



**Ethical  
Finance  
Hub**

The UK's first  
dedicated hub for  
ethical finance

## About the Ethical Finance Hub

The Ethical Finance Hub (EFH) is a not-for-profit organisation launched in 2016 with the aim of raising awareness, building capacity and delivering research to develop and grow the ethical finance market.

By connecting individuals and organisations interested in ethical finance we aim to widen knowledge, highlight choice and facilitate practical activities that drive the sector forward. In so doing we will help create a fairer, more inclusive and socially responsible financial system as well as improve the environmental, social and governance performances of businesses.

### Defining Ethical Finance?

Growing interest in sustainability, climate change and social justice, combined with concerns arising from the 2008 financial crisis and more discerning consumers, have helped the ethical finance movement gain momentum.

While there is no universally accepted definition of ethical finance, the Ethical Finance Hub (EFH) team has developed a working definition based upon a collective view of the ethical finance world, namely

**“A system of financial management or investment that seeks qualitative outcomes other than purely the management of returns. Outcomes sought may reflect ideas from faith, social, environmental and governance theories.”**

#### Our Vision

To realise a financial system where integration of environmental, social, governance and faith based values become the norm and not the niche.

#### Our Mission

To develop a platform to promote collaboration, research, innovation and growth in the ethical finance market enabling and encouraging stakeholders to make new connections and informed choices.

The concept of the EFH emerged within the award-winning UKIFC Edinburgh Ethical Finance Round Table series established in 2010. Senior stakeholders from financial services, government, faith groups, academia and the third sector recognised the benefits in creating a formal platform to promote ethical finance and identified the core areas noted on the next page. The Scottish Government has supported the development of the EFH by providing seed funding.



“I’m pleased to say the Scottish Government is supporting this project which will allow Scotland to capitalise on the increased global profile of ethical finance and progress towards becoming a worldwide industry leader in the field.”

John Swinney MSP

## OUR CORE AREAS

### CONNECTIVITY:

1. A dedicated physical hub offering office space, hot desks, meeting room(s) and a lounge area with reports and market data feeds
2. A digital platform including a directory and relevant industry reports

### AWARENESS

Campaigns promoting ethical finance



### CAPACITY BUILDING

Executive education programmes

### RESEARCH

Facilitating, commissioning and delivering academic / commercial research

### PROJECTS

Select consultancy assignments

## Why Ethical Finance Matters? A Global Movement

- » Customer **trust in banks is diminishing**, particularly in banks' ability to provide unbiased, high-quality advice. (*Global Consumer Banking Survey 2016, EY*)
- » Millennials believe that their **investment decisions can influence the issues they care about** (*Sustainable Signals Report 2017, Morgan Stanley*)
- » **\$22.89 trillion** of global assets professionally managed under responsible investment strategies (*Global Sustainable Investment Review 2016, GSIA*)
- » Global Alliance for Banking on Values' **50 members** serve over **41 million customers** and hold **\$127 billion** of combined assets under management
- » UN Sustainable Development Goals were launched in 2015 with the aim of **ending poverty, protecting the planet, and ensuring prosperity for all**
- » UN Principles for Responsible Investment have more than **1,750 signatories**, from over **50 countries**, representing approximately **\$70 trillion**
- » Ethical banking, credit unions and ethical investments and share issues in the UK was valued at **£39.1 billion** in 2015 (*Ethical Consumer - Markets Report 2016*)
- » UK social investment market stands at over **£1.5 billion** (*The Forest for the Trees - UK Banks' Investment in a Social Purpose 2016, A Social Spider report for RBS*)

## Scotland: Connecting Locally, Engaging Globally

Scotland has a distinguished history in financial services which dates back over 300 years. From Adam Smith, renowned as the father of modern economics, to the Reverend Henry Duncan, founder of the world's first commercial savings bank, Scotland has been a global pioneer in financial innovation and the development of professional standards.

Today, the financial services sector in Scotland employs over 100,000 people and generates around £8 billion for the Scottish economy. As one of the most important European financial centres outside London local expertise includes: pensions, investment, banking, co-operatives / mutuals, professional services and asset servicing. Scotland is now growing a reputation in social finance and venture philanthropy.

Some of the Scottish Government's key policy drivers align well to the work being undertaken in the ethical finance sector. These include: sustainable and inclusive growth, creating a culture of innovation and R&D, encouraging Industry and academic collaboration and strengthening Scotland's global profile.

The geographical concentration of financial services organisations, accessibility to Government and academic footprint positions Scotland as an attractive place for the Hub and the development of its activities.

## Scotland: Convening the Debate

### Edinburgh Ethical Finance Round Tables

The UK's leading ethical finance forum



### Global Ethical Finance Forum

Edinburgh played host to the international conference in 2015 and 2017



### Ethical Finance Challenge and Innovation Awards

Scottish-based UKIFC won the prestigious award in Dubai in 2015



### Church of Scotland and Islamic finance Joint Venture

World leading initiative to develop a shared values framework to underpin an ethical financial solution



## Key Stakeholders

Ethical finance is a horizontal niche and by harnessing our collective interest and expertise, together we can create a fairer and more prosperous nation and position Scotland as a global leader in this emerging sector.

Our core stakeholders include:

- » Financial services & support organisations
- » Government
- » Local authorities
- » Consumers
- » Academic institutions
- » Institutional investors
- » Charities
- » Social enterprises
- » Faith groups

## Building a Coalition of the Willing

We are keen to connect and engage with individuals and organisations who share our vision of creating a more socially responsible financial system. Whether you: have a specific need where we can help; would like to support our work; have an idea for collaborating; or just interested in what we do we will be delighted to hear from you.

We believe that good things happen when good people come together so feel free to get in touch!

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## The Ethical Finance Hub Team

The EFH Board is non-executive is comprised of a team of seasoned industry professionals who offer their time and expertise on a pro bono basis.



Graham Burnside  
*Consultant,  
Shepherd &  
Wedderburn LLP*



Julian Parrott  
*Partner,  
Ethical Futures*



Omar Shaikh  
*Advisory Board  
Member, Islamic  
Finance Council UK*



John Watt  
*Senior Partner,  
Annequin  
Associates*

Chris Tait is the EFH Project Manager and leads on managing the day-to-day operations.

If you wish to discuss more about the benefits of the EFH please contact:



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Ethical Finance Hub*

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