

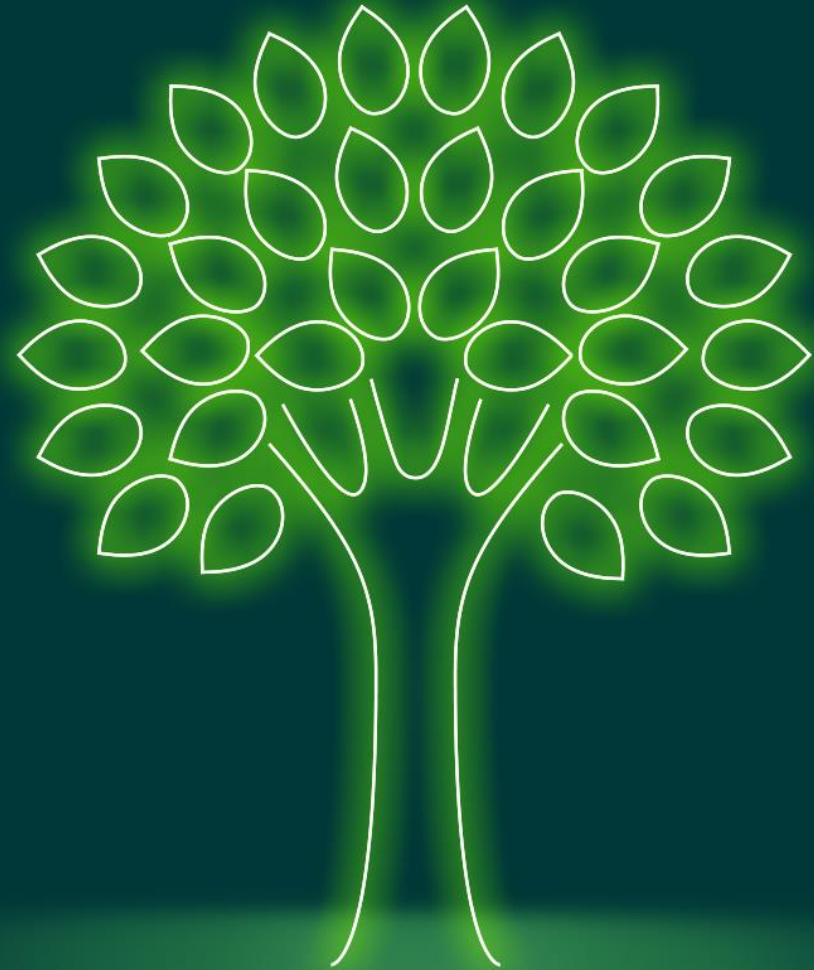


Putting the “S” in ESG

Presented by
Ketan Patel, CFA – Fund Manager

July 2021

PROFIT WITH PRINCIPLES



Who are EdenTree?

EdenTree Investment Management

- Award winning investment team based in the City of London
- Managing over £3.5bn* for Charity, Institutional, Faith and Retail clients
- Over 30 years experience of investing responsibly
- Offering a range of Responsible and Sustainable Funds and bespoke segregated mandates

