

## ENVIRONMENTAL IMPACT POOL

Seeks to manage climate change risks, promote the transition to clean and renewable energy, and protect and conserve natural resources.

### Weighted Average Fee<sup>1</sup>

0.62% (62 basis points)

### Objectives

**Risk Profile:** Aggressive

**Strategy:** The Environmental Impact Pool invests in organizations that are best positioned to address and cope with rising climate risks. This diversified pool of passive equity investments allows you to align your investments with your charitable goals, invest in companies taking the lead in reducing their carbon emissions and conserving resources, and encourage leaders to adopt better environmental policies.

**Impact:** The Pool consists of a globally diversified mix of passive index funds and ETFs that:

**Invest** in companies developing solutions to improve resource efficiency and help combat climate change.

**Screen out** companies that have heightened exposure to climate-related risks, focusing instead on those that are leaders in resource conservation.

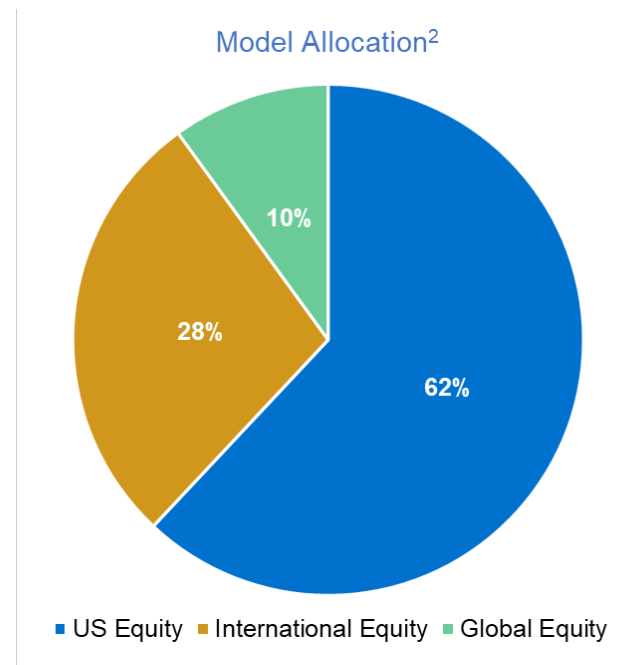
**Engage** with organizations to drive more environmentally responsible business practices, with a particular focus on greenhouse gas emission reduction.

**Fund** renewable energy and other critical infrastructure to reduce greenhouse gas emissions and conserve finite resources.

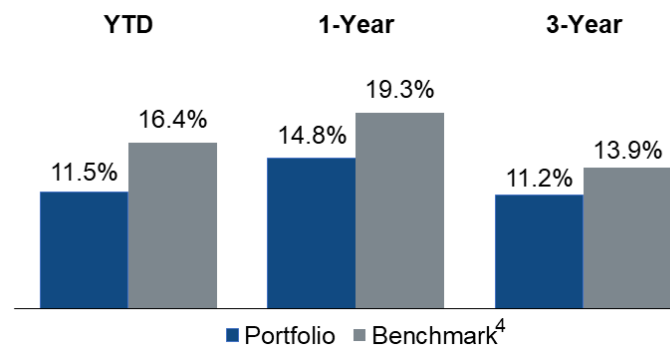
**Grantmaking:** Appropriate for donors with long- and short-term time horizons for granting priorities.

### Investments

Calvert US Large Cap Core Responsible Index  
Etho Climate Leadership US ETF  
DFA International Sustainability Core 1 Portfolio  
iShares Global Clean Energy ETF  
Invesco MSCI Sustainable Future ETF



### Performance<sup>3</sup> (as of 6/30/2023)



### Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact Donor Services at [service@growyourgiving.org](mailto:service@growyourgiving.org) or 816.842.7444.

Contact Trey Corbett at [corbett@growyourgiving.org](mailto:corbett@growyourgiving.org) or 816.627.3419 for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

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## Disclosures

<sup>1</sup> The Weighted Average Fee includes the overall portfolio cost based on underlying fund expense ratios and their weighted allocations along with any investment advisory fees.

