



Section 172 Statement – EdenTree Asset Management

This section of the Strategic Report provides an overview of how the directors have fulfilled their duties to promote the success of the Company and had regard to the matters set out in section 172(1) (a) to (f) Companies Act 2006 as detailed below:

- (1) A director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to-
- a) the likely consequences of any decision in the long term;
 - b) the interests of the company's employees;
 - c) the need to foster the company's business relationships with suppliers, customers and others;
 - d) the impact of the company's operations on the community and the environment;
 - e) the desirability of the company maintaining a reputation for high standards of business conduct, and;
 - f) the need to act fairly as between members of the company.

This also forms the directors' statement required under section 414CZA, of the Companies Act 2006.

The Company's stakeholders

The Company's stakeholders are identified in the Governance Framework, and are at the core of all decision making. Key stakeholders are (1) shareholders (2) EdenTree Investment Management Limited, (3) employees, (4) clients, (5) suppliers, (6) the environment and community groups and (7) regulators. Examples of the way the Board has engaged with some of these stakeholder groups throughout the year are set out below.

Our Approach to the Long Term Success of the Company

The Board of Directors recognise that the long-term success of the Company is dependent upon having regard to the interests of its stakeholders. Given the Benefact Group plc's ("the Group") ambition to be the most trusted and ethical specialist financial services group, the Board understands how important it is to listen and respond to the needs of our stakeholders.

As part of an ethical, global financial services group we are fundamentally different to our competitors because we are driven by the power of why and are continually striving to do the right thing at all times. In doing so there are occasions where balancing the needs of different stakeholder groups can be challenging. On these occasions, the Board attempts to balance the conflicting interests and impacts of our stakeholders in their decision-making.

Covid-19 Response

As the world begins to return to some form of normality, we understand that the effects of the Covid-19 remain with us all. As such, the Board has continued to make decisions this year to ensure that the Company remains strong and able to support its stakeholders. The ongoing pandemic has also



encouraged us and our stakeholders to consider and embrace new and innovative methods of engagement.

This impact and how we have responded to protect the Company and manage the expectations of our stakeholders has been included in our Stakeholder engagement overview below.

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 level.

Certain stakeholder matters are led at Group level, especially where the matters are of Group-wide significance or have the potential to impact the reputation of the Benefact Group. The Board considers a variety of information to understand the impact of the Company's operations and also 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 by way of papers in advance of each Board 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. Following Committee meetings, the Board receives oral reports from the Chair of each Committee at the next Board meeting. As a consequence of this, the Board has an appreciation of engagement with stakeholders and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

Below is a summary of key decisions and actions the Board has taken during the year in respect of strategic and Company performance and how it has had regard to the interests of, and impact on a selection of its stakeholders.

Shareholder Engagement

The Shareholder (Benefact Group plc)

Benefact Group plc (Company No. 01718196) owns the entire issued Ordinary share capital of the Company which is ultimately wholly owned by Benefact Trust Limited. Protocols for the exchange of information between Benefact Trust Limited and its subsidiaries (including the Company) are in place and cover performance, operations and financial position.

The Board has an honest and constructive relationship with its shareholder. There is at least one "Common Director" (i.e. a Director who is a member of the Boards of the Company and Benefact Group plc) who is expected to attend every Board Meeting. Mark Hews (Group Chief Executive Officer) and Denise Cockrem (Group Chief Financial Officer) are "Common Directors". The Common Directors present a summary of relevant highlights from Benefact Group plc Board and Committee meetings to the Directors. There is also engagement between respective Board Chairmen and regular dialogue takes place on Group's expectations of the Company and strategy for the development of business. This ensures that the views of the Shareholder are communicated to the Board as a whole which enables Benefact Group plc to effectively communicate its views and expectations to the Board. In turn, the Common Directors are able to support the directors of Benefact Group plc to understand the performance and strategic issues faced by the Company.



Consequently, there is a two-way channel of communication between the Board and the Shareholder.

EdenTree Investment Management Limited

Day to day services are provided by EdenTree Investment Management Limited (“EIM”) (Company No. 02519319) with whom the Board has an open and positive relationship. There is at least one “Common Director” (i.e. a Director who is a member of the Boards of the Company and EIM) who is expected to attend every Board Meeting. All directors of the Company are currently directors of EIM and Mark Hews is also the Chairman of both Boards.

Employee Engagement

The Company does not have any employees. Ecclesiastical Insurance Office plc employs individuals who undertake work on behalf of the Company. However, the Board recognises that these individuals are the Company’s most valuable asset given their specialist skills and knowledge and propensity to go above and beyond. Members of the management team and subject matter experts (such as fund managers and the Head of Compliance) are invited to Board and Committee meetings to present on items and input into discussion.

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. Some decisions and policies affecting are also determined at Group level as set out in Ecclesiastical Insurance Office plc’s Section 172 Statement.

Client Engagement

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. During the year, the Board and the Audit, Risk and Compliance Committee received updates on client issues via the Operations Report. In addition, the Board considered clients’ needs, knowledge and expectations as part of the development of the next chapter for the Company and development of strategic priorities.

Information on the Company's approach to clients and customers is provided in the Section 172 Statement for EIM. In addition, some matters are considered at Group level and associated information is set out in the Ecclesiastical Insurance Office plc’s Section 172 Statement.

Suppliers (including Brokers)

The Board recognises the importance of the role that suppliers play in ensuring a reliable service is delivered to customers. Information on the Company's approach towards suppliers is provided in the 172 Statement for EIM. In addition, some matters are considered at a Group level and associated information is set out in the Ecclesiastical Insurance Office plc’s Section 172 Statement.

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Community and Environment

Given the desire to establish a leading position in responsible investment, environmental, social and governance matters has been a key focus for the Board during the year.



Information on the Company's approach to community and environment is provided in the Section 172 Statement for EIM. In addition, some decisions and policies affecting the community and environment are determined at Group level. Associated information is set out in Ecclesiastical Insurance Office plc's Section 172 Statement.

Engagement with Regulators

The Board recognises the importance of open and honest dialogue with regulators (including the FCA). In addition, the Board (via its Audit, Risk and Compliance Committee) has received regular updates on legal, regulatory and compliance matters.

In addition, some matters are considered at a Group level and associated information is provided in the Ecclesiastical Insurance Office plc's Section 172 Statement.