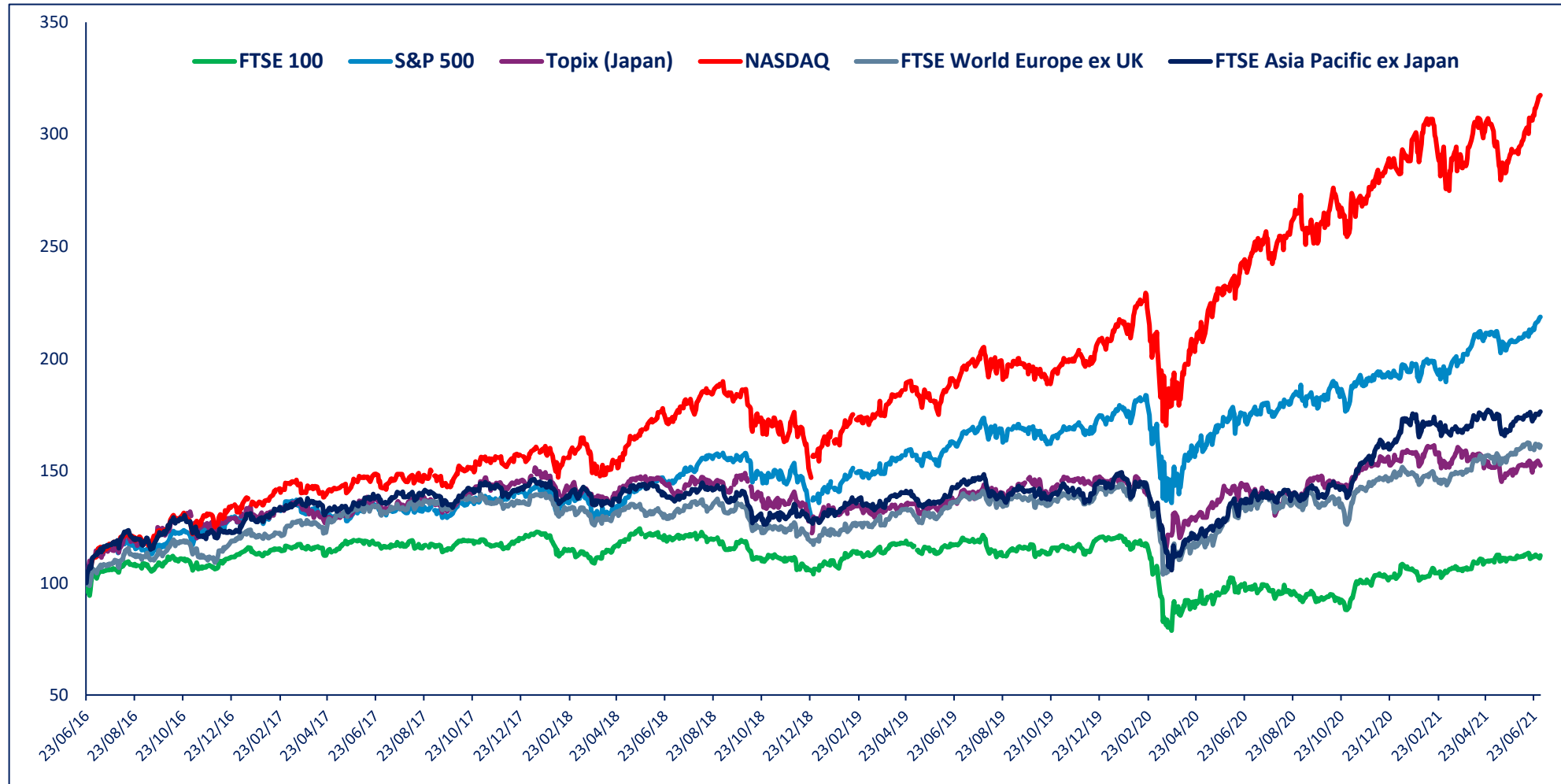


Our Parent – Ecclesiastical Insurance Group

- Founded in 1887, ultimately owned by registered charity, Allchurches Trust
- Strong credit ratings from Standard & Poor's (A-) and A.M. Best (A)
- 4th largest corporate donor to charity in the UK**
- Our goal is to be the most trusted and ethical specialist financial services group, we delivered £96m to charity over the past 5 years to 2020



Global Markets and the Pandemic



Source: Bloomberg 30.06.21 (GBP)

Increased Market Volatility: Challenges & Opportunities



 Forbes  @Forbes

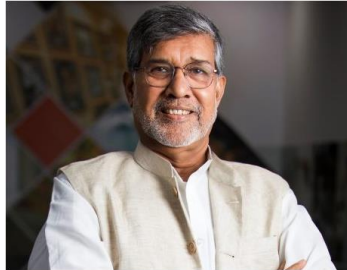
A new **billionaire** every 17 hours:
Here are the most notable newcomers on Forbes' 2021 World's **Billionaires** list [#ForbesBillionaires](#)



Nearly 500 People Became Billionaires During The Pandemic Year



The in ESG (environment, social & governance)



