GREEN CENTURY FUNDS

As the peril posed by global climate change becomes increasingly clear, more and more investors are choosing to stop supporting the corporations that are most to blame. While we believe the moral case for divestment is strong, there are also sound financial and strategic reasons to stop investing in fossil fuel companies.

Reasons to Invest Fossil Fuel Free

Divestment may help to avoid potential financial and performance risks associated with the fossil fuel industry.

Performance: Many studies have analyzed the impacts of fossil fuel free investing. One of those, done by leading asset manager, GMO, and as stated in The Mythical Peril of Divesting from Fossil Fuels is that "investors with long-term horizons should avoid all oil and chemical stocks on investment grounds."

Other financial and performance reasons to consider divesting from fossil fuels include:

Volatility: The energy sector was the most volatile sector in the 2010s.

Stranded assets: Fossil fuel reserves impact the valuations of coal, oil and gas companies. If companies are unable to extract and sell their reserves – for reasons such as changing demand, government regulation or lawsuits – they may be forced to prematurely "write off" those assets. Stranded assets can negatively affect a company's valuation or share price.

A sustainable investment strategy which incorporates environmental, social and governance criteria may result in lower or higher returns than an investment strategy that does not include such criteria.

More Reasons to Divest from Fossil Fuels

Divestment aligns investment with values: Most mutual funds still invest in oil, coal and fracking companies. Green Century® believes that investors who care about the planet may not want to financially support the corporations most to blame for global climate change. That's why the Green Century Funds went fossil fuel free. Some other firms, who tout their environmental, social and governance (ESG) approaches, have not.

Divestment changes the fossil fuel industry's political influence over national policy: For decades, fossil fuel companies have used their money to conceal the truth about global warming and used their influence to promote self-serving economic and environmental policies. One of the strongest cases is how divestment played a key role in toppling apartheid in South Africa; let's use divestment to help erode the influence fossil fuel companies have over U.S. policies.

Divestment allows greater investment in clean and renewable energy: Instead of propping up fossil fuel corporations, investors in Green Century Funds can help propel clean and renewable energy companies and other firms offering environmentally beneficial products and services.

We need more than engagement to address today's dire situation: Some of the world's leading climate scientists have warned only 12 years remain for global warming to be kept to a maximum of 1.5 degrees Celcius; temperature rise beyond even a half-degree will significantly worsen the risks of drought, floods, extreme heat and poverty for hundreds of millions of people.

Why Choose Divestment Over Engagement?

We believe engagement is not the right tool to ensure the reduction of fossil fuel use: The fossil fuel industry has been misleading the public and its shareholders about the risk climate change poses to people, the planet and its financial future for decades. While shareholder engagement can work to assess risks and shareholder advocates can help change a company's policies, both are predicated on a company being transparent and truthful with its investors and the public. Divestment sends a stronger message when trying to bring about change and especially when faced with corporations that have continually hidden scientific data from investors for almost 40 years.

Engagement cannot change a core business: Stakeholder advocacy has successfully changed many company policies, but it will not change a corporation's core business. Giant oil and gas companies are not going to stop being oil and gas companies, just as Starbucks* is not going to cease being a coffee company.

Engagement has not been successful in reducing emissions: The first climate-related investor resolution with ExxonMobil* was filed in 1990 and despite three decades of effort, shareholder engagement alone did not produce any tangible reductions. In 2017, Exxon agreed to issue a report on how climate change would impact its business. This gave the company a chance to change its course.

°Green Century Capital Management, Inc. (Green Century) is the investment advisor to the Green Century Funds (the Funds).

You should carefully consider the Fund's 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 1-800-934-7336. Please read the Prospectus carefully before investing.

*As of June 30, 2023, Starbucks Corporation comprised 0.00%, 0.00%, and 0.14% and 1.63%, 0.57% and 0.00% of Green Century Balanced Fund, the Green Century Equity Fund, and the Green Century International Index Fund respectively. As of the same date, other securities mentioned were not held in the portfolios of any of the Green Century Funds. 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.

Stocks will fluctuate in response to factors that may affect a single company, industry, sector, country, region or the market as a whole and may perform worse than the market. Foreign securities are subject to additional risks such as currency fluctuations, regional economic and political conditions, differences in accounting methods, and other unique risks compared to investing in securities of U.S. issuers. Bonds are subject to a variety of risks including interest rate, credit, and inflation risk. A sustainable investment strategy which incorporates environmental, social and governance criteria may result in lower or higher returns than an investment strategy that does not include such criteria.

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