

Making your investments help the climate

A responsible approach to investment recognises that long-term prosperity requires a move away from short-term profit as the only definition of value.

Pension funds (work pensions or personal pensions)

Make it clear to your pension provider that you wish your money to be invested sustainably – after all, is it worth betting that oil companies will be as profitable when and after you retire as they are now?

Pension providers should be using their power - the power given to them through our savings - to engage with companies, pushing them to align their business model with the goals of the UN's Paris Climate Agreement. Where companies fail to listen, maybe pension providers should divest from that company (or push harder?)

ShareAction (<https://shareaction.org/>): “We’re unlocking the positive potential of the investment system by working with large and small investors to change unsustainable corporate practices”. Challenges the status quo at company AGMs.

Sign their petition (and to receive some emails asking you to help):

<https://action.shareaction.org/page/62934/petition/1>

Investing in environmental, social and governance (ESG) assets or funds

If you invest in the stock market yourself directly, or in funds that target certain sectors and types of risk or return, then look out for ones that mention sustainability and/or ESG. But check whether what they call sustainability is what you think it should mean (it often seems not to be!) More and more funds are starting to aim to achieve measurable carbon-emission reductions in the projects they support – see <https://www.weforum.org/agenda/2021/05/investing-to-curb-climate-change-rising-what-you-need-to-know/>, though whether these are suitable for small investors is not clear.

Investing in community projects

These notes do not give recommendations or endorsements of the organisations mentioned, though they may be useful in helping you target your spare cash at sustainable projects, but do read the section on risk first!

Ethex

Various projects are listed on www.Ethex.org.uk when available – often offer 4-5% interest, sometimes on bonds over a few years, sometimes on very long-term investments (20-25 years), sometimes available as an ISA. The projects are often solar farms, or large-scale solar installations on properties (businesses, schools, etc), or car charging. It’s easy to view your investments and manage the interest on their site. Sign up for product alerts from the bottom of the main web page.

“Ethex helps everyday people make ethical investments that fund extraordinary organisations. Make your money a powerful tool for change and get a fair return.”

Energise Africa

A sister company of Ethex, Energise Africa (www.energiseafrica.com/) offers investment in projects in Africa, such as small-scale solar panels and battery packs for providing light and charging phones in people’s homes, so you are helping people live better lives, reducing fossil-fuel use, and getting a good interest rate – interest rates are usually 5-7%, with the higher rates reflecting the risks associated with investing in small projects in unregulated markets in developing countries. Some

projects are available in tax-free ISAs (Independent Finance ISA, or IFISA, is like an ISA and you can open one of each in a tax year, but you can't share one between Ethex and Energise Africa). Sign up for product alerts from the bottom of the main web page – they are usually snapped up within hours of going live so act fast.

Bath and West Community Energy (BWCE, <https://www.bwce.coop/invest/>)

BWCE installs solar panels in large arrays and of large properties. Current investment opportunity is offering 4% return. Its community fund gives away some of its profits as grants to local good causes or projects. Minimum investment £100.

Community Energy England (<https://communityenergyengland.org/pages/share-offers>)

This site lists some renewable-energy projects targeting interest rates of 4%, but does not vet or endorse them. It's hard to tell how viable these projects are, and you should make up your own mind whether they look well run and likely to generate the expected income and to survive to return the capital.

Solar For Schools (<https://www.solarforschools.co.uk/funders>)

They install solar arrays on schools. You can help to fund them and hopefully earn a forecast return of RPI+2% - investment is through Ethex (see above).

SolarSense (https://www.solarsense-uk.com/filter_sector/community-groups/)

The company says it supports local groups with their own solar PV projects (which it installs) – should Hardwick form a group to finance solar panels on the school, or another building (church, Cabin, ...)?

Risk

Energy-generation schemes look like a good bet – electrical energy prices are highly unlikely to drop in the coming decades.

Don't invest unless you are prepared to lose everything!

Spread investment over a number of projects to minimise risk.

Don't expect to be able to get at your money quickly – sometimes you can apply to cash in your shares at a particular point in the year, but there is no guarantee.

Read the investment prospectus carefully to know what the terms are, and to judge for yourself whether it looks like a good investment.

*Capital is at risk and returns are not guaranteed. These are often fixed-term bonds and are not readily realisable. Investments are **not** covered by the Financial Services Compensation Scheme (FSCS).*