

# IMPACT INVESTING MONTHLY

## April 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

April's update includes a company highlight on First Solar, charts on the sources of our electricity, and links to further resources on solar power. 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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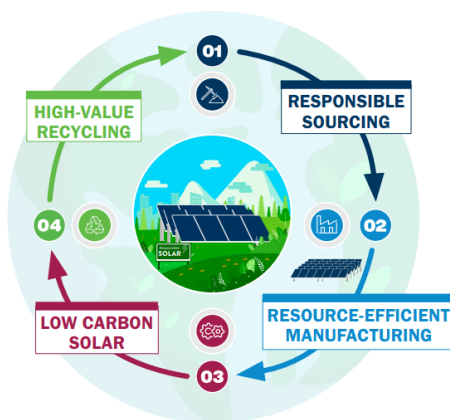
## Company Highlight on First Solar

First Solar ([firstsolar.com](https://www.firstsolar.com)) is a renewable energy company that develops and manufactures **photovoltaic (PV) solar modules** to make electricity from the sun's rays.<sup>1</sup> First Solar is the largest producer of "thin film" solar panels, which "provide a high-performance, lower-carbon alternative to conventional crystalline silicon PV solar modules." Headquartered in Tempe, AZ, and founded in 1999, First Solar is "committed to reducing the environmental impacts and enhancing the social and economic benefits of [its] products across their life cycle."<sup>1</sup>



While First Solar builds for utility and commercial scale projects, you can also see more on small scale and home solar power [here](#).

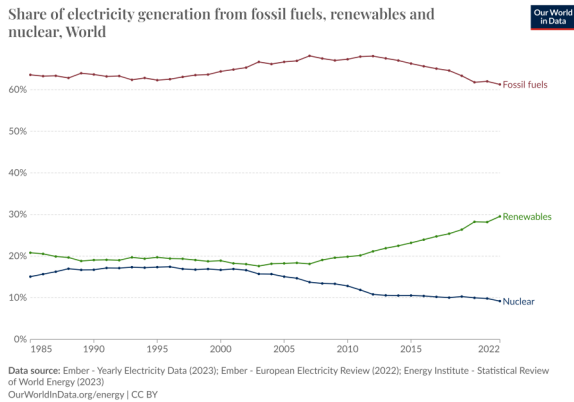
First Solar ranks 34<sup>th</sup> in [Corporate Knights Global 100](#), a list of public companies "driving the transition to a low-carbon, circular economy" according to Corporate Knights research. See more on the history of solar power [here](#), or do a deep dive with John Perlin's book, *Let It Shine: The 6,000-Year Story of Solar Energy*.



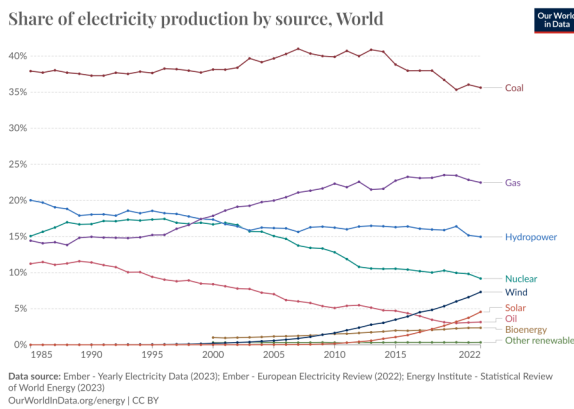
<sup>1</sup>First Solar Annual Report 2023

