

CODE OF CONDUCT

For all members of the Ethical Investment Advisory Group

Introduction

1. Members (“members”) of the Ethical Investment Advisory Group (the “EIAG”) must at all times observe the highest standards of impartiality, integrity and objectivity in relation to the work of the EIAG and its ethical advice to the National Investing Bodies of the Church of England (the “NIBs”).
2. The Nominations Committee of the EIAG has responsibility for monitoring and ensuring good standards of governance in relation to the EIAG, including this Code of Conduct.
3. In the National Church Institutions of The Church of England (including the EIAG), we follow three organisational values in everything we do:
 - a) Excellence: We take pride in doing a good job
 - b) Integrity: We are trustworthy
 - c) Respect: We treat everyone with dignity

Standards of conduct

4. All members must:
 - a) comply with this Code of Conduct, and ensure that they understand their duties, rights and responsibilities, and that they are familiar with the function and role of the EIAG; and
 - b) not use the opportunity of their service to the EIAG to promote their private interests or those of any family members or those of any other groups or organisations to which they belong.

Confidentiality

5. Members may receive information that has not been made public and is confidential for a number of reasons. In addition to information received from companies, this may include information about the deliberations of the EIAG and/or the NIBs on potential new or amended policies, restrictions on investments, or engagements with companies. Members must not disclose or misuse any such confidential information.

Insider dealing and market abuse

6. No member may use confidential information received in relation to any activity of the EIAG in order to obtain a financial advantage. In addition to information received from companies, this may include information about the EIAG's or a NIB's deliberations on potential new or amended policies and information on a NIB's policies or dealing intentions.

7. Members are reminded that a person who deals in certain shares or other investments on the basis of confidential "inside" information (which could include any information to which the member has access by virtue of membership of the EIAG e.g. information received from a director of the company or another senior person within it or information about the EIAG's or a NIB's deliberations on potential new or amended policies or information on a NIB's policies or dealing intentions) which would, if made public, affect the price of those shares or investments, may be committing the criminal offence of insider dealing. Encouraging others to deal, improperly passing inside information to others, and market manipulation (such as creating false or misleading impressions as to investments) are also criminal offences. These offences are punishable by a prison sentence.

8. Members are also reminded that a civil regime prohibits "market abuse". This regime covers similar misconduct to the insider dealing and market manipulation offences but the lower civil burden of proof applies. Sanctions for market abuse include significant fines and public censure. Insider dealing and market abuse law is complex and members should seek legal advice where appropriate. The FCA's "Code of Market Conduct", which summarises market abuse law, is available at: <http://fshandbook.info/FS/html/handbook/MAR/1> . The FCA actively pursues insider dealing, market manipulation and market abuse.

Church House, Great Smith Street, London SW1P 3AZ

Chair: The Rt Rev. Dr David Walker

Secretary: Anna McDonald

Email: anna.mcdonald@churchofengland.org

Direct Line: +44(0)20 7898 1416 Switchboard: +44(0)20 7898 1000

Website: churchofengland.org/about/leadership-and-governance/ethical-investment-advisory-group

9. Members should also be aware that reputational damage to them, to the EIAG, to the Church of England, and to the NIBs may result from members' conduct even where no breach of insider dealing or market abuse law arises.

Conflicts of interest

10. The purpose of these provisions is to avoid any danger of members being influenced, or appearing to be influenced, by their private interests (or the interests of those individuals, companies or other bodies with whom they are closely connected) in the exercise of their duties as a member. These provisions apply to all members.

11. Prospective members should consider actual or potential Material Conflicts of Interest before they are appointed.

12. Members should notify the Secretary in writing of any material financial interests which are, or are likely to become, Material Conflicts of Interest.

13. Where the EIAG intends to discuss any matter at any meeting, and any member has an actual or potential Material Conflict of Interest in relation to that matter, then that member shall, whether or not previously disclosed, disclose the actual or potential Material Conflict of Interest at that meeting.

14. All material financial interests in relation to a matter shall be "Material Conflicts of Interest" in relation to that matter.

15. However, material non-financial interests in relation to a matter shall only be "Material Conflicts of Interest" in relation to that matter if the meeting at which they are disclosed so determines (with that member being excluded from casting any vote).

