

Charity
bank

Environmental Policy

March 2025





Introduction

Charity Bank is the loans and savings bank for charities, social enterprises and people who want to make the world a better place. We don't just avoid doing harm, we actively use finance to do good and looking after the planet is an important part of our work.

Vision

A society that fosters vibrant communities and a healthy planet, giving every individual the opportunity to thrive.

Mission

To support and strengthen impact-driven organisations that improve people's lives, while empowering savers and investors to put their money to work for positive social change.

Values

Working in harmony

We are all part of a whole, one community working together and depending on one another to deliver our shared mission and vision.

Mutual respect

We want to be known as an organisation that understands, values, and encourages difference. That means respecting the values, ideas, and beliefs of our customers, colleagues and stakeholders.

Being the change

Through our choices and actions, we are being the change – empowering charities and social enterprises to make UK society a better place.

Impact and commitment

Environmental Impact

We aim not for financial return alone, but rather a sustainable combination of social, economic, and environmental returns for the benefit of all the bank's stakeholders and our society at large.

As our mission is to support people and the planet, we are committed to reducing our environmental footprint in all areas of our work.

Charity Bank has environmental impact in two main areas:

- **our lending activities** – through the projects and activities we fund, and
- **our own activities** – travel, materials, procured goods and services, investments, and the operation of our office. footprint in all areas of our work.

Board and management commitment

We believe that climate change has become potentially the most significant social challenge facing the world today.

Our board and senior management's commitment to the environment resulted in the addition of 'healthy planet' to our vision statement in 2022 and prioritising the growth of our green lending portfolio in our 2023-2027 business plan.

Charity Bank has a Net Zero Working Group which meets quarterly to coordinate Environmental Impact action across the organisation, manage energy reduction and lead the Bank's Net Zero Strategy. The bank's Net Zero Policy is currently under development and is scheduled for launch in January 2026.



Our lending activities

Since 2002 we have made 1,371 loans worth over £570m to charities and social enterprises working across the arts, community, education, environment, faith, health, housing, regeneration, social care and sports sectors. Our lending activities represent our largest environmental impact.

Green Lending Programme

We are committed to facilitating and incentivising green lending and growing our green loan portfolio.

Our Green Lending Programme, launched in 2023 with support from Access - The Foundation for Social Investment, offers a blend of grant and loan finance for social enterprises and charities to invest in energy-efficient building improvements. Through this programme, we've now funded 25 energy audits, awarded £500k in grant funding, and committed £667k of loan finance specifically to fund retrofit initiatives - ranging from heating system and insulation upgrades to installation of solar panels to enable direct renewable energy generation.

Green Bank Initiatives - Supporting all our borrowers to combat climate change

Some of the organisations we support are directly seeking to combat climate change. This includes 60 loans to organisation with a primary focus on the environment, ranging from: conservation to recycling, and sustainable transport to renewable energy.

Other charities and social enterprises that we fund are seeking to reduce their carbon footprint and greenhouse gas emissions. This often includes the building of new sustainable buildings and making existing buildings energy efficient.

We also encourage our borrowers that don't have a direct environment focus to consider their carbon footprint and energy efficiency of their operations and are beginning to offer training and, tools and resources to support our borrowers on their own Net Zero journey.

Addressing emissions from our loan financing activities

Charity Bank is a member of [The Partnership for Carbon Accounting Financials \(PCAF\)](#) and has committed to measure and disclose the GHG emissions associated with our portfolio of loans, and ultimately to ensure that the climate impact of our loans is in line with the Paris Agreement.

The [Paris Climate Agreement](#) adopted in 2015 recognised the financial sector as having an enabler role in the achievement of the most ambitious climate-related goals. The text set specific targets to be collectively achieved to limit global warming to well below 2°C, and preferably to 1.5°C, offsetting the equivalent carbon emissions produced by the same amount elsewhere.

We began measuring the financed emissions of our loan portfolio using the PCAF methodology in 2022, and began to published this data in our Annual Accounts in 2023 alongside our carbon offsetting efforts, which we are now committed to doing on an annual basis.

Charity Bank is committed to aligning to the Paris Agreement and will be publishing its Net Zero Strategy in January 2026.





Our operations

We acknowledge that our operations have an effect on the environment and have identified our key environmental aspects that contribute to our environmental and carbon footprint:

- Consumption of electricity, gas, water, and other fuels.
- Paper consumption.
- Waste generation.
- Transport emissions.
- Procured goods, services, and our investments with their own environmental impact.

Our business is strengthened by protecting the safety, health and environment of our employees, our customers, and the people of the communities in which we do business.

Our environmental commitment can be demonstrated in our established actions:

- **Compliance with all applicable standards, laws, requirements, regulations, and public/customer expectations .**
- **Monitoring our key resource usage and implementing conservation techniques** to achieve our environmental targets.
- **Using electronic means of communication** and encourage recipients to avoid printing. **Committee and board meetings are paperless** using a secure online portal.

Prioritising use of environmentally friendly products.

- Our paper is produced using raw materials from responsibly managed forests with the Mark of Responsible Forestry, Elementary Chlorine Free with Eagle Certification.
- Selecting low energy equipment wherever possible.
- Using a 100% [REGO-backed](#) renewable electricity supplier .
- Implementing a waste reduction/recycling plan
- With used furniture, IT and other electrical equipment donated for re-use where appropriate/practical.
- Recycling paper, cardboard, glass, cans, plastic bottles.
- Compost for used teabags and coffee.

Minimising unsustainable transport through the development of a travel plan

- This includes hosting meeting by video conference to avoid unnecessary journeys.
- Working with suppliers to ensure they acknowledge and decrease the environmental impact of their products, services and transportation.
- Publishing and distribution of an annual organisational sustainability report.



Investors in the Environment (iiE)

In 2024, Charity Bank successfully achieved the Investors in the Environment's Green Level by meeting specific standards related to energy efficiency, waste management, water usage, and other environmental considerations. Investors in the Environment (iiE) is an accreditation scheme designed to help businesses reduce their environmental impact.

We will continue to improve our environmental management system by working to the Investors in the Environment (iiE) criteria, considering any changes in legislation, our organisation, and other factors. We will convey this policy to all our employees ensuring that they are provided with training to increase awareness of environmental matters.

Fossil Free Alliance

Charity Bank is a certified member of the Fossil Free Alliance and has been highlighted as Top Pick for being one of the Greenest Banks in the UK. The Fossil Free Alliance is a global network of organisations, communities, and individuals committed to divesting from fossil fuels and promoting a transition to renewable energy sources. Together with other member organisations, Charity Bank is advocating for divestment from fossil fuel industries, encourage investment in renewable energy alternatives, and raising awareness about the environmental and social impacts of fossil fuel extraction and consumption.

Net Zero Working Group

In 2022, we formed a Net Zero Working Group from among our co-workers with the goal to help make our Charity Bank environment a greener, healthier, happier place to work. Our Net Zero Working Group promotes sustainability, takes on green projects and initiatives, encourages effective resource use and leads by example to help colleagues do the same.

Ownership

This policy is the responsibility of the Head of Strategic Initiatives & Innovation and will be reviewed and approved every two years by the senior management team (EXCO). Our Net Zero Working Group have designated responsibility for the day-to-day implementation of this policy. Charity Bank will make this policy available when requested to interested parties including members of the public, including making a copy available on the Charity Bank's website.



Registered Office:

The Charity Bank Limited, Fosse House, 182 High Street, Tonbridge, TN9 1BE. Company registered in England and Wales No. 4330018. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register No.207701. Member of the Financial Services Compensation Scheme (FSCS).

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