

About



Ethical Finance Hub

INTRODUCTION TO THE ETHICAL FINANCE HUB (EFH)

What is the EFH?

- A Scottish-based, industry-led not-for-profit organisation backed by Scottish Government
- Will provide a platform to promote collaboration, research, innovation and growth in ethical finance market
- Concept emerged from the Ethical Finance Round Table series in Edinburgh
- Vision is to create a financial system where integration of environmental, social, governance and faith based values become the norm and not the niche



Ethical Money – A £42bn Market in the UK* (*Ethical Consumer Market Report 2015)

Ethical finance is a system of financial management or investment that seeks qualitative outcomes rather than purely the management of returns. Outcomes sought may reflect social, environmental, governance and faith-based objectives. **UN Principles for Responsible Investment have 1,400 signatories from over 50 countries representing US\$59 trillion of assets.** The UK ethical finance market has experienced significant growth in recent years:

Ethical Banking	+7.1% to £22.12bn (from 2010 to 2014) – Key Note (1/5 total FS, by value)
Ethical (SRI) and Green Funds	+368.8% to £15bn (from 2000 to 2015) – EIRIS (based on 83 UK domiciled retail funds)
Credit Unions	+1100% to £2.1bn (from 2000 – 2014) – Ethical Consumer Market Report 2015

Hot Topics in Ethical Finance

- Corporate social responsibility
- Credit Unions
- Financial inclusion
- Fintech
- Green bonds
- Impact investing
- Islamic finance
- Micro-finance
- Screening (positive / negative)
- Socially responsible investment
- Sustainable development

Proposition

The EFH aims to connect individuals and organisations with an interest, or active, in ethical finance to help raise awareness, highlight choice and facilitate practical activities to grow the sector.

Platform – Physical



Host partner
Business tenant

Platform – Virtual



Market intelligence
Engage & connect
Industry advocacy
Membership model

Collaboration & Research



Events & ideas exchange
Knowledge share
Research
Network

Innovation & Growth



Awareness
Development
Education
Sales

Benefits

- Increases awareness and understanding of ESG, SRI, social impact, CSR, credit unions, etc.
- Improves access to information
- Facilitates connectivity and collaboration
- Supports development of new products and services
- Encourages more ethical business practices
- Positions Scotland as a world leader in ethical finance
- Drives academic and commercial research
- Aims to grow the ethical finance sector



Stakeholders



Opportunities

- Connectivity and collaboration between industry, academia and government agencies
- Research (commercial / academic)
- Knowledge transfer
- Executive education / CPD
- Product / service / market development
- Product innovation
- Hub workspace (cluster effect)
- Corporate social responsibility
- Brand awareness (events, campaigns, sponsorship)

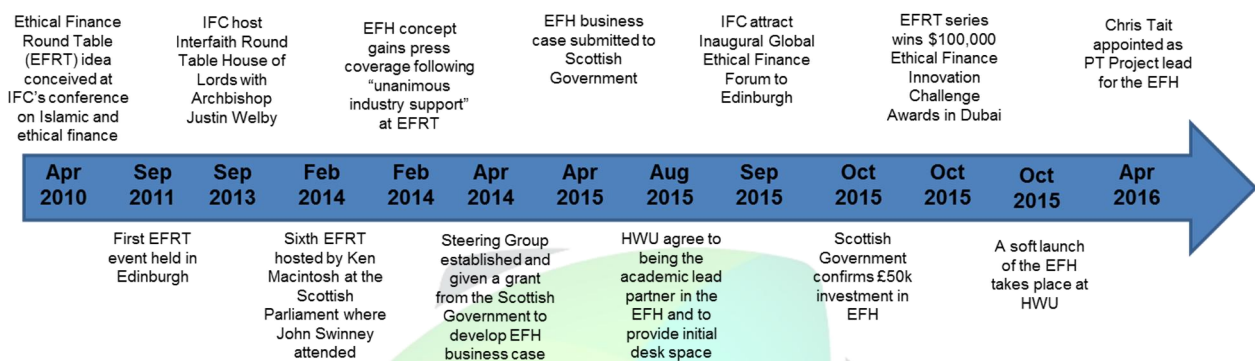
Context

Sustainability, climate change and social justice concerns, combined with challenges arising from the 2008 financial crisis, has led to increased debate and interest in a responsible financial sector that operates on a more transparent and ethical basis. With a distinguished history in financial services, dating back over 300 years, Scotland is one of Europe's leading financial centres and an emerging player in ethical finance. The EFH offers a unique and innovative platform to grow our capabilities in this emerging sector.

Development

The EFH idea emerged during the Ethical Finance Round Table series launched in 2010 where participants recognised the benefits in creating links between stakeholders to help innovate and grow the market for ethical finance. After developing an outline proposition the concept was presented to the Scottish Government in April 2014. With strong industry support the Scottish Government backed the formation of a steering group, which produced an outline business plan, before committing some initial seed funding for the EFH in October 2015.

The timeline below charts the development of the EFH:



Stakeholder Feedback

"I'm pleased to say that 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 this field."

John Swinney MSP, Deputy First Minister

"The ethical finance hub is a wonderful idea and an extraordinary concept".

Lady Susan Rice CBE, former MD, Lloyds Banking Group Scotland

"The EFH demonstrates that Scotland is serious about the transition to a sustainable and socially useful financial system."

Graeme Galloway, Relationship Manager, Triodos Bank

Supporters

Our founding supporters were members of the Steering Group established to develop the initial business case for the EFH.



Board



Graham Burnside
Consultant,
Shepherd &
Wedderburn LLP



Julian Parrott
Partner, Ethical
Futures



Omar Shaikh
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