



CORPORATE RESPONSIBILITY STATEMENT

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Issue 3

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1. Introduction

We believe that as the world becomes more and more dominated by the actions of corporate bodies', policy on Corporate Responsibility (CR) is increasingly important. However, unless the concept is thoroughly and holistically applied, it will fail to deliver the protection to individuals and communities otherwise promised.

As a result, Ecology Building Society (the Society) believes our CR Statement should cover the nature and impact of our business, as well as the ways in which we go about undertaking our business.

This Statement is not intended as a policy document, but rather a summary of the key actions that we undertake to ensure our corporate behaviour conforms to the highest standards. Many of the issues covered by this statement are enacted through a number of our embedded policies and procedures. Listed are relevant Policy Statements which are available upon request or on our website.

- Ethics Policy Statement
- Equal Opportunities Statement
- Lending Policy Statement
- Statement on Counterparty Research
- Environmental Policy Statement
- Tax Compliance Policy Statement

2. Our Business

The mission statement of the Society reads:

A building society dedicated to improving the environment by supporting and promoting ecological building practices and sustainable communities.

Our central business is the provision of finance to enable people to build or purchase homes. The right to shelter is a central human right and we are part of the mechanism by which people in the UK access that right.

Preservation of the environment for future generations is also central to our business. We believe that being socially responsible is inextricably linked to being environmentally responsible and promote this approach as a core principle in all that we do and the way that we do it. Therefore, the Society:

- Will not seek to externalise social and environment costs, but recognise and deal with these responsibilities directly
- Commits to not seeking to change legislation in such a way that the environment and society are negatively impacted
- Is committed to working for its members, society in general, the environment and future generations

We are a mutual organisation existing because of and working on behalf of our members. All decisions are taken on the basis of benefits delivered fairly to all our members, rather than to a smaller group of shareholders. The principle of fairness and equality are embedded within our decision-making; and we work to ensure access to membership is available to all who support our ethos.

Additionally, as responsible members of the wider community, we aim to support it through the commitment to pay taxes fully and fairly in line with the intent of the law and will abide by the laws which govern us.

3. **Our Customers and Members**

All but a few of our customers are members of the Society. Customers are not members only when legislation makes it impossible (eg for corporate deposit accounts). We value the involvement of members in our business and encourage participation whenever that is possible. In our dealings with both members and our other customers, we would always seek to apply the following principles:

- Treating Customers and Members as we ourselves would want to be treated; with courtesy, honesty, integrity and fairness
- Understanding, anticipating and responding to the individual needs of Customers and Members, offering products and services appropriate to those needs
- Seeking to be open and transparent in our dealings with Customers and Members, and respecting their confidentiality
- Keeping our products and services easy to understand and simple to use
- Balancing the needs of savers and borrowers
- Balancing the needs of new and existing Customers and Members
- Responding quickly and fairly to complaints, acknowledging where we get things wrong and learning the lessons

4. **Our Staff**

We have a dedicated and extremely competent staff, many of whom have been with us for a long time. We value their experience and know that because of it, they are able to offer customers and members a personal and professional service which understands and takes account of their needs.

- We strive to provide a workplace free from discrimination, and which meets or exceeds legislative employment standards
- We will invest in the necessary training and support of staff to ensure:
 - Job progression and satisfaction
 - Greater and increasing understanding of our ethical and environmental nature, wherever possible
 - Staff are able to make informed decisions, with due consideration given to achieving good customer outcomes
- Our recruitment processes are non-discriminatory and fair
- We endeavour to nurture a cooperative and constructive working environment
- We will pay our staff a fair wage for the work they undertake and seek to ensure that the wage is sufficient for staff to provide for themselves and their families
- The Society remuneration policy implements a pay ratio that limits the maximum pay scale point available. The Society is committed to operating within best practice for similar values based banks and financial institutions and will consult with members before any variation to this practice
- Wherever possible the Society will seek to support staff in taking part in community or environmental initiatives externally
- We try to deal with disputes between staff, or complaints from staff, quickly, sensitively and fairly, and expect to keep staff involved in the process informed of the action we are taking

5. Our Building

We are guided by our Environment Policy in considering the source, need and supplier of every external input used and output generated by our building.

