

Information about Ethical Finance & Investment

The purpose of this element in the Benchmarks is to encourage schools to adopt a consistent approach in terms of what is taught in classroom and how the school acts in practice.

For example, it would be contradictory for a school to teach about the importance respecting Human Rights, while at the same time banking funds with institutions that invest them in companies manufacturing instruments of torture. Some financial institutions have clear policies about these issues. The Cooperative Bank led the way on this in the late 80s and early 90s with a high profile campaign aimed at publicising the fact it did not invest in a range of what it considered to be unethical areas, such as the Arms Trade, and companies with a poor record on things like Animal Testing, the environment, and Human Rights. The term 'ethical investment' has been in circulation for over 20 years, since the first ethical fund was launched in 1984. The idea behind the ethical philosophy is that the bank or financial institution will actively invest in companies in line with a set of social or ethical criteria.

The following advice is intended for schools who are considering adopting an ethical investment policy.

1 How to go about developing an ethical investment policy.

There a number possible of avenues you may want to consider. The school could look at where funds are currently invested and whether these institutions already have ethical policy. Alternatively, you may want to begin by developing your own 'set of criteria for investment' or Ethical Investment Policy. You could do this by considering the 8 key concepts in the DfES publication 'Developing the Global Dimension of the curriculum' and using these to generate your own set of criteria. Another option is to talk to a financial adviser who specialises in Ethical Finance. You can get a list of these companies by typing 'Ethical Finance' into Google or another search engine. Be aware that these companies are in the business of selling a product, and if it is banking you are interested in (rather than pensions or long term investment) they may not be able to provide advice.

2 Defining ethical criteria

The following is a list of some frequently used criteria. For more information on this, please may also want to look at the websites listed below, or search the net.

- Does the bank/ financial institution invest only in companies that have a 'positive' Environment record ?
- Does the bank/ financial institution itself have a Sustainable Development policy ?
- Does the bank/ financial institution invest in companies involved in any way in the arms trade ?
- Does the bank/ financial institution have a policy of not investing in companies that use animals to test their products ?
- Does the bank/ financial institution have a policy about investing in places with a poor human rights record ?

Websites:

Cooperative Bank

www.co-operativebank.co.uk

Smile

www.smile.co.uk

Triodos Bank

www.triodos.co.uk/uk/

3 Banks and Financial Institutions with 'ethical' investment policies

(If you know of other banks or financial institutions which have a clear ethical stance, please let us know and we will add their name to this list).

Cooperative Bank

HP: <http://www.co-operativebank.co.uk/>

Telephone: 08457 212 212 (Available 24 hours, 365 days)

Mail: PO Box 200, Delf House, Southway, Skelmersdale,
Lancs, WN8 6GH

Email : customerservice@co-operativebank.co.uk.



1. Our Comments

The Co-operative Bank was the first high street bank in the UK to introduce an Ethical Policy. Based on it, there are several kinds of ethical actions in the bank.

Individual can buy discount ethical products, if they have the privilege accounts. Using the bank's credit and debit cards contributes to its campaign "Customer Who Care" and there are several kinds of credit cards available which support charities. The sorts of products and services in the "Ecological Financial service" are provided for business, charities and organisation people who considering about environment and sustainability. For further information about "Ethical Policy" background information and "Customer Who Care" campaign and "Credit Cards" see below.

2. The information from the bank

Background Information about Ethical Policy

A conscience you can bank on

Being in business is about making money. But our experience has taught us that most people don't want to achieve wealth at the expense of the community they live in, or labour standards in developing countries, or to put money in the pockets of regimes that don't respect human rights.

That's why The Co-operative Bank was the first – and is still the only – high street bank in the UK to introduce an Ethical Policy. This sets down in black and white exactly which types of companies we're prepared to work with and which ones, due to ethical reasons, we are not.

We won't do business with a company selling arms to an oppressive regime, for instance, or work with a government that doesn't support basic human rights. And nor will we invest your money in such organisations.

And there are some businesses that we actively seek to support, such as charitable organisations and organic farmers.

Just like the economic and social landscape in which we operate, our policy is always evolving and, we believe that our customers, should have their say in its content and where their money is invested.

The Ethical Policy

-----It is based on extensive consultation with our customers and reflects their ethical concerns about how their money should and should not be invested. It also informs our choice of partners and suppliers. The figures which appear in **bold** denote the level of support registered for each statement in the 2001 Ethical Policy Review.

1 Human Rights

We seek to support the principles of the Universal Declaration of Human Rights.

