

Your Personal Ethical Profile

Introduction

Investing ethically requires analysis of your social and environmental concerns as well as your financial needs. Each ethical fund has its own ethical investment criteria, so your financial advisers need to understand what issues are of concern to you in order to provide the best possible match.

The Investment Screening Process

Traditionally, ethical investment has focussed on the exclusion of companies whose activities conflict with a chosen set of negative criteria, such as “no tobacco” or “no armaments”. Increasingly however, investment managers are adding an inclusive element to the investment criteria of their fund by seeking out companies with positive environmental and social benefits; and by influencing positively the companies in which they invest through a process of engagement. Ethical funds now reflect the full range of ethical approaches from purely exclusive to purely engagement.

Notes to the Ethical Criteria

Most of the ethical criteria require no explanation but the following notes should help with those issues that some investors find problematic.

NEGATIVE ISSUES

Alcohol/Tobacco Retailing - avoiding companies in these categories will exclude investment in supermarkets.

Animal Issues (Meat Sales) - covers involvement in the processing and preparation of meat and dairy based foods; and companies whose primary activity is selling meat and dairy based products (such as supermarkets).

Animal Testing - covers the development of drugs and healthcare services which involve animal testing (Medical), and the development of cosmetics, toiletries and household products which involving animal testing (Non-Medical).

Armaments - covers companies manufacturing or selling weapons and weapon systems and companies supplying components and services essential to the operation of those systems (Strategic), and companies manufacturing or supplying of products and services used by the military that could also be found in civilian use, such as general aircraft components, or building maintenance and catering services (Non-Strategic).

Environment - deals with the range of environmental impacts associated with company activities from general issues such as biodiversity and pollution, to more specific issues such as tropical timber, greenhouse gases and ozone depleting chemicals. **Negative Impacts** covers funds with rudimentary statements on avoidance of environmental damage and little or no detail on how this is achieved; and funds avoiding specific, named environmental impacts without reference to positive analysis. **Balanced Approach** covers funds with a more comprehensive consideration of both negative issues and positive measures companies are taking to mitigate the their negative environmental effects. This includes investing in the best environmental performers in a particular industrial sector and may involve engagement.

Gambling - covers issues such as casinos, betting shops, online gaming and the National Lottery.

Genetic Modification - covers the development of products involving the genetic modification if animals or plants (Development), or the use of genetically modified organisms in areas such as food products (Use).

Human Rights - covers the effect of companies operations on their workforce and the communities in which they operate, either by reference to their countries of operation and whether those countries have oppressive regimes (Countries Based), or by reference to specific evidence that a company’s operations have negatively affected human rights (Evidence Based).

Nuclear - covers the production of electricity by nuclear power (Power), and those companies supplying products and services to the nuclear industry (Services)

Pornography - covers the production of pornographic or “adult” items such as films or magazines (Production), and the legal distribution of such material, which could cover newsagents and broadcasters (Distribution).

POSITIVE ISSUES

Some ethical funds only have a general statement on positive screening, describing how they will invest in companies involved in positive social and environmental activities. If you require a more detailed approach to positive issues, ignore the General Positive option and select the issues individually from the list.

Ethical Fund Database - Ethical Profile Questionnaire

Negative Criteria

		Avoid	Avoid if Possible	Do Not Avoid
Alcohol	Production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Retailing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Animal Issues	Intensive Farming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Meat Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Other (e.g. fur)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Animal Testing	Non-Medical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Medical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Armaments	Strategic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Non-Strategic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment	Balanced Approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Negative Impacts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gambling	Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Genetic Modification	Development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Human Rights	Evidence Based	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Countries Based	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nuclear	Power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pornography	Production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Retailing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tobacco	Production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Retailing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	Negative Criteria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Positive Criteria

		Required	Not Required
Overall Approach	Engagement	<input type="checkbox"/>	<input type="checkbox"/>
	General Positive	<input type="checkbox"/>	<input type="checkbox"/>
Animals	Welfare	<input type="checkbox"/>	<input type="checkbox"/>
Environmental	Management	<input type="checkbox"/>	<input type="checkbox"/>
	Technology	<input type="checkbox"/>	<input type="checkbox"/>
Human Rights	Positive Approach	<input type="checkbox"/>	<input type="checkbox"/>
Social	Education	<input type="checkbox"/>	<input type="checkbox"/>
	Employees	<input type="checkbox"/>	<input type="checkbox"/>
	Health	<input type="checkbox"/>	<input type="checkbox"/>
	Community	<input type="checkbox"/>	<input type="checkbox"/>
Other	Positive Criteria	<input type="checkbox"/>	<input type="checkbox"/>

Other Issues

If you have ticked the "Other" box under the Negative and/or Positive Criteria, please indicate below what your other concerns are: