

## Climate Change EdenTree Position Statement

We have a highly robust position as an asset manager on how we allocate capital and engage with companies to tackle climate change, seeking alignment with Paris. Our Responsible & Sustainable Funds have not invested in fossil fuels or mining for many years, we eschew investment in high carbon emitters (automotive, aviation, heavy industry), direct capital to sustainable solutions and were early adopters of the Montréal Pledge. Climate change is a permanent pillar of our engagement strategy.

We have listened to our clients and whilst our prohibition on fossil fuel investment was achieved under our positive ESG criteria (i.e. no fossil fuel company screens well enough / low risk enough) we formally amended our policy to include an *explicit* ethical screen against investment in the sector (oil & gas E&P and thermal coal). As part of our engagement programme, we are long-standing members of the IIGCC and conduct public policy engagement with other like-minded investors via that organisation. We follow the latest thinking on investor climate initiatives and Paris aligned investments closely, and see one of our most important tasks as holding companies to account; for them to set challenging science based targets (SBTs) for alignment and adherence. We regularly publish insight and commentary on the subject, to ensure our clients remain informed.

As a corporate entity, our climate policy is managed at financial services group level by Benefact Group (formerly Ecclesiastical Insurance Group). As specialists, EdenTree plays an active role in supporting and informing the process and we have been engaging with our Group for some time on this particular aspect. Benefact created a Climate Change Strategy Response Group with members from across the organisation (including EdenTree) to develop a plan to integrate climate change further and to set targets.

### **Specific to Edentree we are already supporting a number of initiatives:**

- We supported the Paris pledge for Action in 2015 and have annually supported investor statements to governments calling for ambitious action on climate change
- We are a signatory to the Montréal Pledge and have a five year track record of carbon foot-printing our equity portfolios.
- We are contributing for the fifth consecutive year to the CDP non-disclosure campaign, asking more businesses to report on climate change
- We have actively been encouraging companies to set science based targets, led by in house engagement, as well as collaborative engagement through the CDP Science Based Target campaign and ShareAction's Investor Decarbonisation Initiative.
- EdenTree publicly supports and is signatory to the TCFD framework

On April 4<sup>th</sup> 2022 Benefact Group set out its climate ambitions by announcing a series of targets which build on its adoption of a fully screened Responsible & Sustainable Investment Policy in 2021. The Group will work with its subsidiary businesses and partners to deliver a zero direct impact (Scope I & II) by 2023, further reductions to achieve Negative Direct Impact by 2025 and net Zero (Scope III) by 2040.

With these targets announced, further work will now progress that develops our thinking on the next steps in our climate journey to support our Group and our clients. We are aware of many new initiatives and commitments set by the industry and we are carefully examining different options to find the one that is right for us and fits our responsible and sustainable investing approach. Integrity has always been at the heart of what we do at EdenTree, which is why we want to make sure that any commitments we make are fully understood and that we are confident we can deliver on these.

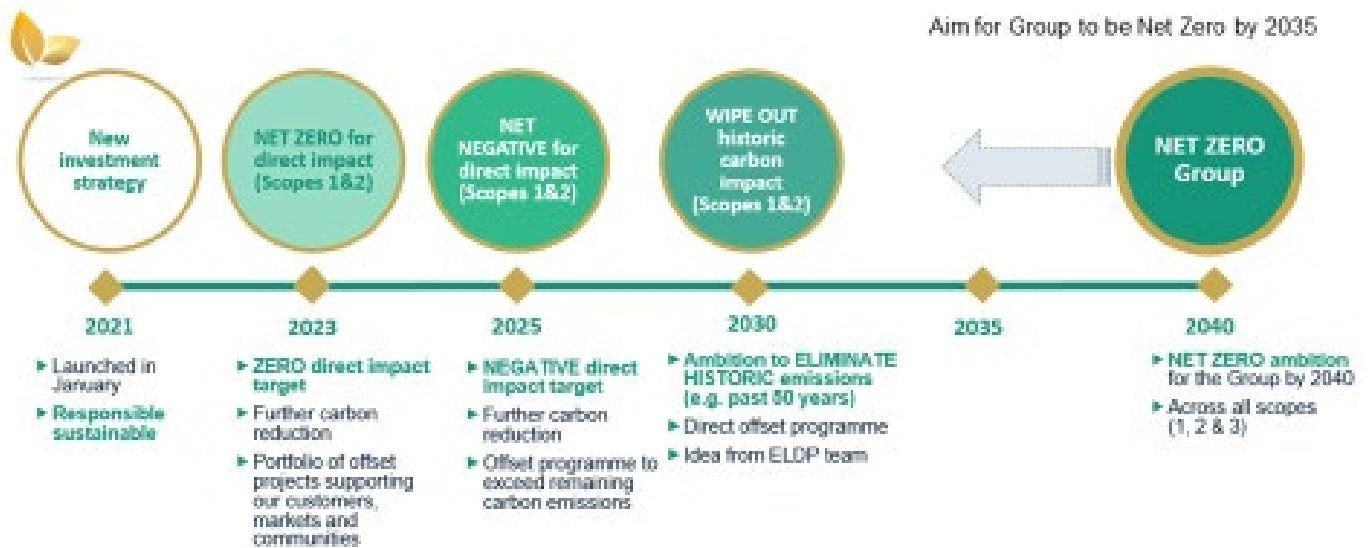
At EdenTree we understand the urgency that the topic of climate change requires and expect to make further announcements about our next steps following publication of the Group's strategy later this year.

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## Notes

Benefact Group has announced and published its climate strategy below which includes several climate milestones to achieve Net Zero by 2040. EdenTree as the Group's asset manager will support the Group in its ambitions, whilst developing its own thinking to support investing clients.

### Group Targets and Ambition for Climate Change Agreed:



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