

# COIF Charities Deposit Fund

Legal Entity Identifier (LEI)	<b>549300LQCCLQJQB48468</b>
Name of manufacturer	<b>CCLA Fund Managers Limited</b>

## Purpose

This document explains the COIF Charities Deposit Fund's (the fund) approach to sustainability. It is not marketing material.

This document is the consumer-facing disclosure document required under FCA rules.

## Sustainable investment label

This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The fund does not use a sustainable investment label because it does not have a sustainability goal.

## Sustainability approach

The fund is managed in line with CCLA's sustainability approach for cash funds.

CCLA assesses potential counterparties based on their financial strength and a number of sustainability indicators. These indicators include:

- our corporate governance rating
- the counterparty's signatory status with the Equator Principles
- the counterparty's position on CCLA's UK and Global Mental Health benchmarks
- the counterparty's position on CCLA's Modern Slavery benchmark
- an assessment of the counterparty's coal, oil and gas expansion policies.

In addition, CCLA routinely monitors counterparties' compliance with Global Standards<sup>1</sup> through our thirdparty provider to determine whether they are compliant with and/or whether they have significant or severe controversies. When significant concerns about their governance, or wider social and/or environmental impact are identified, counterparties' eligibility for use by the fund is suspended.

Counterparties which do not comply with Global Standards, and/or have the most severe level of controversy (as advised by our third-party provider) are excluded. If they become non-compliant while we hold fixed interest securities issued by them in the fund, a time-limited engagement plan is created with regular monitoring by the CCLA Investment Committee. Should the counterparty not show sufficient improvement, the investment manager has a six-month divestment window. Finally, no further fixed interest securities (or other types of cash instruments) issued by this counterparty can be purchased.

The full approach is available at:  
[www.ccla.co.uk/documents/our-sustainability-approach-cash-funds/download?inline](http://www.ccla.co.uk/documents/our-sustainability-approach-cash-funds/download?inline)

## Sustainability metrics

During the 12 months to the end of June 2025, CCLA engaged with 24% (10 out of 42) of the listed<sup>2</sup> financial institutions on our approved list of counterparties.

Engagement is split across our three engagement themes: health, work and environment. We set out below several engagement case studies. Please note case studies are selected for illustrative purposes and are intended to give a balanced picture of our engagement, both positive and negative.

A new approach to engagement tracking and reporting was introduced on 1 July 2025. We will report on effectiveness of engagement with holdings in the fund against this new approach at the next reporting period.

<sup>1</sup> Global Standards cover the UN's Global Compact Principles, International Labour Organization's (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

<sup>2</sup> Defined as public companies whose shares are traded on a stock exchange.

## Health

Engaging for better public health is a key priority in our stewardship work. We engage with listed counterparties that are a part of the CCLA Corporate Mental Health Benchmark.

### Toronto Dominion Bank (workplace mental health)

Toronto Dominion Bank is one of more than 100 companies in the CCLA Corporate Mental Health Benchmark – Global 100+ and has been assessed annually on its approach to workplace mental health since 2022.

The company has improved its performance significantly in 2022–24; its score has moved up 43 percentage points over the time period and is now ranked in Tier 2.

The company has engaged well throughout with several meetings, and we continue discussions with the company towards further improvement. It was assessed again in June 2025, and its 2025 performance will be published in October.

### Lloyds Banking Group (workplace mental health)

Lloyds Banking Group is one of 100 companies in the CCLA Corporate Mental Health Benchmark – UK 100 and has been assessed annually on its approach to workplace mental health since 2022.

In 2022, it was one of only three companies ranked in the top performance tier. Despite regular and positive engagement with the company since then, its mental health performance has deteriorated, having dropped 17 percentage points in 2022–24. Despite this fall, the company remains in the top quartile of UK companies on mental health performance, and we are hopeful it will regain its leadership position in time.

## Work

Within the ‘better work’ pillar, we are principally concerned with the recognition and support for human and labour rights. We engage with listed counterparties that are a part of the CCLA Modern Slavery Benchmark.

### Lloyds Banking Group (modern slavery)

In 2023, Lloyds was ranked in Tier 3 of the CCLA Modern Slavery UK Benchmark (meeting basic expectations).

We met the company in May 2024 to discuss how they could strengthen their approach to modern slavery. We highlighted how they lacked disclosure regarding their supply chain and audit methodologies.

Lloyds subsequently moved up to Tier 2 (evolving good practice) in 2024. Their disclosures on their supplier workforce and audit practices were

significantly enhanced. Additionally, throughout the year, Lloyds had joined the Unseen Business Support Hub and organised worker welfare audits for their new office developments.

We met the company again in October 2024 to discuss further improvements and reflections on the benchmark. They highlighted that the benchmark had been helpful in securing internal buy-in for greater disclosure from other parts of the business.

### HSBC Holdings (modern slavery)

In 2023, HSBC was ranked Tier 3 of the CCLA Modern Slavery UK Benchmark (meeting basic expectations).

We wrote to the company in August and September 2023 to share their scorecard and offer a change to discuss improvements. In general, HSBC lacked disclosure on their supply chain and social audit processes. HSBC declined the offer of a call.

HSBC remained in Tier 3 in 2024. Again, they were contacted in August and September to discuss potential improvements to their approach. HSBC did not respond. We will continue to press HSBC to engage with us on its approach to modern slavery.

## Climate

Within ‘better environment’ our primary focus is on climate action.

In the first quarter of 2024, we sent due diligence questions to counterparties in the fund asking for information on their approach to fossil fuel financing.

The engagement approach for cash funds was reviewed and revised following this initial outreach. Engagement against the revised approach will commence in the second half of 2025.

## Further links

- [Scheme particulars](#) (for pre-contractual disclosures)
- [A climate for Good Investment](#) (for information on the impact of climate change on CCLA and the actions we are taking)
- [Climate-related financial disclosures](#) (for information on the impact of climate change on the fund)

## Glossary

Please refer to the glossary on our website for explanations of terms used in this communication. If you would like the information in an alternative format or have any queries, please call us on **0800 022 3505** or email us at **clientservices@ccla.co.uk**

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