World Food Programme



E



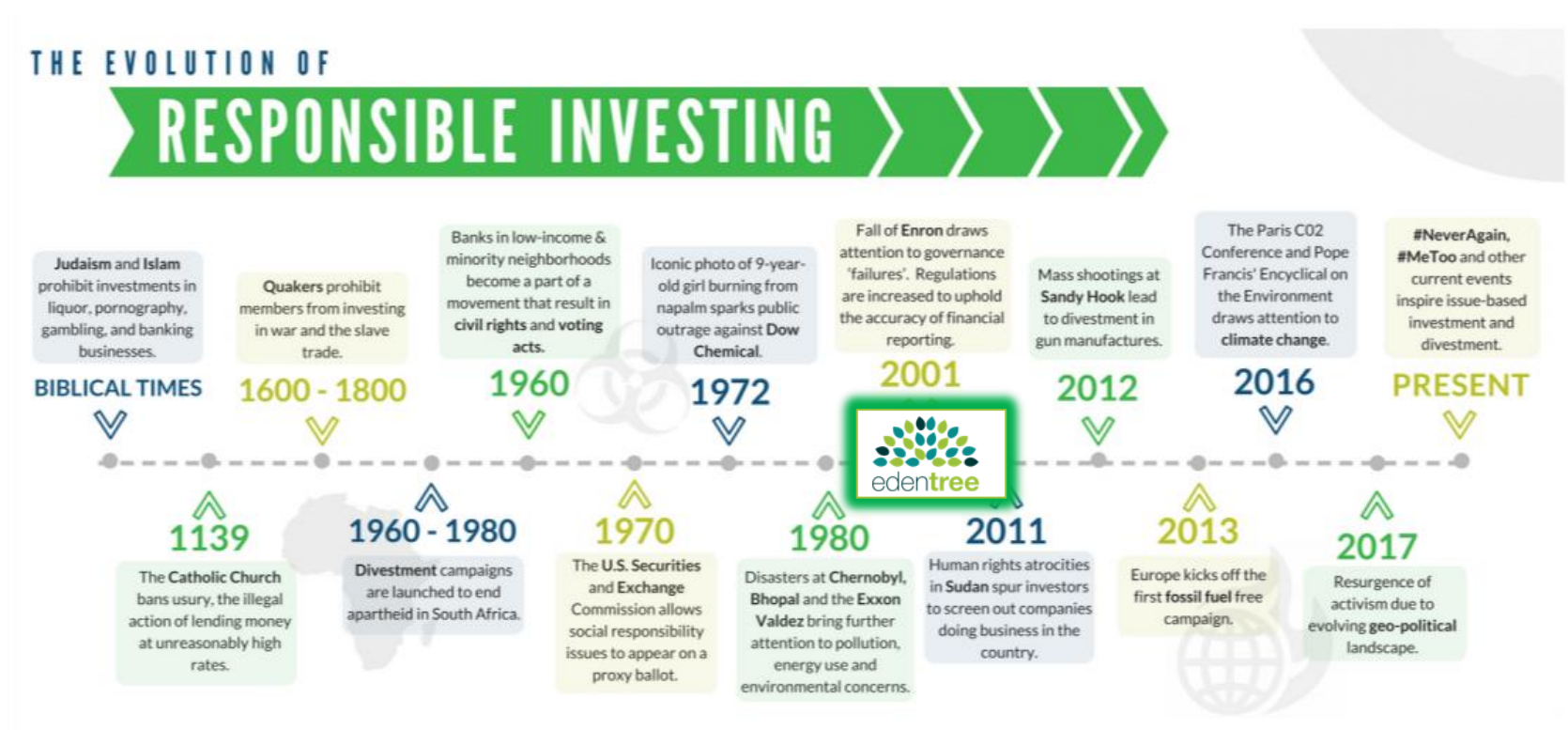
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The “S” has always been at the forefront



Evolution of Responsible and Sustainable Investment



Responsible & sustainable investment

Responsibility/ESG



Business ethics

- Business codes of conduct • Product quality & safety • Ethical business conduct
- Culture & behaviours • Financial conduct • Ethical sourcing • Supply chain relationships
- Taxation policy disclosure • Farm animal welfare • Lobbying policies



Corporate governance

- Code compliance • Independent NEDs • Pay for performance • Board diversity & policy
- Anti-bribery policies • Whistleblowing programme • Cyber security
- Audit & non-audit fees • Related party transactions • Political donations



Community

- Community liaison • License to operate • Project finance risk
- Resettlement policies • Giving programmes • Health education & welfare
- Access to medicine • Training & apprenticeships



