St Albans Diocesan Board of Finance

GLEBE COMMITTEE ETHICAL POLICY FOR PROPERTY DISPOSITIONS

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Accessible at:	Diocesan Website
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Policy Statement

The Glebe Committee asks counterparties to property dispositions with the St Albans Diocesan Board of Finance or its subsidiary or group companies to comply with its ethical policy. There are two main elements:

1. to combat money laundering and terrorist financing:
    a. the counterparty must not be on the UK Government Sanctions List (people, entities and ships are designated or specified under regulations made under the Sanctions and Anti-Money Laundering Act 2018)
    b. the counterparty must supply evidence of its source of funds and source of wealth (used in a transaction) to make sure that these are not obtained through money laundering and terrorist financing
    c. the counterparty must not derive its source of funds and wealth from a country, administration or group which is subject to financial sanctions imposed by the UK Government

2. the nature of the business of the counterparty and those entities through which it derives its source of funds and source of wealth, or which are part of the same overall legal business structure:
    any such counterparty or entity must, noting the Church of England's ethical investment policies https://www.churchofengland.org/about/leadership-and-governance/ethical-investment-advisory-group/policies-and-reviews and https://www.churchofengland.org/sites/default/files/2023-07/climate_action_report_030723_digital2.pdf :

a. not derive more than 25% of its turnover from the production or licensed sale of alcoholic drinks
b. not be involved or derive revenues from the exploration, extraction, production or refining of coal, oil, gas or peat
c. if exposed to deforestation, has a public deforestation policy with quantifiable, time-bound commitments that will contribute to ending deforestation; due diligence processes covering supply chains and meaningful disclosures of efforts to end deforestation
d. be formally committed to carbon emissions pathways aligned with 1.5°C or below 1.5°C warming scenarios
e. not derive more than 10% of its turnover from strategic military sales including conventional military platforms, whole military systems, weaponry or strategic military parts or services
f. not be involved in the production or supply of indiscriminate weaponry (defined as nuclear weapons, anti-personnel mines, cluster munitions, chemical weapons or biological weapons), with no turnover threshold to be applied
g. not be involved in the production, processing, supply or storage of weapons grade nuclear fissile materials, with no turnover threshold to be applied
h. not be involved in the provision of strategic parts or services for antipersonnel mines, cluster munitions, chemical weapons or biological weapons, with no turnover threshold to be applied
i. not derive more than 10% of its revenues from gambling activities
j. comply with the UN Guiding Principles on Business and Human Rights 2011 which are applicable to businesses https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
k. not derive more than 10% of its turnover from the production or sale of non-military firearms or ammunition, excepting companies specialising exclusively in products specifically designed for hunting or sporting purposes
l. not derive material revenue (group revenue exceeding both £1m and 3% of Group turnover, derived either directly or through owned subsidiaries) from the production or distribution of pornography, the staging of live sex shows or the ownership of sex shops
m. not derive more than 10% of their revenue from the production, distribution, or retail of tobacco products (including manufacture and supply key products necessary for the production of tobacco products, such as flavouring, filters, roll-paper, machinery and packaging)
n. not derive more than 10% of their revenue from the production, distribution, or retail of e-cigarettes
o. ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of its own business

p. comply with international, national, and local legislation affecting its operations, meet its tax obligations and not make any financial contributions or offer support to any political party
q. allow the direct or indirect offer, payment, solicitation, or acceptance of bribes in any form

How to ensure that the counterparty to the proposed disposition complies with this ethical policy?

1. The KYC checks carried out by Bidwells (or such other firm as is acting for the St Albans Diocesan Board of Finance) should answer the questions at 1 above to such firm's satisfaction regarding money laundering and terrorist financing
2. A director of the counterparty to the proposed disposition should sign a formal letter addressed to the St Albans Diocesan Board of Finance in which the counterparty undertakes that it and the entities through which it derives its source of funds and source of wealth (which will be named in the letter) do not breach the requirements at 1 and 2 above and that the counterparty will inform the Board if this changes.
3. The disposition and also any contract for the disposition should each provide that any breach of the requirements at 1 and 2 above shall constitute a material breach of the relevant contract or disposition such that the St Albans Diocesan Board of Finance may (in its absolute discretion and being under no obligation to do so) serve notice to terminate the contract or disposition (as the case may be) with nil penalty to the St Albans Diocesan Board of Finance if it transpires that the counterparty or the entities are non-compliant at any time while the relevant contract or disposition remains in force
4. The same requirements as 1 and 2 should be put in any contract so as to apply to any disposition of the contract and also as at completion for any entity which takes a transfer or lease of the property and shall also apply to any disposition of such lease
5. Any contract or disposition shall provide that these provisions shall be directly enforceable by a group or subsidiary company of the St Albans Diocesan Board of Finance

What is meant by disposition and contract?

The following are included unless the Glebe Committee decides otherwise in its absolute discretion:

1. "disposition" includes a transfer and conveyance and also a devise, bequest, or an appointment of property contained in a will; and "dispose of" has a corresponding meaning; and "conveyance" includes a mortgage, charge, lease, assent, vesting declaration, vesting instrument, disclaimer, release and every other assurance of property or of an interest therein by any instrument, except a will

2. “contract” includes any contracts or agreements for a disposition including but not limited to option, promotion, and conditional contracts or agreements