<sup>2</sup> Investment allocation tactical flexibility of +/- 10%. Actual allocation may fluctuate within these flexible bands intra-quarter due to market movements.

<sup>3</sup> These performance figures for the time periods of YTD, 1, and 3 years are model performance for illustration purposes only, and do not constitute professional investment advice. Model performance and past performance are not indications of future results and may never have been or will be achieved.

The model performance has been prepared at the request of Greater Kansas City Community Foundation for its exclusive use and the use of its donors and is not for general distribution. The model assumes the inception of the model portfolio occurred 3 years from the date of the reporting period. Some funds in the portfolio today were incepted less than 3 years ago, the model invests the capital allocated to these funds pro-rata into funds that were investable at the time and then rebalances the portfolio to its model allocation when these funds are incepted. The model performance is not representative of actual returns and interpretation of results should take into consideration the limitations inherent in the results of the model. The model performance does not represent the trading of investor assets and does not account for the timing of investment flows. The model performance does not reflect the impact that material economic and market factors had or might have had on decision making if actual investor money had been managed.

The model performance accounts for reinvestment of income and capital-gains distributions and assumes quarterly rebalancing. The model performance figures are annualized on a YTD, 1- and 3-year basis. The model performance does not account for the underlying investment advisory fee or the GKCCF charitable admin fees, trading costs or transaction costs associated with the management of the underlying portfolio. Performance of the DAF's investments may be lower or higher.

<sup>4</sup> The Benchmark is a 70% S&P 500 Index/30% MSCI World Index blend.

## IMPACT OBJECTIVE

*Overall goal of the portfolio*

*Seeks to manage climate change risks, promote the transition to clean and renewable energy, and protect and conserve natural resources.*

## SDG ALIGNMENT

*Alignment with the United Nations' Sustainable Development Goals*



## ASSET CLASS

*Types of underlying assets*

Public Equity

## Strategy

*Impact strategies utilized by the portfolio*

The Environmental Impact Pool invests in organizations that are best positioned to address and cope with rising climate risks. This diversified pool of passive equity investments allows you to align your investments with your charitable goals, invest in companies taking the lead in reducing their carbon emissions and conserving resources, and encourage leaders to adopt better environmental policies. The Pool consists of a globally diversified mix of passive index funds and ETFs that:



**Invest** in companies developing solutions to improve resource efficiency and help combat climate change.



**Screen out** companies that have heightened exposure to climate-related risks, focusing instead on those that are leaders in resource conservation.



**Engage** with organizations to drive more environmentally responsible business practices, with a particular focus on greenhouse gas emission reduction.



**Fund** renewable energy and other critical infrastructure to reduce greenhouse gas emissions and conserve finite resources.

## ESG Integration

All funds employ some element of ESG Data Integration.



**MORE EXPOSURE TO CLIMATE CHANGE SOLUTIONS**

**47% greater** than benchmark in clean energy companies<sup>1</sup>

 LESS EXPOSURE TO CLIMATE RISKS

**15% less** than benchmark in deforestation producers exposure<sup>2</sup>

**66% less** than benchmark in fossil fuel industry exposure<sup>3</sup>

**44% less** than benchmark in scope 1+2+3 GHG emmissions<sup>4</sup>

**80% less** than benchmark in industrial GHG emmissions<sup>5</sup>

## Holdings

Select investments supporting impact:<sup>6</sup>



**Microsoft Corp** announced a partnership with Planet Labs PBC and The Nature Conservancy to launch the Global Renewables Watch (GRW), a first-of-its-kind living atlas to map and measure all utility-scale solar and wind installations on Earth using artificial intelligence (AI) and satellite imagery, allowing users to evaluate clean energy transition progress and track trends over time.<sup>7</sup>



**First Solar** is contributing to building a circular economy by converting mining byproducts into an eco-efficient PV technology that can be manufactured using less energy, water and semiconductor material than other commercially available PV technologies. It recovers more than 90% of module materials for reuse.<sup>8</sup>



**Vestas Wind's** aggregate fleet of installed turbines has avoided 1,904 million tons of CO<sub>2</sub>e, with 408m tons CO<sub>2</sub>e expected to be avoided over the lifetime of turbines produced in 2022<sup>9</sup>