Employment & labour

- ILO protocols • Equal opportunities • Diversity policy • Anti-discrimination
- Fair reward structures • Freedom of association • Collective bargaining
- Training & development • Health & safety • Occupational wellbeing



Environment & climate change

- Climate change • GHG emissions • Resource depletion • Water • Pollution
- Natural capital policies • Waste & recycling • Energy • Soil & forestry • Sustainable products



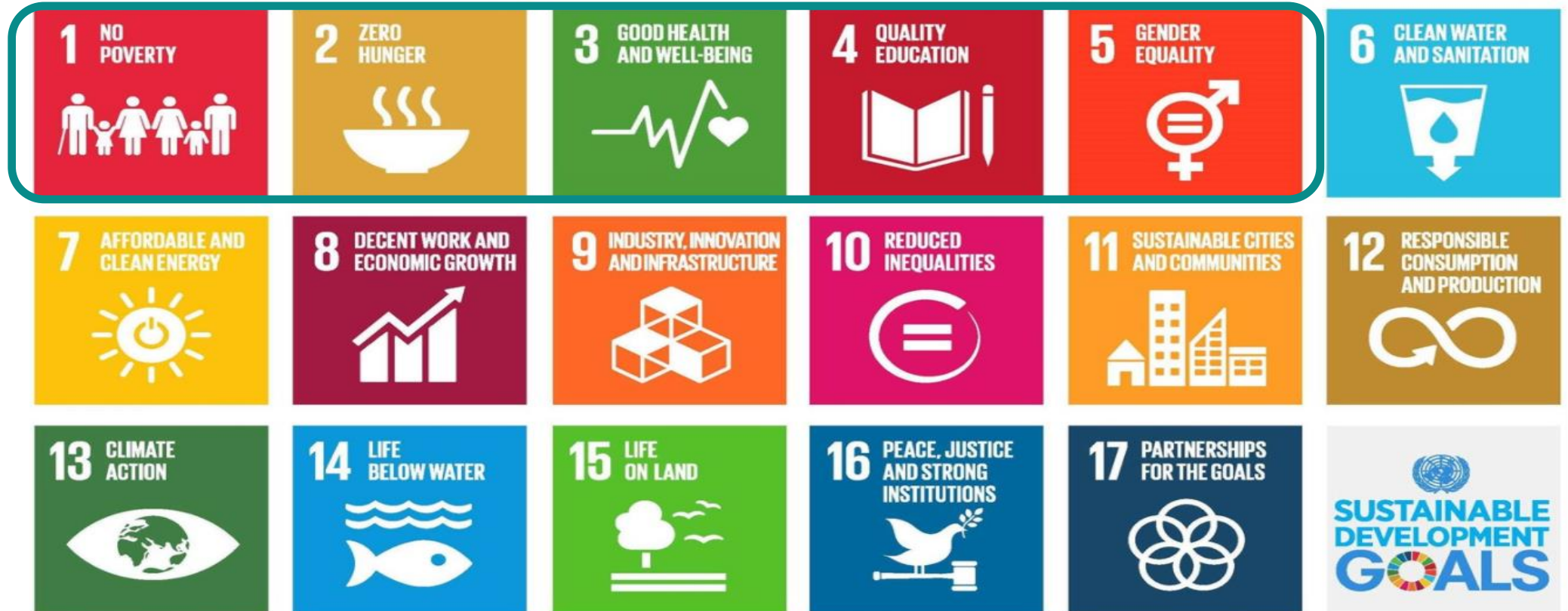
Human rights

- Human rights policies • Support for UDHR • UN guiding principles • Child labour
- Bonded & forced labour • Trafficking & slavery • Indigenous people • Land rights
- Sanctions & conflict risk • Conflict minerals

The “S” has always been at the core of ESG Investing



SUSTAINABLE DEVELOPMENT GOALS



Mapping the SDGs to our process – Responsibility / ESG



	Environment & climate change	1 NO POVERTY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND		Responsibility/ESG	
	Corporate governance	5 GENDER EQUALITY	16 PEACE, JUSTICE AND STRONG INSTITUTIONS								
	Employment & labour	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES						
	Community	11 SUSTAINABLE CITIES AND COMMUNITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS								
	Human rights	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS						
	Business ethics		16 PEACE, JUSTICE AND STRONG INSTITUTIONS								
	Education	1 NO POVERTY	4 QUALITY EDUCATION							Sustainability/Thematic	
	Health & wellbeing	1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING								
	Social infrastructure	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES								
	Sustainable solutions	2 ZERO HUNGER	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER		15 LIFE ON LAND

Fast Fashion: Boohoo

BBC

Retailer Boohoo which faced allegations over poor pay and working conditions among its suppliers in Leicester has submitted plans for its own factory.



