



AS YOU SOW



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## New Web Tool Shows Unexpectedly High Carbon Exposure of Funds

*As You Sow, YourSRI.com team up to carbon footprint \$11 trillion in funds utilizing data from South Pole Group and exposing carbon risk - available now at [fossilfreefunds.org](http://fossilfreefunds.org)*

**OAKLAND, CA, ZURICH & VADUZ, LIECHTENSTEIN, October 13, 2016** - Do mutual funds and ETF providers that talk the talk about being low carbon actually walk the walk when it comes to their portfolio?

A first-ever analysis of over \$11 trillion in global mutual funds and ETFs shows that a large number of major fund families are, according to climate-finance advocate **As You Sow**, "carbon hypocrites" that preach the merits of low-carbon investing but actually have above-average carbon holdings. The results are available at [FossilFreeFunds.org](http://FossilFreeFunds.org), which was created by the nonprofit As You Sow and utilizes data from global sustainability solutions provider **South Pole Group** and **yourSRI.com**, which is a leading carbon data analyst and reporting solution provider for responsible investments. The site also highlights 58 socially responsible funds with no fossil fuels and very low footprints.

All of the top 10 asset managers, accounting for 60% of the analyzed assets, have an average carbon footprint higher than the S&P 500 benchmark.

*"If it is true that sunshine is the best disinfectant, then this long-overdue transparency breakthrough can clean up the practices of fund managers and give investors real reason to think about what they are part of," said **Andrew Behar, CEO of As You Sow**. "Transparency leads to transformation, and that is what this platform is all about. This is a way for individual and institutional investors to answer the question, 'Am I investing in my own destruction or the clean energy future?'"*

*"A growing body of evidence suggests that the transition to a global, low-carbon economy is accelerating. Investors now have unprecedented opportunities and risks to manage across their portfolios," said **Stephen Scofield, Director of Financial Industry Solutions, North America, South Pole Group**. "We are proud to work with As You Sow and our partners at yourSRI to put institutional-grade greenhouse emissions datasets and portfolio analytics at the fingertips of all investors and their financial advisors."*

*"Until now, getting objective information about carbon emissions in the capital markets has been time-consuming and difficult for most investors," said **Christoph Dreher, executive partner at CSSP, the parent company of yourSRI.com**. "And with the increased interest in carbon footprinting, transparency is more than just a phrase. So offering access to a standardized, cost-efficient as well as independent online solution will become a key factor for investors in the future."*



How does the new online tool work? Measuring a company's carbon emissions is a critical way to understand the specific carbon exposure of your investments. With the new tool, this data has been aggregated for all of the companies embedded in each of the 6,500 most-held global mutual funds and ETFs. Each fund may have hundreds of companies, each with a unique carbon footprint. Each company's carbon footprint is added together and then divided by the fund dollar value to display carbon per dollar.

Three funds offered by major asset managers illustrate the importance of carbon footing:

- Given that BlackRock recently published a major report on portfolio climate risk, it may be a surprise that the BlackRock Basic Value Fund's (MABAX) has a carbon footprint 170% higher than its benchmark, the Russell 1000 Value Index.
- Dimensional Social Core Equity (DSCLX) has 85% more carbon than the MSCI All World Index with 13% of the portfolio made up of fossil fuel companies including Shell, BP, and tar sands giant Suncor.
- State Street S&P 500 Fossil Fuel Free (SPYX) holds 40 fossil fuel companies including coal fired utilities Duke Energy and Southern Company, as well as companies with reserves like Phillips66 and oil field services leader Halliburton.

The launch unveiled today covers funds in the US, UK, Germany, France, Denmark, and Hong Kong. The developers plan to expand to cover every fund in every exchange across the entire globe soon. Carbon footprinting turns the focus to current greenhouse gas emissions, helping highlight businesses who operate with lower footprints than their industry peers.

"Decarbonizing" a portfolio involves investing in companies that have lower carbon footprints than their peers. Institutional investors such as California's CalPERS and Sweden's AP4 have embraced carbon footprinting as part of the way to protect their assets from climate risk. Major index providers are increasingly offering low-carbon options that incorporate a footprinting analysis. By providing a lens for investors to look at carbon demand and consider the entire value chain when measuring climate impact, the data can help investors large and small align their investing with their values. Fossil Free Funds analyzes over 6,500 global mutual funds, including 3,000 of the most commonly-held funds in U.S. retirement plans.

*"If you move your savings into funds with smaller footprints, that's a way to avoid climate risk," said **Andrew Montes, Director of Digital Strategies at As You Sow.** "It's also actively rewarding companies that have made positive decisions to lower the climate impact of their operations. Investor demand will drive fund managers to drop companies with high carbon footprints and include those companies that are shifting to the clean energy economy. A declining fund carbon footprint over time can be testimony to such an effort."*



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### About South Pole Group

South Pole Group is a leading provider of global sustainability solutions and a pioneer in emission reductions, renewable energy, supply chain, investment climate impact, forestry, and sustainable cities projects and programs. For more information visit [www.thesouthpolegroup.com](http://www.thesouthpolegroup.com) or follow the company [@southpolegroup](https://twitter.com/southpolegroup).

### About As You Sow

As You Sow is a nonprofit organization that promotes environmental and social corporate responsibility through shareholder advocacy, coalition building, and innovative legal strategies. For more information visit [www.asyousow.org](http://www.asyousow.org).

### About youSRI.com & CSSP

With its online platform [yourSRI.com](http://yourSRI.com), CSSP helps asset managers and asset owners worldwide to adequately manage risks related to ESG and Carbon issues. [yourSRI](http://yourSRI.com) offers you an independent and comprehensive “all-in-one” solution, by partnering with a global network of service and data providers such as MSCI and South Pole Group.