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**FINANCIAL INSTITUTIONS WARNED AS NEXT
GENERATION OUTLINES 'SOCIAL SPENDING' PLANS**

Providers must give green and ethical options to survive

FINANCIAL services providers were today delivered a warning shot by their next generation of customers, as UK teenagers revealed plans to direct future spending power at social and environmental issues.

Four in five (85%) believe controlling where they spend and invest will allow them influence, with over half (54%) claiming their generation better understands its financial clout than their parents.

Almost three quarters (73%) say options to support social and environmental issues will help determine their future choice of financial services providers.

The 'My Generation: Social Spending Power' study, commissioned to launch the UK's first National Ethical Investment Week (NEIW), reveals the potential impact of a more socially-conscious generation.

Savings (53%) and investment (52%) products top the shopping list of financial products where teenagers say they will demand 'ethical' options from providers, followed by mortgages, and pensions.

And they have outlined a list of 'no-go' areas, where they will refuse to have their money invested, headed by tobacco companies and weapons manufacturers.

Instead, they want the option to direct their money towards companies that ensure they do not use child labour, or are providing new technologies to protect the environment.

Penny Shepherd, Chief Executive of UKSIF, which is organising NEIW, said: "Financial services providers, and indeed, all businesses, cannot afford to dismiss the results of this report as youthful intent.

"This will be the most socially-aware generation of consumers yet, who have been exposed to more information about social and environmental issues, and are also very aware of the power of the pound.

"If they are to attract and retain their custom, providers must sit up and take notice of their views."

Over 1,000 15 to 19-year-olds, across the UK, were surveyed and told researchers that 'My Generation.....

- has a responsibility to ensure investments are not used to support companies that harm the environment (85%) or do not behave ethically (82%)
- will use its spending power to make a real difference in social and environmental issues (65%)
- are more socially aware and responsible than my parents' (65%)

A separate poll of 1,500 UK adults revealed that, while they share some of the same sentiments, they lack the knowledge to back beliefs with financial action.

Six in ten (62%) say the option to support social and environmental issues is important to them in their choice of financial provider, but 67% have little or no understanding of green and ethical investments.

Just 11% currently invest in green and ethical funds but lack of awareness (71%) is the key reason behind that, compared with just (16%) who say social and environmental issues are not a priority for them.

James Dalby, Fund Development Manager, Norwich Union comments: "It's important to consider the key results of this research - the younger generation have strong feelings about green and ethical issues. This can

be seen from the views on recycling, energy efficiency and where to invest.

Teenagers represent a section of the population that is a vital part of the future - they will 'lobby' older generations on a whole range of social and environmental issues. This will certainly help to raise the profile of green and ethical investing."□□

George Latham, Head of SRI Funds at Henderson Global Investors said: "This report shows that ethical investment will continue to grow as the next generation embed their social conscience into every aspect of their lifestyle from spending to saving.

"This generation is also more sophisticated in its understanding of ethical issues. It recognises that good investment is not only about avoiding unsustainable and unethical business practices but also investing in those companies that provide solutions to today's challenges such as climate change."

Julia Dreblow, SRI Marketing Manager, Friends Provident said "For these investors of the future, the perception that ethical investment is 'new' or 'out of the ordinary' simply does not feature. Like social and environmental challenges, it has always been part of the landscape for them. As UK ethical investment moves towards its 25th year it is wonderful to see research indicating its potential as an increasingly relevant and appealing force for change.'

The first ever NEIW (18 - 24 May 2008) will see grassroots consumer influencers and the financial services industry come together for the first time under one banner to encourage people to consider green and ethical investments. The week is being organised by UKSIF with support from leading product providers and non-governmental organisations. Its Gold sponsors are Henderson Global Investors and Norwich Union. Friends Provident is a Silver sponsor. The NEIW community outreach programme is supported by WWF –UK.

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For further information and/or the 'My Generation: Social Spending Power' report, please contact:

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- Interviews with UKSIF, Friends Provident, Norwich Union and Henderson Global Investors are available
- Case studies of investors in green and ethical funds are available

About the UK Social Investment Forum (UKSIF)

The UK Social Investment Forum (UKSIF) is the membership network for sustainable and responsible financial services. UKSIF promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment. It also seeks to ensure that individual and institutional investors can reflect their values in their investments.

In addition to the NEIW website at www.neiw.org, UKSIF's general web site is at www.uksif.org.

'My Generation: Social Spending Power' – snapshot of results

Future lifestyle choices

To run a low carbon household	75%
To buy fair trade foods	54%
To drive an 'eco car'	46%
To donate a percentage of my salary to charities	39%
To reduce use of airline flights	35%
To spend only with companies that behave ethically	34%
To invest only in ethical companies	22%

Companies refuse to invest with

Tobacco companies	71%
Weapons manufacturers	70%

Companies operating in countries with poor human rights records	63%
Companies that test on animals	60%
Companies that harm the environment	59%
Airline companies	16%
Pharmaceutical companies	11%

Companies would like to invest with

Companies that pay fair wages to their workers	80%
Companies that ensure they do not use child labour	78%
Companies providing new technologies to protect the environment	76%
Companies with policies to protect the environment	71%
Companies whose products help people to be healthier	71%

Financial products where green and ethical options will be sought

Savings products	53%
Investments	52%
Mortgages	45%
Pensions	39%
ISAs	38%
Loans	37%

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