- Our building was designed to minimise the consumption of energy and resources in its construction and use. The design took into account resources such as building materials, energy, water and gas
- We generate a proportion of the energy used in the building through solar panels installed on the outside of the building
- We buy our electricity from a supplier using a sustainable source, and monitor developments of sustainable sources
- We aim to reduce the amount of waste produced by the building, and recycle or compost as much of whatever waste is unavoidable

6. Our Suppliers and Counterparties

In order to effectively and efficiently support our members, we seek to solicit products and services of third parties who are specialist in their areas of expertise. When doing so the following considerations will be made:

6.1 Materials and Suppliers

- Where materials are purchased, we choose recycled, re-usable or recyclable products and services wherever possible
- We aim to implement working practices that reduce the need for consumable resources
- In our purchasing, we try to consider local suppliers whenever possible
- For major service providers, such as our auditors, we take their environmental principles into account as part of our procurement process. We actively engage in discussion with such suppliers to ensure that they are aware of the importance of this area to us

6.2 Counterparties

- As a provider of financial services, we have cause to utilise the services of other financial institutions, primarily as counterparties for the management of liquid funds. It is appropriate that such bodies be considered as a special case of supplier
- We seek to work with counterparties whose guiding principles and practices are not in contravention to our overall mission and ethical principles
- Similarly, for financial services counterparties we try to make them aware of the reasons for our engagement or non-engagement, recognising that demonstrating a demand for ethical business practice is a key means for creating such practice in target institutions
- The nature of the finance industry means that it is challenging to guarantee that all counterparties are engaged only in ethical business practice
- We aim to engage with:
 - Smaller institutions wherever possible
 - Institutions that have a robust and implemented environmental policy wherever possible

7. Our Partners

- We recognise our role in a wider movement promoting ecological principles in everyday life
- We seek to work in partnership with other organisations and groups who share our beliefs and with whom there is a synergy of interests or activities
- We believe such partnerships will assist us in promoting ecological principles in society, and assist us in promoting the mission and role of the Society in the wider movement
- We provide clear and honest information about our activities and aims to all such partners
- We aim to maintain the standards set within our Ethics Policy statement with all partners
- We are rigorous when considering which partnerships to enter into in order to avoid compromising the values and mission of the Society

8. Our Local Community

We are a national organisation operating in a niche market and to a large extent; our community is a far flung group of people who share our ethical position. However, all businesses impact in a variety of ways on the local community in which they are based. We are proud of the number of our employees who are local to the Society. We expect to be seen as part of the community and a good neighbour, and to this end engage with the community in areas of concern which affect us all, such as campaigning for better public transport links for the area

- We have tried to consider the needs of the local community in some aspects of the design of our building and grounds
- In so far as it is possible, we would like to share our building with other local organisations. There is provision for the local community via the straw-bale meeting room within the building, which is available for use by local groups
- We particularly welcome applications from local groups for grants available through the Society's Charitable Foundation and have in the past contributed towards play equipment in the local park

9. Taxation

The Society is member of a wider Society and as such it has a responsibility to support the membership through the payment of taxes, ensuring we fulfil our obligations to pay the right amount of tax.

10. Transport

Transport is a key area in the climate change debate and we are very aware of the impact any travelling we do has on the environment.

- The use of telephone conferencing equipment and other technology based solutions will be employed whenever possible to minimise the requirement for business related travel
- Staff and directors are encouraged to use public transport when travelling for the Society
- Where company vehicles are provided to staff, low emission hybrid vehicles will be the preferred solution. The vehicles are charged on site using a charging point provided by the Society, however subject to availability the Society will allow its members to use the charging points during normal working hours. The Society aims to encourage the local council to install a charging point within the local community
- Staff are encouraged to cycle to work through the provision of secure cycle parking and shower facilities. We also offer the Government's Cycle to Work Scheme for all staff

- Flying as a means of travel for Society business is discouraged and will be used where there is no other practical alternative
- We are committed to reducing our carbon footprint as far as possible and in addition we have offset all the carbon emissions generated over the period the Society has been in existence

11. Our Performance

We strive to be open and transparent in meeting our Corporate and Social Responsibilities. As well as meeting our legal and financial regulatory obligations, we commit to delivering good customer outcomes and assess our performance against our ecological responsibilities.

11.1 Independent Environmental Assessments

We regularly solicit independent assessment of the Society's environmental commitments. This is achieved through accreditation in the Investors in the Environment (iE) scheme. By membership in the scheme, the Society is independently audited to seek and maintain accreditation. Additionally, the Society periodically appoints a specialist auditor to assess conformity with the Society's Environmental Policy.

11.2 Carbon Footprint

We also accurately measure our carbon footprint in order to offset and to take steps to reduce our footprint as much as possible. Data is submitted to a specialist third party, Small World Consulting who assists us in measuring our emissions. This process ensures that the Society is able to offset its carbon emissions, which has done since the inception of the Society.

11.3 Reporting

The outcomes of the range of performance assessments are published on our website (www.ecology.co.uk). However, the Society will seek to develop a more comprehensive reporting framework to provide further transparency.