



Edentree Asset Management Limited Section 172 Statement

The directors confirm that during 2022 and to the date of this Report, they have acted to promote the success of the Company for the benefit of its members as a whole and considered the matters as set out in section 172(1)(a) to (f) of the Companies Act 2006. This section provides an overview of how the directors have had regard to those matters when performing their duties.

As the Company is part of the Benefact family of companies, where matters impact across the family, the approach to stakeholder engagement is led by Ecclesiastical Insurance Office plc (EIO), and therefore further details have been disclosed within EIO's Annual Report and Accounts.

Our Approach to the Long Term Success of the Company

The Board of directors recognise that the long-term success of the Company, and therefore our ability to continue to help people, charities and good causes is dependent on having regard to the interests of its stakeholders at its heart. In order to achieve our strategic ambitions, the Board understands how important it is to listen and respond to the needs of our stakeholders.

As part of a global financial services Group driven by the ambition of transforming lives and communities, we are continually striving to do the right thing at all times. However there are occasions where the needs of different stakeholder groups may not always be aligned. On these occasions, the Board attempts to balance the conflicting interests and impacts of our stakeholders in their decision-making.

Stakeholder Engagement in Decision Making

The Board adopts a range of approaches to engage with stakeholders and recognises that the importance of a stakeholder group may differ depending on the matter to be considered. Given the nature of the business, the Board sometimes engages directly with stakeholders and also understands that it may be more appropriate for engagement to be undertaken at an operational or Group level.

Certain stakeholder matters are led at Group level, especially where the matters are of Group-wide significance or have the potential to affect the reputation of the Group. The Board considers a variety of information to understand the impact of the Company's operations and the interests and views of our key stakeholders. A one-year rolling plan of business for discussion is agreed annually to ensure that the Board is focused on the right issues at the right time and sufficient time is allowed for appropriate consideration and debate. Information is provided to directors in papers in advance of each meeting. In addition, people from the business are invited to attend meetings to provide insight into key matters and developments. At each Board meeting, the directors discuss strategic and business matters, financial, operational and governance issues and other relevant issues that arise. Because of this, the Board has an appreciation of engagement with stakeholders and other relevant matters, which enables the directors to comply with their legal duties section 172 of the Companies Act 2006.

Following a Group level externally facilitated review of board meeting papers and associated procedures, a refreshed meeting paper template and written procedures were introduced during the year. Training was provided to all key paper authors including a number of the directors. For matters requiring approval by the Board, the updated meeting paper template requires authors to more explicitly consider the actual or potential impact of each decision on stakeholders. This information assists the directors in fulfilling their legal responsibilities in relation to stakeholders. It supports the

responsible culture and ensures appropriate consideration of the long term implications for stakeholders whilst providing assurance to the Board.

Below is an example of a principle decision taken by the Board during the year in and how it has had regard to the interests of, and impact on a selection of its stakeholders.

Principle Decision of the Board

Consumer Duty Plan and Champion

Following publication of the Financial Conduct Authority’s (FCA) new Consumer Duty (the Duty) in May 2021, which provided a new consumer principle requiring firms to act to deliver good outcomes for customers, the Board monitored regulatory expectations and likely impact on customers via regular updates from the Audit, Risk and Compliance Committee

The Board approved the Consumer Duty Plan and the appointment of an independent non-executive director as the Consumer Duty Champion on 14 September 2022. The Board challenged the Plan to ensure that it was deliverable and robust in the context of the cost to the Company. The directors continue to receive regular updates on the progress of the Plan to ensure that they are meeting their regulatory obligations whilst ensuring the best possible outcomes for customers. The non-executive director will also be supported by the Company’s Compliance Team to fulfil his role as Consumer Duty Champion.

Our Strategy in action:

<u>Our key stakeholders</u>	<u>Methods of engagement and outcomes</u>
<p data-bbox="193 1077 799 1115">The Shareholder</p> <p data-bbox="193 1115 799 1512">The Company was a wholly owned subsidiary of BG until 3 January 2023 when the entire ordinary issued share capital of the Company was transferred to EHL as part of the Group wide re-structure. EHL is owned by BG which in turn is owned by Benefact Trust Limited, the ultimate parent company. Protocols for the exchange of information between Benefact Trust Limited and BG and its subsidiaries (including the Company) are in place and cover performance, operations and financial position.</p> <p data-bbox="193 1545 799 1691"><i>The Board understands the need to maintain a close and open relationship with its Shareholder characterised by transparency and mutual understanding.</i></p>	<p data-bbox="799 1115 1481 1400">As a group Company, the directors are aware of the importance of demonstrating its value to the Group, which includes ensuring financial performance, long term return on capital and a culture of transparency and propensity to “do the right thing” is set from the top. At each routine board meeting, the directors consider whether there are any matters to be escalated to the Group level.</p> <p data-bbox="799 1433 1481 2049">The Board has an honest and constructive relationship with its shareholder. There is at least one “Common Director” (i.e. a Director who was a member of the Boards of the Company and the Shareholder) who are expected to attend every Board Meeting. Mark Hews (Group Chief Executive Officer) and Denise Cockrem (Group Chief Financial Officer) are “Common Directors” of the Company, EHL and BG. The Common Directors presented a summary of relevant highlights from the Shareholder’s Board and Committee meetings to the Directors. There is also engagement between respective Board Chairs and regular dialogue took place on Group’s expectations of the Company and strategy for the development of business. This ensures that the views of the Shareholder were communicated to the Board as a whole which enabled the Group to effectively communicate its views and expectations to</p>

