

Our Values Our Investments

There are a number of ways in which investments can encourage ethical behaviour within business. This leaflet introduces some of them so that investors can make real choices in making their investments support their values.

Personal Investments

1. The first question is : **‘What issues are important to you?’**
Armaments, the environment, human rights, animal welfare, tobacco?
Make a list and try to put them in order of priority. Many companies have a whole range of activities so think whether you want to exclude companies with any connection with arms etc. or whether you will accept some level of involvement.
2. **List where you investments are:**
- shareholding, pension schemes, unit trusts, bank accounts and insurances.
Different types of investments need different actions.
3. If you hold **shares or unit trusts** you will need to check if they fit your values. You could do this yourself, ask your financial adviser to check, contact an Independent Financial Adviser [IFA] who deals with ethical investments [list available from EIRIS] or arrange for EIRIS to run a check for you. An IFA can then advise on moving investments taking into account Capital Gains Tax etc.

There are now over 30 ethical unit trusts on the market so there is real choice.

4. If you shares in companies about whom you have concerns **disinvestment is not always the best answer**. As a shareholder you have the right to question thye company and to influence things. Individual letters and questions at the AGM are useful but acting with others can be more powerful. There are organisations that can help.
5. **Pension funds** are major investors and so have enormous power. Recent changes in legislation require pension trustees to state the extent to which social, environmental or ethical considerations are taken into account in their investment decisions. This has given ethical investment questions much greater importance than before.

Some schemes have an ethical option, others put a percentage of funds into ethical investment, some do neither of these. Ask for details of where the fund is invested and who the Trustees are. You then have some choices **i.** move to the ethical option **ii.** ask the Trustees to invest a percentage in ethical funds **iii.** ask the

Trustees to develop a voting policy and vote on ethical issues arising in resolutions at company AGMs [currently many funds do not exercise responsible ownership in this way] **iv.** ask the Trustees to question companies about environmental performance etc. **v.** if there is a shareholder campaign ask Trustees to support it **vi.** consider becoming a Trustee.

Acting with others is always more powerful. Find colleagues and pensioners with similar concerns and act together. Find out about War on Want/Traidcraft's 'Just Pensions' campaign.

6. **Bank Accounts** Consider moving to an ethical bank. Ask for their ethical statement. The Co-op is the best known but there is always the Triodos in Bristol.

Write to your bank about your concerns e.g. armaments, debt. Join the campaign actions of WDM etc.

7. **Social Investment** Building Societies and co-operatives are well established forms of social investment. Others include Churches National Housing Coalition 'Social Housing Account', Shared Interest – giving small loans to third world enterprises.

UK Social Investment Forum can provide information.

8. **Insurances** Write to your insurance company asking for details of any ethical guidelines they have in their investment policy and details of their voting policy for AGM resolutions. Depending on the answers you may get into dialogue with the company. In considering changing insurance companies don't only go for price but ethical stance. Like other financial institutions insurance companies are moving their investments all the time. It is hard to know exactly what they have but they are likely to have investments in the major companies. If there is a shareholder or consumer campaign write to the company and add your voice.
9. **Other organisations** Many people are members of organisations or support charities which have investments. Even within the constraints of charity law it is possible to develop an ethical investment policy and be active shareholders. Ask organisations you support about their investment policy and encourage them to think about ethics. The CEIG booklet 'Charity Trustees and Investment Ethics' may help.

Finally you cannot do everything at once. Choose one area of your investment where you can be effective and start there

Resources *E-mail addresses* *Web details*

EIRIS

80-84 Broadway London SW8 1SF Tel:020 7840 5700

List of ethical IFAs, ethical investment check, information on companies and ethical unit trusts, seminars

Ecumenical Council for Corporate Responsibility barbara.hayes@eccr.org.uk

PO Box 500, Oxford OX1 1ZL Tel: 01865 245349

Responsible share ownership

Ethical Investment Advisory Group

CCLA, St Alphage House, 2, Fore Street, London EC2Y 5AQ

Church of England Advisory Group on Ethical Investment. Publish an annual report summarising ethical investment issues raised in the year and various occasional papers (eg GM foods in April 2000)

PIRC

AlanM@pirc.co.uk

www.pirc.co.uk

Cityside, 40 Adler Street, London E1 1EE 020 7247 2323

Works with pension funds on corporate governance issues including voting at AGM

Manifest Voting Agency

9, Freebourne Crt Newland St, Witham, Essex CM8 2BL

Encourages responsible ownership through voting at AGM

Triodos Bank

11, the Promenade, Clifton Bristol BS8 3NN

Ethical Policy Statement, Free seminars on ethical investment

Co-op Bank

PO Box 250 Skelmersdale, Lancs, WN8 6BR

Ethical Policy Statement

UK Social Investment Forum info@uksif.org www.uksif.org

Holywell Centre, 1 Phipp Street, London EC2A 4PS 020 7749 4880

Encourages social investment. Information on members organisations.

Christian Ethical Investment Group

invest@honest.co.uk

Website in Course of preparation

32, Warwick New Road, Leamington Spa, Warks CV32 5JJ 01926 429826

Encourages ethical investment in the churches. Seminars. Booklet 'Charity Trustees and Investment Ethics' £3.50

World Development Movement
25, Beehive Place, London SW9 7QR
Information on campaigns

Just Pensions info@justpensions.org www.justpensions.org
Socially responsible investment and International Development
37-39 Grt. Guildford St London SE1 0ES 020 7620 1111
Joint Traidcraft, War on Want Pension fund campaign