INDEPENDENT



INDEPENDENT

Boohoo 'facing modern slavery investigation' after report finds Leicester workers paid as little as £3.50 an hour

Evening Standard

Boohoo cuts supplier network after factory scandal

THE TIMES

Boohoo: fashion giant faces 'slavery' investigation
Priti Patel 'appalled' by illegal wages

The Guardian

Boohoo severs ties with hundreds of UK manufacturers after critical review

This is MONEY.co.uk
FINANCIAL WEBSITE OF THE YEAR

More than £800m wiped off Boohoo's stockmarket value as auditor quits following sweatshop scandal

Gig Economy: Deliveroo

The Guardian

Deliveroo riders planning strike across England over pay and conditions

sky news
Deliveroo riders poised to strike

FINANCIAL TIMES
Deliveroo tumbles 26% in London debut



'Race to the bottom': Ketan Patel, manager of EdenTree Investment Management, explains why they will not invest in Deliveroo

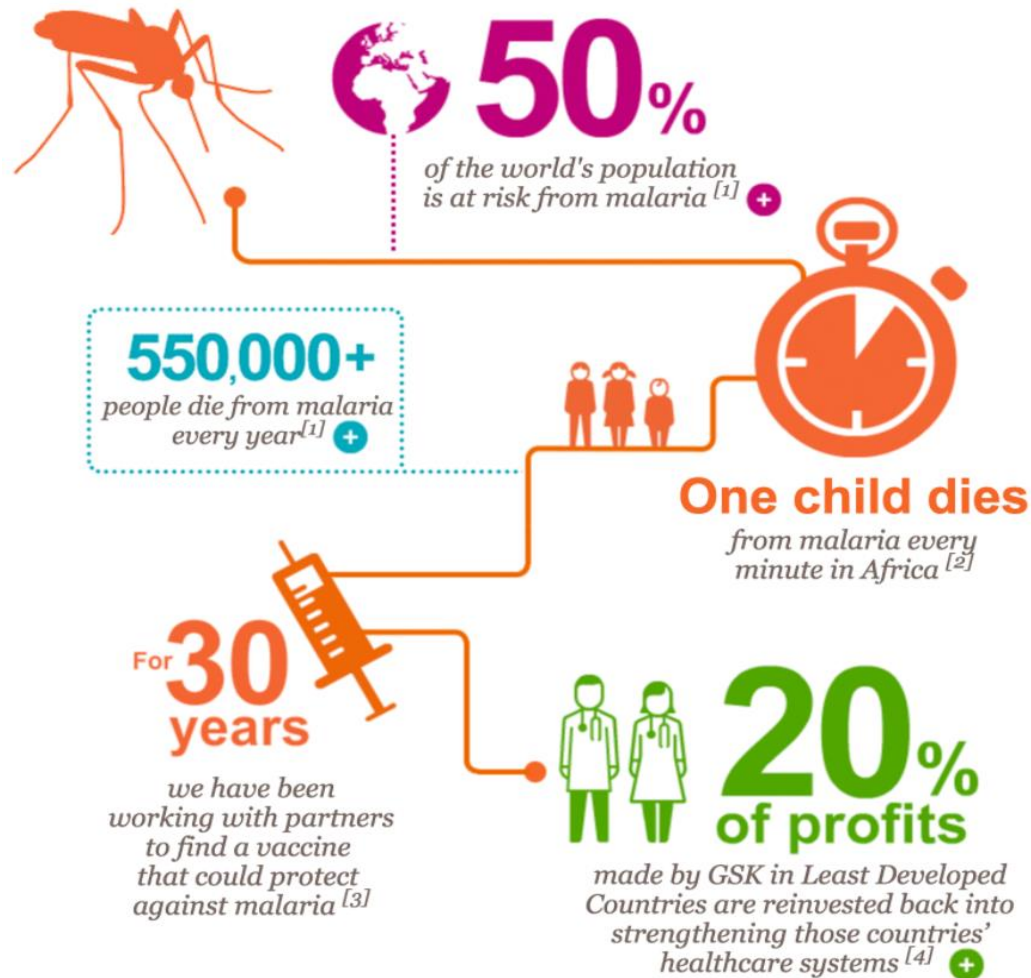


Joel Hills @ITVJoel · 29 Mar
"The Deliveroo business model is best characterised as a race to the bottom with employees in the main treated as disposable assets which is the very antithesis of a sustainable business model." - Ketan Patel, EdenTree.
Another fund manager decides Deliveroo is not for them.
11 replies 101 retweets 236 likes

THE TIMES

Deliveroo cuts share price amid investor fears over workers' rights

Healthcare: GlaxoSmithKline



An estimated 3.2 billion people – almost half the world's population – are at risk of contracting malaria. Each year there are around 200 million cases of malaria globally, and more than 550,000 malaria deaths, the vast majority in children under the age of five living in sub-Saharan Africa (SSA).

Telecoms: Vodafone

13 years of M-Pesa



Connecting people for a better future

	Live in 7 countries
	41.5 million Active customers
	432,000 Active agents
	12 billion Transactions in 2019



