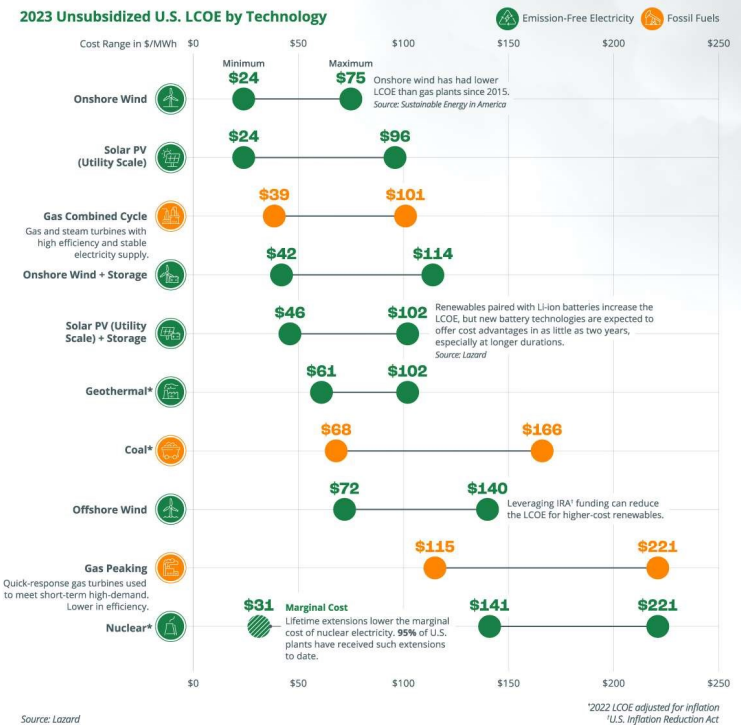
<sup>1</sup> Radius Recycling | News Release

# Chart of the Month

This graphic comes from [Visual Capitalist \(visualcapitalist.com\)](https://visualcapitalist.com) and shows the “levelized cost of electricity” (LCOE) across different types of power plants in the United States on a \$/MWh basis. The LCOE is calculated annually by [Lazard](https://www.lazard.com), a financial advisory and asset management firm. It takes into account the total costs to build, operate, and maintain a power plant, as well as the total electricity the plant is expected to produce in its lifetime. The analysis in this chart is also for unsubsidized energy production, so it does not include the effect of any clean energy tax credits—see the effects of subsidies [here](#) (pg. 3). The main headwinds to increased production of renewable energy right now remain the lengthy permitting process, upgrades needed for electric grids and distribution networks, and higher interest rates.

## The Cheapest Sources of Electricity in the U.S.

Levelized cost of electricity (LCOE) is the average cost of generating a unit of electricity, taking into account costs incurred during construction, operation, and maintenance.



Learn more about how electric utilities and the power sector can lead on the path toward decarbonization. [NPUC](https://www.npuc.org) [DecarbonizationReport.com](https://www.decarbonizationreport.com)

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## Links to Interesting Resources

“How a one-man scrap metal recycler became the world’s most sustainable corporation”

*Corporate Knights*  
January 18, 2023

**Radius Recycling**  
Overview Video  
May 2023  
(7 minute video)

“Inside the Decadeslong Permit Process Holding Back 10,000 Energy Projects”

*Wall Street Journal*  
September 28, 2023  
(8 minute video)

“How Solar Got Cheap”  
*Planet Money*  
August 19, 2019  
(17 minute podcast)

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

<sup>2</sup> “Triple bottom line,” *The Economist*, Nov 17, 2009

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

<sup>4</sup> “Who Cares Wins,” UN Global Compact, 2004

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