<u>Our key stakeholders</u>	<u>Methods of engagement and outcomes</u>
	<p>the Board. In turn, the Common Directors are able to support the directors of the Shareholder to understand the performance and strategic issues faced by the Company.</p> <p>Consequently, there was a two-way channel of communication between the Board and the Shareholder. More information on associated Group governance structure is provided in EIO's Annual Report and Accounts.</p> <p>The Shareholder is also a client. Group funds are managed on a commercial basis and a discretionary Investment Management Agreement is in place, as is the case for all external clients. Dealing is conducted at arm's length and on the same terms as external clients. Allocations of stocks and any associated costs of trading for both Group and external clients are strictly pro-rated according to AUM.</p>
EdenTree Investment Management Limited	
<p>During 2022, day to day services were provided by EdenTree Investment Management Limited ("EIM") (Company No. 02519319) with whom the Board has an open and positive relationship.</p> <p>EIM is the Authorised Corporate Director (ACD) of two open-ended investment companies (EdenTree Investment Funds Series 1, EdenTree Investment Funds Series 2). On 1 April 2022, all Markets in Financial Instruments Directive related business was transferred to the Company and the Company was appointed as investment adviser to both EdenTree Investment Funds Series 1 and EdenTree Investment Funds Series 2.</p>	<p>There was at least one "Common Director" (i.e. a Director who was a member of the Boards of the Company and EIM) who was expected to attend every Board Meeting during the year. On 3 February 2023, the Board composition of the Company and EIM were altered to ensure that the structure and composition of the EIM Board (in its capacity as ACD) remained independent. Consequently, there are no longer any common directors on the two boards. Notwithstanding this, common management representatives will attend the meetings of both boards.</p>
Employees	
<p>The Company does not have any employees. Individuals who undertake work on the Company's behalf are employed by EIO.</p> <p><i>Nevertheless, the Board understands that individuals who work on behalf of the Company are its most valuable assets, given their specialised knowledge and propensity to go above and beyond.</i></p>	<p>The Chief Executive Officer provided a quarterly resource update to the Board and members of the management team and subject matter experts (such as fund managers and the Head of Compliance and HR) were invited to Board and Committee meetings to present on items and input into discussion.</p> <p>Information on the approach to considering matters relating to individuals undertaking work on behalf of the Company are set out in the Section 172 Statement for EIM.</p>

<u>Our key stakeholders</u>	<u>Methods of engagement and outcomes</u>
Clients & Customers	
<p><i>The Board considers that clients are at the heart of the Company, ensuring any actions or decisions demonstrate passion for clients and make the Company's first choice for clients both today and in the future.</i></p>	<p>During the year, the Board and the Audit, Risk and Compliance Committee received regular updates on client issues via the Operations Report.</p> <p>Information on the Company's approach to clients and customers is provided in the Section 172 Statement for EIM.</p>
Suppliers	
<p><i>The directors recognise the importance of the role that suppliers play in ensuring that a reliable service is delivered to customers.</i></p>	<p>The Audit, Risk and Compliance Committee oversees the Company's material outsourcing contracts. Regular updates are received and discussed in respect of the performance and relationship with Northern Trust (Fund Administration and Transfer Agency), Bank of New York Mellon (Depositary and Custodian) and the Group, who provide a variety of resources including HR Payroll, Business procurement, IT Infrastructure and generic systems. In addition, the Executive Directors have regular meetings with key suppliers.</p>
Community and Environment	
<p><i>The Board is committed to doing business differently and supporting the Group's building a movement for good across society, transforming lives and communities.</i></p>	<p>Decisions and policies affecting the community and environment are set at Group level. An explanation of the Group's policy and strategy in relation to the community and environment is set out in EIO's Annual Report and Accounts. Given the Company's desire to maintain its leading position in responsible investment, ESG matters have been a key focus for the Board during the year and throughout the life of the Company.</p> <p>Information on the Company's approach to community and environment is provided in the Section 172 Statement for EIM.</p>
Regulators	
<p><i>The Board recognises the importance of open and honest dialogue with its Regulators (including the FCA) and is committed to complying with applicable legislation and regulation in order to maintain standards of business conduct.</i></p>	<p>The Board receives regular reports detailing the Company's regulatory interactions (via its Audit, Risk and Compliance Committee). The Board understands the need to keep up to date with any communications received from the FCA and that this duty transcends the board room. Consequently, the directors receive regular and timely targeted communications from the Company's Head of Compliance on any pertinent regulatory matters.</p>