

KAMP SOLUTIONS



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THROUGH COLOR

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BEGINS WITH A
CRY FOR TRUTH

ROBERT F. KENNEDY, JR.

GET
THE MONEY
OUT OF
POLITICS

EILEEN FISHER

CLOTHES
THAT MAKE
WOMEN
FEEL FREE

T. COLIN CAMPBELL

FOOD IS
THE FIRST
MEDICINE
AGAINST
COVID-19

INVESTING IN SOLUTIONS FOR THE WORLD

[By AMY DOMINI]

Can you do good by buying stocks? I argue yes. How? Consider this. Financial asset management is a vast network of individuals, wired together, responsive immediately to new developments, continuously pricing in the risks and rewards implied by an action taken by a company. This system is ideal for delivering not only goods and services, but also wellbeing, to people globally.

All that is needed is that enough investors choose to invest only in better companies and the result will be achieved. For if enough investors do this, two important results will follow. First, the definition of 'better' will begin to crystalize, just as the meaning of 'earnings per share' did over the past century—as experts spent decades defining the proper moment to recognize sales and what constituted a current expense. Second, the securities markets of the world will begin to revalue upward the better-behaving companies, thereby delivering an incentive to corporate management for better behavior.

This vision has legs. Responsible investors have exploded in numbers over the past thirty years. Ethical mutual funds, green bonds, and impact venture capital are well entrenched in the services offered at top money managers around the world. There are many manifestations of this work, even as the methodology is forming. We seek out investments that operate in a manner that is more humane and ecologically sustainable, and that produces goods or services that, at least, do little harm. The next few decades will refine our input tools and Wall Street experts will take the input and use it differently, just as they currently

take input on inventory turnover numbers, earnings per share numbers, cash flow numbers and the like. Having identical information does not mean identical opinions will be formed.

Historically the field has focused on corporate behavior. We have assessed the progress toward waste reduction and a diverse leadership team. We have noted compliance with international norms and exceptional growth opportunities for employees. We have developed a rigorous system for reviewing corporations against their industry peers, both domestically and abroad. Corporate accountability research has been robust and essential in giving our investors assurance that the funds we manage deliver the goal of buying better behaving companies.

Lately, however, I have begun to urge a new criterion be held up as another exciting model. It is also important to explore beyond the behavior of the entity we are investing in and to study what sorts of goods and services are being developed and sold by corporations. The responsible investor has the big picture in mind—building an investor class that protects people and the planet. The responsible investor is also interested in learning which entities deliver products and services that raise the common good. While every need we have may not be best suited by capitalist initiatives, many innovative ideas arise from the corporate capitalist structure.

Therefore, Domini Impact Investments, the firm I am the founder of, recently launched a new mutual fund, which attempts to define and invest in a port-

folio of publicly traded companies that, through their products or services, help people live more fulfilled and safe lives or help build a cleaner, more pleasant ecosystem. This is an important step forward in the field of responsible investing. And, it is fun.

There are many ways to think about what is most needed. In food systems, we need safer and more diverse production, things that organic farming can provide. We must reduce or eliminate our reliance on meat, with its extreme harm to the environment, and its cruelty. As to bringing more people into good-paying and fulfilling work, we need far greater access to affordable training. Then there is health-care. To move from a sick-care system to a structurally wholesome, life-enhancing system, we need preventative health care, healthier lifestyles, and earlier detection of deteriorating health. We need access to vaccines, simple and affordable diagnosis; and we need these to focus of the largest problems that the poorest populations face. Consider our ecology. The ravages of fossil fuels must be limited, reversed if possible. Alternative and innovative solutions to creating and using energy must be found. We must end our reliance on using water recklessly and on polluting fresh sources.

In each of these cases, there are companies that meet the needs listed here, and more. Food companies exist that focus on providing organics. Others make it easy to abandon meat. There are companies that enable a person to gain job skills training remotely for a job that can be handled remotely, allowing populations to survive and thrive in currently semi-abandoned rural areas. There are technologies that make working remotely as productive as working in a shared office environment. There are companies that give university level training to geographies that might have far fewer options. There are companies that provide tutoring or one-to-one teaching.

Our research has identified companies that enable a health care worker in a remote location to transmit a read of a patient's blood sample, so that analysis can be done without transporting a sample through days of back roads. There are companies that allow patients to self-monitor, to discuss conditions remotely and to gain a degree of control over the process of health maintenance. We have found a company that makes solar energy easier to use. This company is building and delivering power sources to locations far off the grid, allowing locals to irrigate their farms, cook, have lighting and charge their cell phones in a simple and clean way. There are companies that build water purification systems for communities that have struggled to provide clean water. This is exciting. It is also up-lifting. For through our desire to build a mutual fund that limits itself to

THE RESPONSIBLE INVESTOR IS INTERESTED IN ENTITIES WHICH DELIVER PRODUCTS AND SERVICES THAT RAISE THE COMMON GOOD

solutions for the world, we have found that there are actually many innovative and exciting ways to accomplish that.

People often ask what is new in the field of responsible investing. Interest in great products and services is not new, but the existence of a large universe of companies offering a way to make your life better is. The last decade has shepherded in a new generation of innovation and it is being applied for the delivery of a better planet. These are encouraging times we live in. A shift is underway with new companies emerging that are no longer simply interested in selling a fashion, they wish to fill a need. Like ethical investors, these corporate leaders are still finding their way, but the early results are very encouraging. Investors today can find much to be excited about and many companies to feel proud to own.



AMY DOMINI is the Founder and Chair of Domini Impact Investments. She has been a leader and innovator in the development of socially responsible investing for over 30 years.