



# PUT YOUR MONEY WHERE YOUR MOUTH IS

**If you find yourself talking about issues which concern you, or you are motivated to make a difference to the world you live in, responsible investment offers a tangible way to translate these words into actions.**

- You may already be actively involved in social or environmental causes. Perhaps you work as a volunteer, belong to a special interest group or make donations to a particular cause. RI gives you a way to take your activism one step further.
- You're probably already aware that you can be an activist by the choices you make as a consumer. You make daily choices about the energy you use, the car you drive or what groceries you buy. These choices are examples of ways you can use your money to support or withhold support from companies.

RI gives you the opportunity to make similar choices with your super, savings and investments.

- You can choose to put your super in a responsible investment option. If your superannuation fund doesn't offer a RI option or apply a responsible investment approach across all of their investments, why not call them and ask them to do so?
- You can open a savings account with a socially responsible bank or take out a green loan for your car or home.
- When it comes time to plan your investments you can consult a specialist RI financial adviser to ensure your financial plan is aligned with your personal values.
- You can elect to invest with a specialist RI fund manager who offers investment products that reflect a range of different environmental and social issues.
- You can purchase direct shares which gives you the opportunity to exercise your right to vote and pass resolutions to improve the practices of companies you invest in.

RI fund managers from Australasia and across the world have already used shareholder activism to successfully engage with companies in which they invest and achieve positive change on environmental, social and governance issues:

- The successful investor-backed Carbon Disclosure Project (CDP) is just one of many international success stories. Launched in 2000, the CDP has already persuaded major corporations around the world to disclose their carbon emissions with the aim of motivating investors, corporations and governments to take action to prevent dangerous climate change. Now in 2010 it is working on encouraging 300 of the world's largest corporations to report their



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water usage. Ford, PepsiCo and Molson Coors have already agreed. That's what can happen when 130 institutional investors with \$16 trillion in assets under management act in the name of RI.

- In the lead up to last year's Copenhagen climate change talks 181 investors managing over \$US13 trillion in assets issued a policy statement calling for a strong global agreement on climate change post-2012. This was the largest statement of its kind in history and was based on the idea that investors "have a critical role to play in responding to the climate change challenge. Private capital is essential to achieving the transformation to a low-carbon economy ... Through the allocation of capital and by engaging with companies in our portfolios investors can influence how companies respond to climate change." The statement called on world leaders for a global climate change agreement that embraced powerful criteria including an emissions reduction target of 50-85% by 2050; government support for energy efficiency and low-carbon technologies, measures to support an efficient global carbon market and measures to reduce deforestation and encourage afforestation.
- In late 2009, Wesfarmers agreed to find alternative sources of phosphate rock rather than continue to mine in the Western Sahara, a region with a questionable human rights record. The decision came after engagement from institutional investors and was an acknowledgement by the company that these issues could harm its reputation.
- RI fund managers may also choose to take a public stance on issues that are important to their investors such as uranium mining, alcohol sales and gambling. This can raise public awareness of that fact that sometimes unlikely corporations gain substantial revenue from such activities. For example, in 2006 UCA Funds Management (the financial arm of the Uniting Church of Australia) placed Woolworths on its excluded list because of its significant involvement in gaming. It took the same decision with Coca Cola Amatil in 2008 because of its involvement in alcohol production.

You may already consider yourself an activist. Perhaps you're involved with a charity or environmental group or make consumer decisions based on how certain retailers behave. RI gives you another way to ensure your financial decisions can have a positive outcome for the environment and society.

The most common reasons why people decide to become responsible investors are:

1. To generate **competitive returns** whilst making a difference to the environment or society.
2. To ensure your money is directed towards companies making a **positive difference to the environment** and the impact of climate change whilst avoiding those that cause harm.
3. As a way to **influence corporate behaviour** and push for greater accountability on issues like employment and trade conditions, environmental sustainability and good corporate governance.

There are a broad range of RI products, strategies and services for every life stage, investment timeframe and risk profile.

**Speak to JustInvest Financial Planning today on 08 9325 2299 to find out how investing responsibly can help you grow your wealth.**



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