We will not invest in:

- any government or business which fails to uphold basic human rights within its sphere of influence - **98%**
- any business whose links to an oppressive regime are a continuing cause for concern - **98%**

2 The Arms Trade

We will not invest in any business involved in:

- the manufacture or transfer of armaments to oppressive regimes - **98%**
- the manufacture of torture equipment or other equipment that is used in the violation of human rights - **99%**

3 Corporate Responsibility

We advocate support for the Fundamental International Labour Organisation Conventions.

we will seek to support businesses which take a responsible position with regard to:

- fair trade - **97%**
- labour rights in their own operations and through their supply chains in developing countries - **96%**

We will not support:

- irresponsible marketing practices in developing countries - **93%**
- tobacco product manufacture - **81%**
- currency speculation - **79%**

4 Genetic Modification

We will not invest in businesses involved in the development of genetically modified organisms (GMOs), where, in particular, the following issues are evident:

- uncontrolled release of GMOs into the environment - **95%**
- any negative impacts on developing countries; in particular, the imposition of 'Terminator' technologies - **93%**
- patenting; in particular, of indigenous knowledge - **88%**
- cloning; in particular, of animals for non-medical purposes - **85%**

5 Social Enterprise

We will seek to support charities and the broad range of organisations involved in the Social Enterprise sector, including: **95%**

- co-operatives
- credit unions
- community finance initiatives

6 Ecological Impact

In line with the principles of our Ecological Mission Statement, we will not invest in any business whose core activity contributes to:

- global climate change, through the extraction or production of fossil fuels - **70%**
- the manufacture of chemicals which are persistent in the environment and linked to long term health concerns - **88%**
- the unsustainable harvest of natural resources, including timber and fish - **94%**
- Furthermore, we will seek to support businesses involved in:
 - recycling and sustainable waste management - **98%**
 - renewable energy and energy efficiency - **98%**
 - sustainable natural products and services, including timber and organic produce - **97%**
 - the pursuit of ecological sustainability - **97%**

7 Animal Welfare

We will not invest in any business involved in:

- animal testing of cosmetic or household products or ingredients - **88%**
- intensive farming methods, for example, caged egg production - **88%**
- blood sports, which involve the use of animals or birds to catch, fight or kill each other - **84%**
- the fur trade - **87%**

we will seek to support businesses involved in:

- the development of alternatives to animal experimentation - **95%**
- farming methods which promote animal welfare, for example, free range farming - **94%**

8 Customer Consultation

We will regularly reappraise customers' views on these and other issues and develop our Ethical Policy accordingly.

From time to time, we will seek to represent our customers' views on the issues contained within our Ethical Policy and other ethical issues, through, for example, our campaigning activities.

On occasion, we will make decisions on specific business, involving ethical issues not included in our Ethical Policy.

Customer who care campaign

Our Customers Who Care campaigns are a real demonstration of our Ethics in action.

Through the scheme, we actively campaign for change on issues relating to our Ethical Policy that we know our customers feel strongly about. The year-long campaigns have covered a wide range of hard-hitting issues from Third World debt to human rights, youth poverty, safer chemicals and Trade Justice to name but a few. For every £100 that you spend with our credit or debit cards, we donate 1.25p to the Customers Who Care campaign fund, and over the years, more than £3 million has been spent on good causes and campaigning through the scheme.

New Campaign: Combating Climate Change Throughout 2006.

We'll be campaigning in partnership with [Friends of the Earth](#) to Combat Climate Change.

Credit Cards

Our Credit Card

[Customers Who Care](#). 1.25p donated to good causes and campaigning for every £100 you

spend - at no extra cost to you.

Affinity Cards

Your spending can raise money for your chosen organisation

The ActionAid Credit Card [More Information](#)
The Amnesty International Credit Card [More Information](#)
The Barnardo's Credit Card [More Information](#)
The CAFOD Credit Card [More Information](#)
The Children's Aid Direct Credit Card [More Information](#)
The Children's Society Credit Card [More Information](#)
The Christian Aid Credit Card [More Information](#)
The Greenpeace Credit Card [More Information](#)
The Help the Aged Credit Card [More Information](#)
The Help the Hospices Credit Card [More Information](#)
The Labour Credit Card [More Information](#)
The Liberal Democrat Credit Card [More Information](#)
The Medical Foundation Credit Card [More Information](#)
The Oxfam Credit Card [More Information](#)
The Ramblers' Association Credit Card [More Information](#)
The RSPB Credit Card [More Information](#)
The Save the Children Credit Card [More Information](#)
The Sightsavers International Credit Card [More Information](#)
The Tearfund Credit Card [More Information](#)
The Vegetarian Society Credit Card [More Information](#)
The WaterAid Credit Card [More Information](#)