“Owning a mobile phone in emerging markets can significantly enhance women’s physical and economic security

In the developing world, the relatively high levels of mobile communications use and coverage, plus the urgent need for healthcare expansion, means mHealth projects can have a major impact.

GAVI partners with Vodafone to bolster the supply chain in Africa

Fixed Interest: Social and Charity Bonds



A leading social housing landlord for people living with a learning disability, in supported living arrangements of their choice. They work alongside Mencap.

Golden Lane's two outstanding Retail Charity Bonds have allowed it to procure, lease and adapt properties for approximately 2200 individuals.



Aim to provide as many homes as possible at sub-market rates, offering a broad range of housing and support to people who are vulnerable and/or disabled.

Acutely aware of their environmental footprint and strives to enhance efficiency in its homes.



A residential property group with a social purpose. All profits are reinvested into building more new homes and supporting the communities where they work.

A2Dominion's two Retail Charity Bonds have raised £300m towards building new homes.



Provides high quality, round the clock nursing care, specialist dementia care and residential support for the elderly in 25 care homes.

Retail Charity Bond issued in 2017, enabling an increased number of residents.



Offers banking services to charities and individuals. Also claimed tens of millions of pounds in Gift Aid for its donors.

The proceeds from its Retail Charity Bond has enabled CAF to further its support of UK charities.



A property management, development and regeneration company. Providing products and services to create high quality, safe and sustainable communities.

Places for People issued the UK housing sector's largest ever bond, a £400m issue.

UK Market – Challenges and Opportunities



Post-Brexit: UK back in favour?

