

# Money doing good

Good Money Week  
19–25 October 2014

Helping you consider sustainable and ethical options for your savings, investments and financial products

## Invest ethically. Make a difference

It has never been more worthwhile for charities to invest ethically.

Expectations of charities are changing – people are interested not just in what a charity does, but how it does it. They wish to see responsible behaviour across a charity's activities, from its fundraising, to its campaigns, to its investments.

Ethical and responsible investment allows you to align your investments with your objectives. It can also bring reputational benefits, enabling you to position your charity as a forward-thinking and trustworthy organisation.

INVESTING ETHICALLY CAN HELP



SUPPORT YOUR CAMPAIGN



FURTHER YOUR AIMS

ENHANCE YOUR REPUTATION

78%

Of the UK public would think worse of a charity if they found out it had funds invested in activities contrary to its values

EIRIS Foundation and Holly Hill Charitable Trust, 2011 survey



## What your charity can do

### NEGATIVE SCREENING

Form of investment that excludes issues of concern to you.

Avoids investment in specific companies or whole sectors whose activities or business practices contradict the aims of your charity. Common examples include cluster munitions and tobacco. Your charity may wish to set social, environmental or ethical standards against which all organisations you invest into must meet.

**Can reduce reputational risk caused by your investments**



### POSITIVE SCREENING

Actively seeks to invest in companies committed to responsible business practices and/or positive products or services (i.e. educational material or lifesaving equipment).

May target whole sectors, such as green technology or sustainable timber companies.

**Can further your charity's aims**

### SOCIAL INVESTMENT

Has dual aims of delivering a financial return as well as positive social outcomes.

Commonly associated with investment in organisations with an explicit social purpose, which are looking to innovate or expand. Greater risk or a lower financial return is balanced against the positive social outcomes.

**Can greatly increase your portfolio's impact**

E.G. [bigsocietycapital.com](http://bigsocietycapital.com)



### ENGAGE WITH COMPANIES

Increasing in popularity among charities and other ethical investors.

Allows charities to invest in companies whose business practices they wish to change and enables them to attend AGMs, ask questions and influence the company's behaviour.

**Can be a valuable addition to your campaigns**

[shareaction.org.uk](http://shareaction.org.uk)



## Countering common concerns

### WILL IT LOWER RETURNS?

There's no concrete evidence to support this and over the long-term, there's some evidence that ethical investments tend to perform better than a mainstream portfolio. Plus, more targeted investments are likely to better support your charity's aims.



Developing and implementing an ethical investment policy takes time but once the policy is in place, the burden decreases greatly, particularly if the day-to-day management of investments is carried out by an external fund manager.

### WILL IT LIMIT STAFF TIME?

### WILL IT CONTRADICT CHARITY LAW?

The guidance on this was revised and clarified by the Charity Commission in 2011. Charities can accept a lower return or greater risk if an investment conflicts with the aims of their charity, risks alienating their beneficiaries or donors, or won't result in significant financial detriment.



## How to get started

GET CFG'S FREE GUIDE

Unlocking Socially Responsible Investment

[cfg.org.uk/usri](http://cfg.org.uk/usri)



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[goodmoneyweek.com](http://goodmoneyweek.com)

SEE THIS WEBSITE

UK Sustainable Investment and Finance Association  
[uksif.org](http://uksif.org)



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