# Charts of the Month

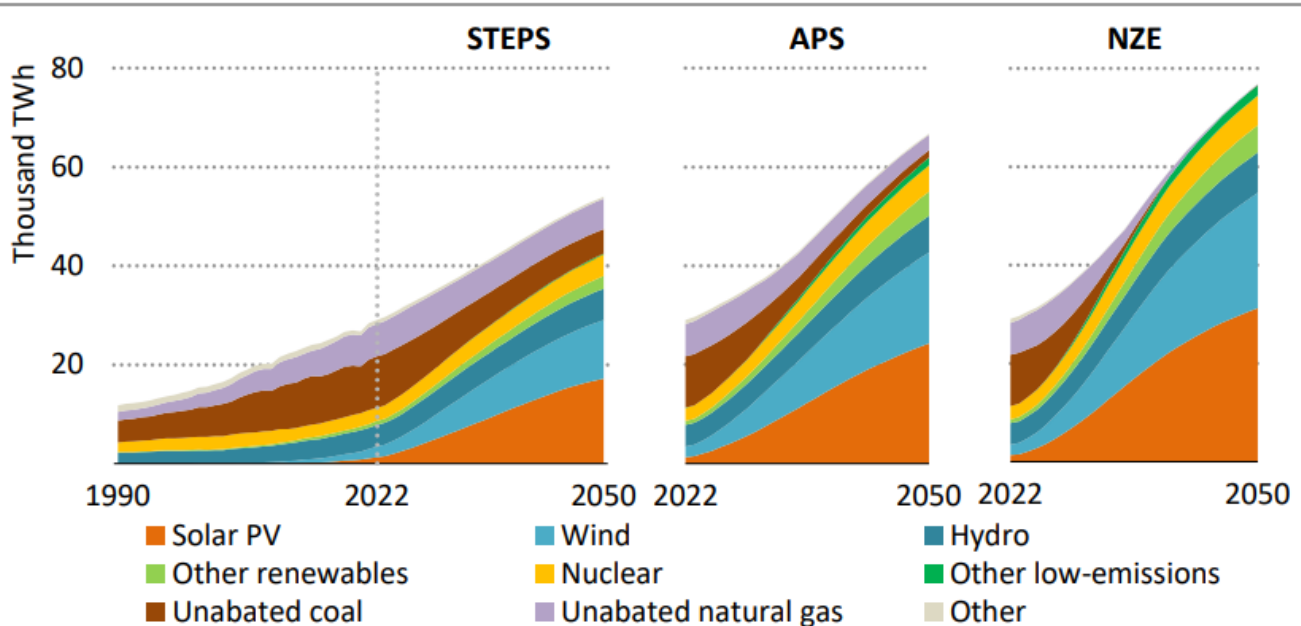
(click on the charts to get a better view and citations)



The charts this month focus on sources of global electricity production. On the left are two charts from [Our World in Data](#) showing the division between fossil fuels, renewables, and nuclear electricity generation over the past few decades. Roughly a third of global electricity currently comes from renewable energy (22% in the U.S.), with solar and wind climbing fast due to [falling costs](#). Fossil fuels remain a large source of power, and natural gas in particular looks to hold a steady role in the years ahead. The chart below shows [projections from the International Energy Agency \(IEA\)](#) for future electricity production (p. 126). The scenarios track whether countries keep their current stated policies (STEPS), meet announced pledges (APS), or move on track to net zero emissions by 2050 (NZE) (p. 91-92). They all show growth in solar and wind, with varying degrees of reduction in fossil fuels. [Energy storage](#) will also be crucial for the increased use of renewables.



**Figure 3.15** ▶ Global electricity generation by source and scenario, 1990-2050



IEA. CC BY 4.0.

**Renewables outpace electricity demand growth to 2030 in the STEPS, leading to a peak in coal-fired power in the near term though announced pledges call for faster declines**

Notes: TWh = terawatt-hours. Other low-emissions include fossil fuels with CCUS, hydrogen and ammonia.

# Resources

## *“The Rise of Solar Power”*

CNBC (Consumer News  
and Business Channel)  
September 19, 2019  
(14 min video)

## *“In some fights over solar, it’s environmentalist vs. environmentalist”*

Julia Simon, *NPR*  
June 18, 2023  
(4 min listen, 7 min read)

## *World Energy Outlook 2023*

International Energy Agency  
October 2023  
(355 pages)

## *“The Home-Solar Boom Gets a ‘Gut Punch’”*

Phred Dvorak, *Wall Street Journal*  
April 14, 2024  
(4 min read)

## 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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