

World's first climate change advocacy fund launched

A new type of investment fund may force companies to disclose their carbon footprint and emissions reduction strategies, and reveal their carbon pricing methodology.



Credit: CSIRO

Australian Ethical Investment has partnered with The Climate Institute to put together the Climate Advocacy Fund. The fund differs from traditional 'green' funds, because instead of investing in renewable technologies, it will invest in and seek to influence the behaviour of the largest Australian companies.

Mr James Thier, executive director of Australian Ethical Investment, says the Climate Advocacy Fund is about improved corporate behaviour, giving a unique voice to shareholders, and delivering strong performance.

'By focusing on putting forward resolutions to companies that are likely to have high carbon footprints or other issues around carbon intensity, the Climate Advocacy Fund gives a collective voice to shareholders,' he says.

'It is an innovative way to influence corporate behaviour, and we believe it is the first fund of its kind in the world,' he says, adding that as well as helping combat carbon pollution, the fund is also expected to produce a financial return in excess of the ASX 200.

So far, the fund has targeted Paladin Energy, Aquila Resources, Oil Search and Woodside Petroleum. Most are considering the resolutions put to them, although Mr Thier says some are yet to respond.

He says that while they have been in talks with institutional investors since the fund launched in July 2010, several million has flowed in from individual investors keen to use their investment to make both money and a difference.

From **ECOS** online <http://www.ecosmagazine.com/?paper=EC10039>