For Example: **The ActionAid Credit Card**

- Your spending can support ActionAid's fight against the injustice and inequality of poverty
- ActionAid receives £10 for every account opened
- Plus a further £2.50 if the card is used within the first twelve months
- And 25p for every £100 you spend using your card or transfer to it from any other credit or store cards you have

Community Involvement

At The Co-operative Bank, we have a strong commitment to working in partnership with our local communities. We aim to contribute to the development and improvement of the community through working with charities, voluntary organisations and community organisations. In addition to competitive banking services, such as our [Community Directplus](#) account

which offers free banking to charities and community groups and a customer donation fund, we aim to provide support through partnerships and involvement of our employees. Full details of our community investment and performance, including our [Customers Who Care](#) scheme and our [Affinity Cards](#) can be found in our [Sustainability Report](#).

Ecology

We will encourage business customers to take a pro-active stance on the Ecological Impact of their own activities and will invest in companies that avoid repeated damage to the environment.

In line with the principles of our Ecological Mission Statement we will not invest in any business or organisation that, as a core activity relies on:

- The extraction or production of fossil fuels which may contribute to problems such as global climate change and acid rain.
- The manufacture of chemicals which may contribute to problems such as ozone depletion or which may accumulate in nature.
- The unsustainable harvest of natural resources such as timber clearance which may lead to deforestation.

Smile

HP: <http://www.smile.co.uk/>

Telephone: 0870 843 2265

Mail: PO Box 600, Delf House, Skelmersdale,
Lancashire WN8 6GF

Email: questions_for_you@smile.co.uk



1. Our Comments

This internet bank is a part of the Cooperative Financial Service. The bank was voted a twice "best online current account" by Guardian and Money Observer readers. The bank focuses to internet banking benefits for customers and it has fewer services for ethical customers than Cooperative Bank, but it does

still use certain ethical criteria stipulated by the Cooperative Bank.

2. The information from the bank

Background Information about Ethical Policy

Ethics and Smile

13 years ago, in 1992, The Co-operative Bank launched its Ethical Policy after customers said they'd like to see their money invested ethically. From day one, it was decided that the policy should reflect the ethical concerns of customers, not the management - on the basis that it's customers' money which is being invested.

December 2001 saw the latest Ethical Policy Review, the first to include **smile** customers because we're part of The Co-operative Bank. Customers were invited to have their say via the **smile** website. The response was great and very positive, thanks to everyone who spent their time filling in the questionnaire.

The Ethical Policy *It is same as The Cooperative Bank Set out in short

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|----------------------------|-------------------------|
| 1 Human Rights | 5 Social Enterprise |
| 2 The Arms Trade | 6 Ecological Impact |
| 3 Corporate Responsibility | 7 Animal Welfare |
| 4 Genetic Modification | 8 Customer Consultation |

Triodos

HP: <http://www.triodos.co.uk/>

Telephone: 0117 973 9339

Mail: Triodos Bank Brunel House 11
The Promenade
Bristol BS8 3NN

Email: customerservices@triodos.co.uk



1. Our Comments

Triodos Foundation was founded in 1971. The bank's website provides information on three categories of account: individual, business and charity. Although its ethical criteria is not shown on

its site, there are enormous numbers of examples and details about organizations whom the bank finance in its web site. You can view information about the organisations, and a 90 second film, shown through the eyes of a Triodos Bank saver, demonstrates how your money can change the world.

2. The information from the bank

Mission

Triodos Bank is a pioneering force in the world of sustainable banking.

It aims to help achieve a more decent, dignified and kinder society and a world that respects people, the environment and different cultures.

Triodos Bank finances companies, institutions and projects that add cultural value and benefit people and the environment, with the support of depositors and investors who want to encourage the development of socially responsible and innovative business.

Triodos Bank's approach takes account of people, planet and profit to deliver a positive return over the long term. This social, ethical and financial approach is expressed in the Triodos name itself. Triodos - 'tri hodos' - is translated from the Greek as 'three-way approach'.

In essence, Triodos Bank aims to offer its customers both sustainable financial services and products and a good service.

Who We Finance ----- Saving

Triodos Bank offers savers the chance to invest in one of several specific areas through our targeted accounts

- Nature and Environment ----Organic Farming, Organic food and Environment
- Social Business----- Trade, Manufacturing, Service, catering and Business Enterprise

- Culture and welfare -----Education, Health care, Art and Culture, Community projects
- North- South
- Housing and others -----Living, Miscellaneous
- Search a project

A lot of organizations such as organic farmers, fair trade organizations and charities are in the home page

http://www.triodos.co.uk/uk/who_we_finance/savings/?lang=

Unity Trust Bank

HP: <http://www.unity.uk.com/>
Telephone: 0845 140 1000
Mail: Unity Trust Bank plc
Nine Brindleyplace
Birmingham B1 2HB
Email: utb@unity.co.uk



1. Our Comments

The bank was established in 1984 by trade unions for trades unions. It is now socially responsible bank for all customers

including the trade unions, charities, credit unions and membership organisation sectors. It works in normal banking and online banking.

