

Corporate Social Responsibility Policy

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CORPORATE SOCIAL RESPONSIBILITY POLICY

Charity Bank's Corporate and Social Responsibility policy sets out how we seek to apply our principles and values so they impact positively on people, communities and the planet.

1. Principles and Values

Charity Bank has a social purpose culture which is derived directly from its charitable objects contained in its Articles. It aims to deliver its mission as a team, underpinned by a belief that this is not just a different kind of banking: it is a bank for good. The culture is embodied by staff who are encouraged to be open and honest, to behave ethically, to protect the environment and to engage with the local community.

2. The Environment

As part of our mission to support people and the planet, we are committed to reducing our environmental footprint in all areas of our business through preservation, conservation, use of renewable energy, and waste reduction practices. We aim to encourage the efficient use of natural resources and promote the protection of the environment.

We aim to take all reasonable steps to manage our operations so as to minimise our environmental impact and to promote good practice. Charity Bank has an environmental impact in two main areas:

- indirectly through our lending activities - through the projects and activities we fund; and
- directly through our own activities - through staff travel, communications materials and the operation of our offices.

Charity Bank has a separate environmental policy which sets out how we seek to reduce our environmental footprint in all areas of our work to the extent possible and consistent with delivering on our mission and complying with our business plans.

3. Social engagement

Charity Bank is committed to making a positive difference to communities that we do business with. We aim to respect the dignity and well-being of all of our people and those with whom we are involved, and we pay specific regard to our duties under the Equality Act (2010). We are committed to the promotion of equality of opportunity and diversity, and so we look to build business relationships with those suppliers who support and apply similar principles.

We aim to be a good corporate citizen, using reasonable endeavours to demonstrate integrity in each business and community in which we operate.

We lend to charities, community organisations and social enterprises that are under-served by other lenders in order that these organisations can address the social needs within communities across the UK or provide other social benefits.

We provide loan funding to organisations that reflect the following different circumstances:

- loans for any purpose and on any terms to any entity that is itself a charity and provides a public benefit;
- loans for any purpose and on any terms to any entity that meets Charity Bank's criteria as a social sector organisation¹;
- loans on a mixed motive basis where there is more than an incidental non-charitable (or private) benefit; and
- loans to other organisations without a charitable purpose and which are not social sector organisations, in circumstances where the potential borrower can adequately demonstrate to Charity Bank that:
 - the loan, if drawn, will facilitate material worthwhile social impact which could not otherwise be achieved, or is a refinancing of such a loan;
 - the borrower passes Charity Bank's due diligence process; and
 - the loan documentation incorporates protections to maintain the organisation's commitment to its intended social impacts or requires Charity Bank to be repaid if it ceases to maintain its stance on supporting social impacts.

We aim to assess the social impact of Charity Bank's lending activities by considering the mission of our borrowers and monitoring identified outcomes and indicators.

We offer staff the opportunity to volunteer up to 50 hours in a rolling year to a charity or other voluntary or community group, for example by joining a board of trustees or engaging in activities such as community services to support charities.

Charity Bank offers a GAYE scheme to its employees. For charitable donations, Charity Bank will match up to £250 per annum per employee.

4. The local community

Charity Bank seeks to take account of the impact of its operations on the local community.

We aim to build supplier relationships with local firms based in West Kent providing goods and services to our head office wherever possible and efficient.

When suitable opportunities exist in the business, we will offer apprenticeships in partnership with local schools and colleges to help to foster links with the local community and to help train and nurture the next generation of school leavers seeking employment.

¹ A social sector organisation is defined for the purpose of this document as "an organisation which is investment-ready and for which support complies with Charity Bank's objects". Organisations holding the Social Enterprise Mark and affiliate members of Social Enterprise UK would ordinarily fall within this definition.

5. Business Relationships/Sourcing

Charity Bank is committed to delivering the highest quality services and to dealing fairly with its stakeholders, depositors, borrowers and suppliers.

We use all reasonable endeavours to be objective, consistent and fair with all our stakeholders, to conduct our business relationships with integrity and courtesy, and to honour our commitments.

We aim to trade fairly with our suppliers and develop relationships with them in accordance with our principles and values. As contracts come up for renewal, we will seek to consider the way in which the supplier meets the standards Charity Bank expects of itself in the areas of the environment, relationships, compliance and treatment of employees.

We seek to abide by responsible business principles, which will include not investing in or making available or otherwise facilitating or advising on loans or other financing to any of the following businesses:

- a) businesses manufacturing equipment (including nuclear products), primarily designed or primarily designated for military purposes;
- b) businesses involved in the production, processing or distribution of illegal drugs;
- c) businesses for whom the following activities are, or are intended to be in the future, a significant source of revenue:
 - i) the establishment or operation or any form of gambling other than society lotteries as defined in the Gambling Act 2005;
 - ii) pornography or the provision of products or services of a substantially similar nature;
 - iii) the manufacture or wholesale distribution of tobacco or tobacco-related products, provided that any activities in relation to community facilities or shops or sports or other clubs which may sell tobacco or tobacco-related products shall be permitted; or
- d) a business that is:
 - i) subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department;
 - ii) named in the consolidated list of persons, groups or entities subject to European Union sanctions administered by the European External Action Service of the European Commission; or
 - iii) is a “designated person” under the Terrorist Asset-Freezing etc. Act 2010.

Charity Bank has a separate Procurement Policy which sets out the approach to appointing suppliers. As part of this policy Charity Bank also supports and encourages compliance with NCVO’s Preferred Suppliers Code of Conduct.

6. Compliance

Charity Bank is committed to operating in accordance with all relevant legal and regulatory requirements. Where no requirements exist, we will, where appropriate, develop and implement our own standards.

We aim to conduct our business with honesty, integrity and openness, while respecting commercial and personal confidentiality. We will not promote more than we can reasonably deliver or make commitments that we cannot or do not intend to keep.

7. Employees

Charity Bank is committed to providing worthwhile, satisfying employment to people of talent and integrity, treating them with respect and courtesy. We will promote well-being, encourage employees' development and training, and promote equality as differences in responsibilities permit.

We treat all employees in accordance with applicable equalities and employment legislation.

We seek to consider the interests of our employees, including their welfare, health and safety while at work, ensuring we have policies that seek to maintain and provide safe and healthy working conditions for our employees and contractors.

We do not have a bonus scheme but we recognise individual contributions and reward our employees fairly through implementation of our Reward Policy. Charity Bank has accreditation as a Living Wage employer.

We give employees opportunities to present their views to the management.

Policy Ownership

This policy is the responsibility of the Deputy Chief Executive and will be reviewed and approved every three years by EXCO and the Board.