## Taking Action

Shareholder engagement and proxy voting

Notable funds in portfolio using this strategy:

- Calvert US Large Cap Core Responsible Index
- DFA Intl Sustainability Core 1 Fund



Calvert, manager of the **Calvert US Large Cap Core Responsible Index**, supported 86% of shareholder proposals related to improved environmental governance and energy transition. Calvert stated that they did not support certain specific shareholder proposals they felt were overly prescriptive for companies.<sup>10</sup>



DFA, manager of the **DFA Intl Sustainability Core 1 Fund**, expects portfolio companies to provide sufficient disclosure regarding the oversight of climate change risks the company faces. Thus, DFA has made proposals for portfolio companies to create more comprehensive climate impact reporting, including Amazon.com, Inc. for a report on the impacts of plastic packaging, Bloomin' Brands, Inc. for a report on climate change, Booking Holdings Inc. for a report on annual climate transition, DuPont de Nemours, Inc for a report on plastic pollution, General Electric Company for a report on meeting the criteria of the Net Zero Indicator, and Phillips 66 for a report on climate lobbying.<sup>11</sup>

## Advancing Impact Outcomes

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*Strategic investments in impact outcomes*

Notable funds in portfolio using this strategy:

- Invesco MSCI Sustainable Future ETF
- iShares Global Clean Energy ETF

### FIGHTING CLIMATE CHANGE



**Invesco MSCI Sustainable Future ETF's** top ten holding, Digital Realty Trust, was awarded a 2022 EPA Energy Star Partner of the Year Award for the third consecutive year, receiving the Sustained Excellence designation, and continuing to be the only data center provider to receive this award.<sup>12</sup>



**iShares Global Clean Energy ETF's** largest holding is Enphase, an American energy technology company that develops and manufactures solar micro-inverters, battery energy storage, and EV charging stations primarily for residential customers. In December 2022, Enphase announced that it was partnering with Pacific Gas and Electric Company to launch a home battery energy storage program — with the use of Enphase IQ Batteries — to support vulnerable, low-income customers during power outages.<sup>13</sup>

## Important Information and Disclosures

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### NOTE ON ESG AND IMPACT DEFINITIONS:

**ESG data integration:** Refers to funds that systematically and explicitly include material ESG factors into investment analysis and investment decisions, including exclusion of certain sectors or overindexing towards positive social or environmental focused sectors

**Advocacy & engagement:** Refers to funds who reported on taking actions such as shareholder engagement or proxy voting with underlying holdings in the past year at either the fund or firm level

**Impact outcomes:** Refers to funds who produce reports showing progress against explicit impact goals and targeted metrics in the past year at the fund level

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### FOOTNOTES

<sup>1</sup>Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. The Portfolio Specific Benchmark is created by weighting each underlying funds' benchmark in accordance with that fund's weighting in the portfolio. Top 200 companies by clean energy economy revenue, including energy efficiency and finance of low-carbon solutions, and companies with business models and revenue sources fully in support of the clean energy economy.

<sup>2</sup>Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. Companies involved in producing and trading palm oil, paper/pulp, rubber, timber, cattle, and soy, and having a past record or a significant risk of contributing to deforestation, land grabbing, and human rights abuses.

<sup>3</sup>Source: YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark. Companies in the coal or oil/gas production, refinement, distribution, or services industries, or utility companies that burn fossil fuels to generate power receive a score of 100%. Other companies receive a score of 0.

<sup>4</sup>Source YourStake Data as of 12/31/22 compared to Portfolio Specific Benchmark. Greenhouse gas emissions, in Carbon Dioxide Equivalents, total of scope 1, 2, and 3 emissions. These are total emissions as reported by the company. Please note some companies report "scope 3" as only part of their scope 3 emissions, and may not report all scopes of emissions.

<sup>5</sup>Source: YourStake data as of 12/31/2022 compared to Portfolio Specific Benchmark. Greenhouse gas emissions, in Carbon Dioxide Equivalents, from facilities as reported to North American and E.U. Pollutant Release and Transfer Registers. Facilities that emit at least 25,000 metric tons of GHG emissions are required to report in the USA, and facilities that emit at least 100,000 metric tons of CO<sub>2</sub> or at least 100 metric tons of Methane are required to report in the E.U.

