



Edentree Investment 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 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>The Shareholder</p> <p>The Company was a wholly owned subsidiary of Ecclesiastical Insurance Office plc (EIO) until 3 January 2023 when the entire ordinary issued share capital of the Company was transferred to Edentree Holdings Limited (EHL) as part of the Group wide re-structure. EIO and EHL are owned by Benefact Group plc and then Benefact Trust Limited, the ultimate parent company. Protocols for the exchange of information between Benefact Trust Limited and Benefact Group plc and its subsidiaries (including the Company) are in place and cover performance, operations and financial position.</p> <p><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>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>The Board has an honest and constructive relationship with its shareholder. There was at least one “Common Director” (i.e. a Director who was a member of the Boards of the Company and the Shareholder) who were expected to attend every Board Meeting. Mark Hews (Group Chief Executive Officer) and Denise Cockrem (Group Chief Financial Officer) were “Common Directors” of EIO and the Company during the year. 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 are communicated to the Board as a</p>

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	<p>whole which enabled the Group to effectively communicate its views and expectations to 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>
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>In order to engage, involve and inform employees the following methods are used:</p> <ul style="list-style-type: none"> • a variety of communication channels including regular huddles (which provide quick updates on what's going on, what's coming up and opportunities to ask questions); circulating information to keep employees up-to-date on key financial and business metrics and sales and business development activities (such as planned client pitches and wins); and employee meetings on general business performance and strategic direction; • the Group transitioned back to a full annual colleague engagement survey adopting a new B-Heard Survey provided by an external partner, Best Companies. • whistleblowing policy and procedures are operated at a Group level;

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	<ul style="list-style-type: none"> • direct engagement and consultation through employee representative forums which have a mandate to build trust, collaboration and strong teams through the strengthening of internal networks, familiarity and relationship building activities; • a performance related bonus scheme is operated, which directly links individual objectives and business performance to encourage employees to participate in the overall financial success of the Company and the Group; and • a range of training, development and volunteering activities are available to employees, including technical courses, mentoring, coaching and community opportunities. <p>In addition, some matters are considered at Group level and associated information is set out in the EIO Section 172 Statement.</p>
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>Regular meetings were held between management and key clients which include representatives of EIO to understand their needs and perspectives. In addition, the Company has regular engagement with clients (including conducting listening exercises, surveys, holding focus or consultative groups, monitoring customer complaints and satisfaction data) and key outcomes are shared with the Board.</p> <p>The Board has established the EdenTree Responsible Investment Panel to provide an independent perspective for all retail investor mandates and strategies. An Investment Oversight Committee oversees investment performance and considers outcomes from fund or portfolio reviews. A Product Governance Committee also reviews associated management information and provide assurance in respect of charges to achieve good client outcomes. Moreover, the business continuity was considered by the Audit, Risk and Compliance Committee to ensure appropriate outcomes for the customer (including cyber security requirements). The Board and its Committees regularly consider the liquidity of its portfolio of products to ensure appropriate client outcomes.</p>

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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.</p> <p>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. The Company has a long history and expertise of taking ESG factors into account within its investment portfolios, philosophy and the associated strategy determined by the Board. Moreover, the Board celebrated achieving a number of external awards including Best Ethical Investment Manager at the Moneyfacts Investment Life & Pensions Awards 2022, ESG Advocate (Asset Management) at the Portfolio Adviser Wealth Partnership Awards 2022 and Best Multi-Asset ESG Fund at the ESG Clarity Awards 2022.</p> <p>During the year the Head of Responsible Investment Policy and Research has reported to the Board on responsible investment activity, UK Corporate Governance Policy and voting and the UK Stewardship Code.</p> <p>The Company and the Group is focused on long-term and strategic charitable giving. Employees are supported to give to causes they care about through myGiving. This enables them to offer support with volunteering, small grants and fundraising matching to create direct involvement and help to drive charitable giving at a local level. In addition, a Corporate Responsibility Working Group operates with the objective of improving the Company’s environmental footprint.</p>

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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>