Green Century Funds

How to Reduce Carbon Pollution Through Investment and Engagement Strategies

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Overview

1. What is Shareholder Engagement

2. How and why has engagement been successful

3. Why shareholder engagement won’t work to reduce drilling, refining and producing

4. Effective options to pursue
   • Selection
   • Shareholder Advocacy
   • Reinvestment in Sustainable Companies
Degrees of Shareholder Engagement

- Vote Proxies
- Negotiate with Companies
- File Shareholder Resolutions
- Engage in State and National Public Policy Debates
Reducing Carbon Pollution Through Shareholder Advocacy

Starbucks,* Kellogg’s,* General Mills* and ConAgra* to source palm oil only from certified sustainable suppliers.

Wilmar,* the world’s largest supplier of palm oil, to adopt a non-deforestation policy, saving an estimated 1.5 gigatons of carbon emissions – annual emissions from Central and South America combined in 2010.

Cargill,* the largest palm oil importer to the U.S. and five international suppliers just followed suit in the last month.

* See Disclosure section of presentation for important information.
Why Advocacy with Fossil Fuel Companies Won’t Stop Production

- **Shareholder advocacy cannot change a company’s core business**
  - Not within scope of the strategy
  - Resolutions can be challenged by corporations and rejected by the Securities and Exchange Commission

- **Shareholder advocacy has no track record of success on this issue**
  - No significant direct reductions in the production of fossil fuels achieved
  - No reductions on the horizon
  - Access does not equal influence
  - Engagement is not necessarily progress
  - Disclosure is not reduction
Why Advocacy with Fossil Fuel Companies Won’t Stop Production

• **We can’t afford to wait**
  - Arc of changes is years usually
  - Delay tactics are common
  - More immediate reductions needed soon

• **Companies can “greenwash” engagements to avoid action**
  Principles for Responsible Investment study: “some companies use the reporting of …emissions … to gain legitimacy or deflect criticism rather than genuinely informing stakeholders.”**
Fossil Fuel Free Investing – Diversification & Sustainability

1. Energy Efficiency
2. Power Generation
3. Storage & Distribution
4. Transportation
5. Sustainable Agriculture
6. Water
7. Sustainable Design
Opportunity to Invest in Companies and Initiatives Curbing Climate Change

Reducing Energy Use: Johnson Controls*

- Leading provider of equipment, controls and services for HVAC, refrigeration, security systems and energy management
- Involved in over 500 renewable energy products
- Projects reduced CO₂ emissions by 15 million tons since 2000
- Helped Empire State Building reduce energy use by 38%

Cutting Carbon Emissions with Green Bonds

In traffic-choked Mexico City, a World Bank Green Bond:*  
- Reduced carbon emissions
- Improved air quality
- More efficient vehicles
Disclosure: Important Information

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. The Funds’ environmental criteria limit the investments available to the Funds compared to mutual funds that do not use environmental criteria.

* As of 6/30/14, Johnson Controls, Inc. comprised 0.49% and 2.19%, Starbucks Corporation comprised 0.87% and 0.02%, Kellogg Company comprised 0.26% and 0.00%, General Mills, Inc. comprised 0.49% and 0.01% and the International Bank for Reconstruction & Development comprised 0.00% and 1.24% of the Green Century Equity Fund and the Green Century Balanced Fund, respectively. Other securities mentioned were not held in the portfolios as of 6/30/14. The holdings of the Green Century Funds may change due to ongoing management of the Funds. References to specific investments should not be construed as a recommendation of a security by the Funds, their advisor, administrator, or distributor.

** Principles for Responsible Investment, Academic Quarterly, July 2014

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.

This information has been prepared from sources believed to be reliable. The views expressed are as of the date of this writing and are those of the Advisor to the Funds.

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