<sup>6</sup>Select top holdings are stories of impact selected from the top 10 equity companies comprising the largest share of the portfolio that align with the fund's intended strategy.

<sup>7</sup>Source: "Microsoft, Planet and The Nature Conservancy launch the Global Renewables Watch" Microsoft. <https://news.microsoft.com/2022/09/22/microsoft-planet-and-the-nature-conservancy-launch-the-global-renewables-watch/>

<sup>8</sup>Source: "First Solar Sustainability Report 2022," Pg 14. [https://www.firstsolar.com/-/media/First-Solar/Sustainability-Documents/FirstSolar\\_Sustainability-Report\\_2022.ashx](https://www.firstsolar.com/-/media/First-Solar/Sustainability-Documents/FirstSolar_Sustainability-Report_2022.ashx)

<sup>9</sup>CO<sub>2</sub>e refers to carbon dioxide equivalent. Source: "Vestas Sustainability Report 2022," Pg. 3. <https://www.vestas.com/content/dam/vestas-com/global/en/sustainability/reports-and-ratings/sustainability-reports/sustainability-report-2022.pdf.coredownload.inline.pdf>

<sup>10</sup>Source: Tools of Change: Calvert 2022 Engagement Report," Pg 10. <https://institutional.eatonvance.com/media/public/38031.pdf>

<sup>11</sup>Source: "Environmental and Social Shareholder Proposal Vote Details for Dimensional Sustainable Equity Strategies," Pg 1. <https://www.dimensional.com/-/media/Files/stewardship-2021/2021-environmental-and-social-vote-details-for-sustainability-strategies.pdf>

<sup>12</sup>Source: "Digital Realty ESG Report 2021," Pg 4. [https://www.responsibilityreports.com/HostedData/ResponsibilityReports/PDF/NYSE\\_DLR\\_2021.pdf](https://www.responsibilityreports.com/HostedData/ResponsibilityReports/PDF/NYSE_DLR_2021.pdf)

<sup>13</sup>Source: Source: "Enhancing Reliability and Safety: PG&E and Enphase Energy Partner to Provide Home Battery Systems for 100 Vulnerable, Low-Income Customers." <https://www.prnewswire.com/news-releases/enhancing-reliability-and-safety-pge-and-enphase-energy-partner-to-provide-home-battery-systems-for-100-vulnerable-low-income-customers-301707371.html>

All data as of 12/31/22 unless otherwise specified.

## Important Information and Disclosures

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### NOTE ON YOURSTAKE SOURCES:

YourStake gathers data from publicly available sources and cites every data point to ensure verifiability. YourStake looks for data that meet the following criteria:

- Hosted by government, SEC, academic, or trusted NGO sources.\*
- Applies to a broad set of companies, either across a sector, geographical region, or the whole economy.
- Contains quantitative, comparable measures.
- Updated frequently to reflect the current state of the world.

In general, YourStake chooses not to gather data from voluntary company reporting because companies often use different methodologies to report similar metrics, leading to the inability to compare, or worse, misleading comparisons that are not apples-to-apples. Instead, by using third-party and standardized data sources, YourStake can ensure fair comparability. YourStake frequently updates and improves its list of data sources. YourStake has also put together a proprietary database of shareholder engagement actions. This database draws from company reporting, including fund manager impact reports, websites, press releases, blog posts, and the general news media.

\* YourStake determines that an NGO source is a trusted source if it:

- Has a detailed and transparent methodology.
- Is updated frequently,
- Is already used by government regulators or the investor community to analyze, evaluate, or engage with companies.

### DISCLOSURES

The above information does not constitute an offer to sell or a solicitation of an offer to purchase any security. All investments entail a high degree of risk and no assurance can be given that the investment objective will be achieved or that investors will receive a return of their capital. Any investment opportunities highlighted in this document are presented for illustrative purposes only. Additionally, investments may not achieve stated social, environmental, or similar objectives. Opportunities may not be suitable for all investors and past financial or social returns are not indicative of future results.

First used March, 2023