

## Global Warming: A Clarion Call For Urgency

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*This article is part of a series that explains the differences between foundations and endowments, their power to advance the sustainable investing agenda, and investigates a variety of investment approaches.*

Our planet has been pushed past its limits: floods, fires and extreme weather this past summer indicate that climate change is accelerating. A recent [United Nations report](#) found that the world risks soon hitting 1.5°C of global warming in the 2030s, a threshold that would ignite "extreme events unprecedented in the observational record."

The goal of the Paris Climate Agreement is to maintain that 1.5 threshold, however the U.N's report explains that without "deep reductions in carbon dioxide and other greenhouse gas emissions," the world will surpass it within 80 years. As the 2030 deadline for the Paris Agreement and the Sustainable Development Goals agenda draws near, urgent action is required by consumers, regulators, governments, businesses and nonprofit organizations alike.

Foundations and endowments can support the shift towards a more sustainable future by integrating ESG factors into their portfolio, while also increasing an emphasis on impact investing and shareholder engagement. According to [our latest whitepaper](#), in 2020, foundations and educational institutions together held 8% of the \$6.2 trillion institutional investments in ESG assets. Besides employing negative and best-in-class positive screening strategies, many foundations and endowments are leveraging shares to engage in active ownership.

Negative screening refers to the exclusion of companies and certain sectors based on ethical, social, environment or religious factors. Most commonly, exclusionary strategies avoid investments in companies that are fully or partially involved in gambling, alcohol, child labor, human rights violations, tobacco and other related factors. Positive screening involves the inclusion of companies due to the social or environmental benefits of their products, brand value, leadership team or processes. Investors place a 'premium' on these 'best in class' businesses which ultimately increases their value.

Foundations and endowments have the unique opportunity to advance the norm of conscious investing and mitigate the effects of climate change. With our planet pushed past its limits, the urgency for sustainable investing has never been more important.

Aneuvia is an investment management firm that provides foundations and endowments with sustainable investing, integration of ESG and corporate strategies and impact investing consultation. View our latest whitepaper, [Foundations & Endowments: Trends in Sustainable Investing](#), to learn more