



## **ECCLESIASTICAL INSURANCE GROUP PLC (EIG)**

### **ETHICAL AND RESPONSIBLE INVESTMENT POLICY**

One of Ecclesiastical's strategic goals is to become the most trusted and ethical specialist financial services group. Our ethical and responsible investment policy outlines one aspect of how we as a group can achieve that goal.

Management of the Group's investment portfolios is delegated to its wholly owned asset management business; EdenTree Investment Management Ltd. EdenTree has an award winning 30 year track record of responsible investment in the UK, being one of the first investment firms to launch ethical funds to the retail market.

EdenTree invests with a 'profit with principles' approach, believing that long term returns are more likely to be achieved when investing in businesses that are also strong corporate citizens. This investment approach allows us not only to invest in companies whose values align with our own, but to manage risk by seeking to identify those companies that may come under regulatory and reputational challenges in the future.

The Board has adopted as part of the Group's overall investment policy a 'negative screening' process. Our negative screens are designed around an 'absence of harm' approach excluding companies whose activities may be inconsistent with the wider values of the Group's clients, customers, stakeholders and beneficiaries. Therefore we do not invest in companies that are wholly or mainly involved in the manufacture or production of alcohol, gambling, pornographic and violent material, strategic weapons (including indiscriminate weaponry) and tobacco. The only exception to this rule is in the case of indiscriminate weaponry where we will take a 'nil exposure' approach.

EdenTree applies a positive engagement approach to our portfolios, actively seeking out companies that exhibit strong corporate citizenship and business ethics. The Group supports this 'responsible investment' approach, which recognises that companies cognisant of a wider responsibility to the environment, human & labour rights and the communities in which they operate, are more likely to deliver enhanced shareholder value over time and be less exposed to material non-financial risk.

On behalf of the Group, EdenTree will specifically seek to engage proactively in three areas:

- Climate change;
- Human and labour rights including Modern Slavery;
- Financial inclusion and business ethics

Climate change represents a material risk to the planet, people and society; it also represents a material business risk for the insurance industry and for Ecclesiastical. The Group has adopted a 'carbon aware' approach in which the overall carbon profile and intensity of companies is taken into account when making investment decisions. We exclude companies with a material exposure to oil



sands and Arctic drilling. The Group aspires, over time, for its investment portfolios to have a carbon intensity that is reducing; EdenTree will monitor this by commissioning portfolio carbon footprints of the Group's Funds from time to time. EdenTree will also seek opportunities to invest in areas that are leading the transition to a low carbon economy where these also meet our robust investment criteria.

The Group supports collaborative engagement and involvement in key sustainability initiatives. EdenTree is accredited under the European SRI Transparency Code and is a signatory to various well-regarded sustainability initiatives such as the Carbon Disclosure Project (CDP), Access to Medicine Index (ATMI), Access to Nutrition Index (ATNI) and the Extractives Industry Transparency Initiative (EITI). EdenTree is also a signatory to the Principles of Responsible Investment (PRI).

The Group subscribes to the seven principles set out within the UK Stewardship Code, and EdenTree is a Tier I Code signatory, with its statement of commitment published at [www.edentreeim.com](http://www.edentreeim.com)

EdenTree undertakes active and informed proxy voting across global markets, seeking to reflect corporate governance best practice in each country. EdenTree publishes its UK and Overseas Corporate Governance Policies annually; the Group delegates its global proxy voting to the Manager, who publishes a full report of global proxy voting action taken on a quarterly basis.

This policy relates to Group and subsidiary investment portfolios and was adopted in January 2017.