- New trade agreements
- Return of UK consumer confidence

Companies: Focusing on resilient business models

- Small vs Large
- Quality vs Cyclical
- Compounders, growth and high growth

Winners

Healthcare – Animal Health & Life Sciences

Industrials - Engineering & Support Services

Materials - Construction & House builders

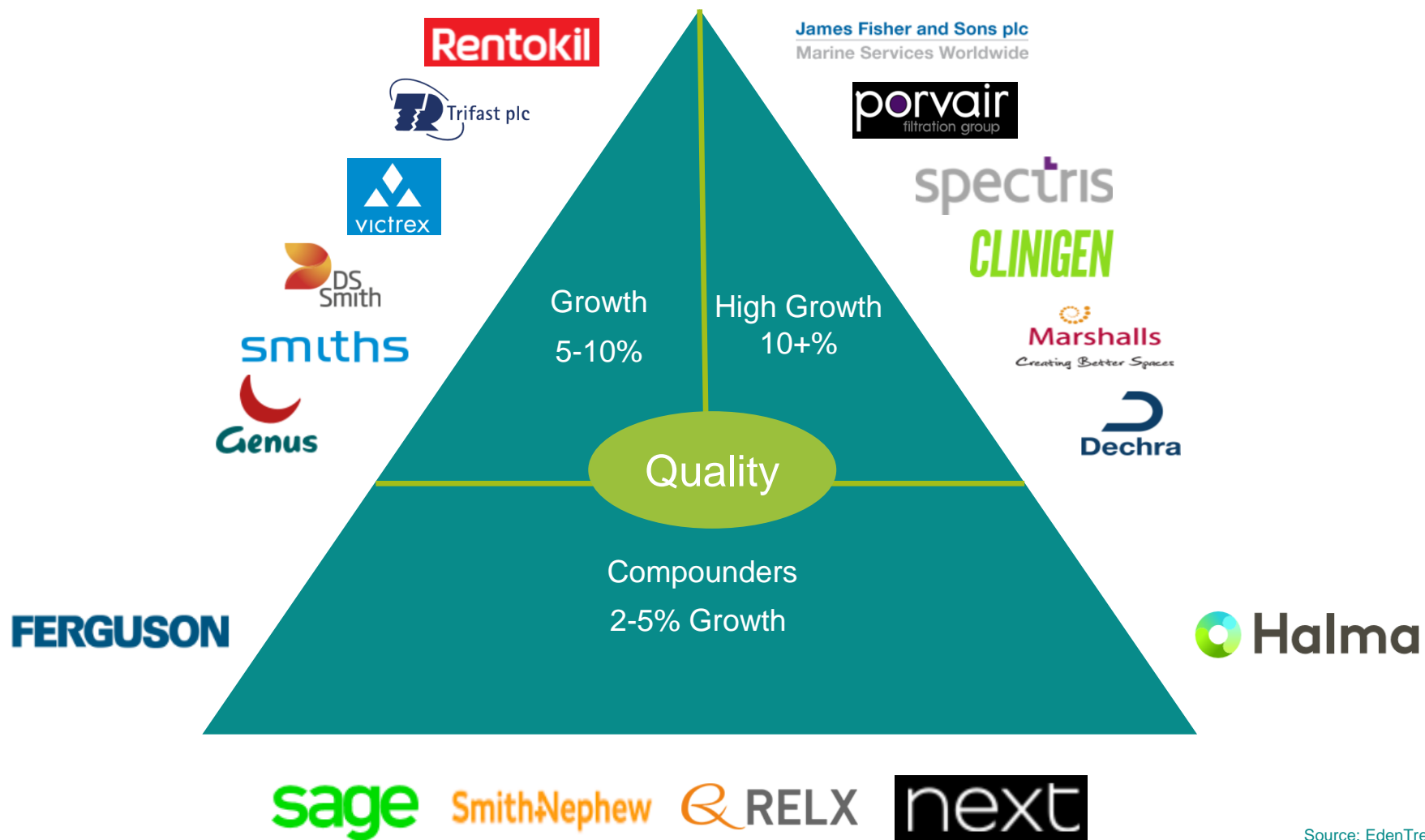
Losers

REITS - Online disruption

Telecoms - 5G

Energy – Climate Change

EdenTree Investing for Long-term Returns



TAILWINDS

- Unprecedented and swift government and central bank intervention
 - Debt issuance, lowering of interest rates, generous private sector debt guarantees, credit lines and employment subsidies
- Inflation remains low
- Zero rate environment supportive for equities
- Potential pent up demand to be realised post the pandemic restrictions and deployment of vaccines
- New US administration

HEADWINDS

- Pandemic has resulted in:
 - Collapse in consumer confidence
 - Depressed GDP and economic activity
 - Increase in capital raises by UK corporates
 - Widespread cancelling or suspension of dividends
 - Potential for higher unemployment
 - Disruption in consumer demand and consumption
- Post Brexit uncertainty

The roaring 20s!

The last pandemic (1918) led to the “roaring 1920s” which ushered in massive societal shifts across technology and healthcare

Technology

- The Automobile
- Washing Machine
- Radio
- Assembly Line
- Refrigerator
- Instant Camera
- Electric razor
- Television
- Traffic Light
- The Bulldozer
- Pop up toaster
- Magnetic tape, cellophane tape, and foam rubber.
- The polygraph and the iron lung
- Lindbergh flew across the Atlantic in 1927

Health

- Major health breakthroughs included the discovery of Vitamins C and E
- Penicillin - the first of the modern antibiotics
- Innovations in immunization
- Discovery of insulin which made the treatment of diabetes possible.

Digital Transformation for 2020s



Contacts and support for further information

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