16. No member may vote at any meeting of the EIAG on any matter where he or she has a Material Conflict of Interest in relation to that matter. The meeting shall determine, however, whether or not he or she shall be entitled to remain in the room whilst that matter is discussed and/or participate in that discussion.

17. For the purposes of this Code:

- a) a member has a “material financial interest” in relation to a matter where that matter relates to a company or other body and that member or his or her spouse or partner:
- i. in the case of a listed company, directly or indirectly as a beneficial interest holds 1% or more of its share capital,
 - ii. in the case of a non-listed company or other body, directly or indirectly as a beneficial interest holds 5% or more of its share capital (or an equivalent financial interest in a body which is not a company), or
 - iii. is an employee, director, trustee or other officer of or consultant to that company or other body;
- unless in any such case the matter relates to all companies or bodies and is not specific either to that company or body or to a sector which includes that company or body;
- b) a member has a “material non-financial interest” in relation to a matter where that matter relates to a company or body, or to a sector which includes that company or sector, and that member, or a close relative, would be affected directly or indirectly by decisions relating to that company or body, or that sector, in a way that a reasonable person would regard as likely to influence in a material manner his or her judgement in relation to that matter; and
- c) “close relative” includes spouses, partners, parents, children (adult and minor), brothers, sisters and the spouses or partners of any of these.

18. Examples of matters that are and are not material non-financial interests are given in the schedule to this Code.

19. All such disclosures and decisions relating to actual and potential Material Conflicts of Interest shall be noted in the minutes.

20. For the avoidance of doubt, those members who are executives, employees or trustees of a NIB are, for the purposes of this Code, not to be regarded as having a material financial interest or a material non-financial interest by virtue of so being.

Disclosable interests

21. The purpose of these provisions is to ensure that all members are aware of any particular interest, beyond normal interest, that other members may have in matters discussed at the EIAG. These provisions apply to all members, whether or not they are voting members of the EIAG.

22. Where the EIAG intends to discuss any matter at any meeting, and any member has a disclosable interest in relation to that matter, then that member shall, whether or not previously disclosed, disclose that disclosable interest at that meeting.

23. However, no member shall be barred from remaining in any meeting of the EIAG to discuss any matter, from participating in the discussion of any matter, or from voting on any matter by reason only of having a disclosable interest in that matter.

24. For the purposes of this Code, a member has a “disclosable interest” in a matter if a charity or campaign organisation is active in relation to, or publicly associated with, that matter in a material manner and that member or his or her spouse or partner is a member of that charity or campaign organisation.

25. Being a member of a church is not a disclosable interest.

26. All such disclosures shall be noted in the minutes.

Gifts and hospitality

27. Members must treat with great care any offer, gift, favour or hospitality that is made to them personally and in connection with their service as a member. Members should only accept gifts of nominal value and declare them to the Secretary.

28. Members should only accept hospitality in connection with their service as a member where it is commensurate with the style, presentation and value that it would be appropriate for a public body to provide on a reciprocal basis.

Non-compliance with the Code of Conduct

29. The Secretary will investigate alleged breaches of this Code and take appropriate action, such as presenting the alleged breach to the Nominations Committee, if necessary. A member who is found to have materially breached this Code will be immediately removed from the EIAG. Any wrongdoing amounting to criminal conduct or market abuse will be reported to the police and/or to the relevant regulator as appropriate.

Adopted 9th December 2019

Schedule

An example of a matter which is a material non-financial interest would be acting as a trustee or Board member of a charitable body which is directly engaged in a matter that the EIAG is considering, such as a club promoting shooting for sport in the context of EIAG consideration of policy on non-military firearms. The member has no financial interest in the matter, but there is a conflict of loyalties between the charitable purposes of the club (which the member, as a trustee or Board member, is bound to further) and the aim of the EIAG policy.

An example of a matter that would not be a material non-financial interest (but would be disclosable) would be that the member is also a member of a gun club.

Church House, Great Smith Street, London SW1P 3AZ

Chair: The Rt Rev. Dr David Walker

Secretary: Anna McDonald

Email: anna.mcdonald@churchofengland.org

Direct Line: +44(0)20 7898 1416 *Switchboard:* +44(0)20 7898 1000

Website: churchofengland.org/about/leadership-and-governance/ethical-investment-advisory-group