



The Power and Limits of Shareholder Advocacy with Fossil Fuel Companies



Divesting from fossil fuel companies is a way to act on your concern about climate change and contribute to much-needed solutions.

 Climate change is no longer a distant threat – it is our new reality. Lately, there has been much debate about the most effective roles investors can play. **A growing number of individuals and institutions have recognized the limits of shareholder advocacy to secure the policy changes needed and have divested from fossil fuel companies.**

 At Green Century, we have used shareholder advocacy to pursue environmental goals for more than 20 years. Facing climate change, we are continuing to push companies across multiple industries to reduce carbon emissions, promote energy conservation, and use renewable energy.

 But, when the goal is to reduce the production and use of fossil fuels, Green Century believes that **divesting from fossil fuel companies is the most effective way for investors to pressure those companies on climate change**, and to clear the path for policy and regulatory changes needed to curb carbon emissions.

Green Century actively engages non-fossil-fuel companies to reduce carbon emissions. Read about our success at www.greencentury.com.



Why is divestment from fossil fuel companies more effective than advocacy?

On this issue, advocacy has no track record of success.

In the decades that some socially responsible investors have held coal, oil, and gas companies, no significant direct reductions in the production of fossil fuels have been achieved through shareholder advocacy. Getting fossil fuel companies to reduce their extraction, refining, or production is a challenge for any campaign, and reaches beyond the scope of shareholder advocacy.

Shareholder advocacy is not suited to change core business practices.

Advocacy has been most successful when investors are pressing for a change in policies or operations. For example, in 2013 Green Century successfully pressed Starbucks ¹ to purchase only palm oil that does not promote rainforest destruction, across its global supply chain.

On the other hand, urging a coal company to stop mining for coal is like asking Starbucks to stop serving coffee. It's not asking the company to make one change; it's asking the company to change its core business.

Fossil fuel companies have not given shareholders a "seat at the table" on climate change.

More often than not, advocates have been left out in the cold with these companies, which mount legal challenges to shareholder requests, and sometimes even refuse phone meetings.

This is hardly surprising, since many of these very companies have a long record of opposing progress on this issue – including, until recently, denying the science of climate change.

At this point, there is little leverage to lose and more power to be gained by joining the growing divestment movement.

The timeline for change is too long.

Typically, significant corporate changes happen after years of shareholder advocacy. Fossil fuel companies already have reserves of carbon fuel five times greater than the amount that, if burned, would push the world's temperature over the widely accepted cap of a 2°C change. ² We can't afford to wait.

It's the right time for a new strategy.

The Green Century Balanced Fund is already fully divested from fossil fuel companies and re-invested in green solutions.

The Green Century Equity Fund is divested from coal and major oil companies, and invests in the longest running socially responsible index.

To learn more:

➤ www.greencentury.com/fossilfuelfree

☎ 1-800-93-GREEN (1-800-934-7336)



¹ As of September 30, 2013, Starbucks Corp. comprised 0.39% and 0.91%, respectively, of the Green Century Balanced Fund and Green Century Equity Fund. References to specific securities, which will change due to ongoing management of the Funds, should not be construed as a recommendation by the Funds, their administrator or their distributor.

² <http://gofossilfree.org/faq/>. Scroll down and click "What does 'Do The Math' Mean?"

You should carefully consider the Funds' investment objectives, risks, charges and expenses before investing. To obtain a Prospectus that contains this and other information about the Funds, please visit www.greencentury.com, email info@greencentury.com or call 1-800-93-GREEN. Please read the Prospectus carefully before investing.

Stocks will fluctuate in response to factors that may affect a single company, industry, sector, or the market as a whole and may perform worse than the market. Bonds are subject to risks including interest rate, credit, and inflation.

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