2. The information from the bank

Our Mission and Value

Mission It is a socially responsible and innovative bank, committed to working in partnership with all our stakeholders, delivering high quality services and reinvesting in the wider community.

Values Unity Trust Bank is a socially responsible bank and does not support organisations which are not consistent with the Bank's values. Unity Trust Bank will not work with organisations whose activities are:-

- Illegal
- Contravene basic human rights
- Discriminate on grounds of race, religion, gender or sexual orientation
- Do not recognise the rights of employees or are engaged in unacceptable working practices
- Undemocratic and/or intolerant of other political views
- Support or promote the use of violence or intimidation as a means of achieving their objectives

Ecology Building Society

HP: <http://www.ecology.co.uk/>

Telephone: 0845 674 5566

Mail: Ecology Building Society

7 Belton Road Silsden

Keighley West Yorkshire

BD20 0EE

Email: info@ecology.co.uk



1 Our comments

The society organises mortgage lending and offers a range of ethical savings accounts to support sustainability.

2. The information from the bank

Criteria for mortgage

All mortgage applications are judged against the Ecology's unique lending criteria. The starting point is to assess the environmental impact of the project in terms of energy use, pollution and saving resources. This includes looking at properties where new and less conventional ideas are incorporated such as earth sheltering and breathing walls. Some of the features we encourage include:

- Easily recyclable materials
- Use of reclaimed stone, brick, slate or timber
- Locally sourced materials
- High levels of insulation
- Efficient condensing boilers
- Double or triple glazing
- Natural paints
- Water recycling
- Renewable energy systems - solar panels, photovoltaics, wind turbines

Guiding principles

Mission statement

A building society dedicated to improving the environment by supporting and promoting ecological building practices and sustainable communities.

Ecological lending

Our lending is governed by the principle of sustainable development, defined as "development based on the concept that the needs of the present should be met without compromising the ability of future generations to meet their own needs". Overall this allows us to engage in activities that promote, encourage or support the following objectives:

- the saving of non-renewable energy or other scarce resources
- the growth of a sustainable housing stock

- the development of building practices, ways of living or uses of land having, in each case, a low ecological impact

The environmental benefit of each potential loan underpins our lending decisions. Our lending programme includes the following: Sustainable housing practices, Sustainable lifestyles and economic activity

Our commitment to sustainable development also means we will NOT lend:

- for holiday homes, because of the impact on rural communities
- where intensive agricultural practices are to be employed

Shared Interest

HP: <http://www.shared-interest.com/>
Telephone: (0)191 233 9100
Mail: 25 Collingwood Street
Newcastle Upon Tyne
NE1 1JE
Email: can send--- <http://www.shared-interest.com/contact.htm>



1 Our comments

The organization is for people who want to invest in fair trade. It was started in 1990 and now works with fair trade business around the world.

2. The information from the bank

What is Shared Interest

Shared Interest is a co-operative lending society that aims to reduce poverty in the world, by providing fair and just financial services. It was started in 1990 and has some 8,000 members who have invested more than £20 million. We use the pooled savings of our members to facilitate fair trade.

We work with fair trade businesses all over the world, both producers and buyers, providing credit to enable producers to be paid in advance and to help fair trade develop.

We are members of **IFAT - the International Fair Trade Association**. Shared Interest is owned and controlled by its membership.

Mission

We do this by:

- Lending to and working with producer and buyer organisations who are committed to using fair trade principles
- Promoting a North-South partnership:
 1. Enabling investors in the UK to share risk and take positive action to
 - direct funds to borrowers working in poorer parts of the world
 2. Listening to and promoting southern voices and views
- Strengthening the fair trade movement so that it continues to present a more just model of trade

Becoming a member---invest in fair trade

Your money is an investment, not a donation. We aim to pay an agreed return on your investment and allow you to withdraw your money when you

need it.

Becoming a member of Shared Interest is easy. Anyone over the age of 16 and living in the UK can apply to become a member of Shared Interest. The minimum investment is £100 and the maximum £20,000.

Running your account is simple. You will receive regular statements detailing all the transactions on your account. You can invest further funds and apply to make a withdrawal by post whenever you want.

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