

# UK Stewardship Code

## UK Stewardship Code Statement

EOS Investment Management Ltd (“**EOS IM**”) is authorised and regulated by the UK’s Financial Conduct Authority (“**FCA**”), to provide fund management related services. As set out in the FCA’s rule book, under rule COBS 2.2.3, EOS IM is required to make a public disclosure in relation to the nature of our commitment to the UK Stewardship Code 2020 (“**Code**”), published by the UK’s Financial Reporting Council (“**FRC**”). The FRC is the UK’s independent regulator responsible for promoting high quality corporate governance and reporting to encourage investment in UK listed companies.

EOS IM through its culture and investment approach is a strong believer in good stewardship. The funds managed by EOS IM operate in multiple jurisdictions and it does not consider it appropriate to commit to any particular single code relating to any individual jurisdiction. Set out below in this document is an explanation as to how stewardship is applied through EOS IM’s policies, procedures and controls.

The Code is voluntary, setting the high stewardship standards for asset owners and asset managers, and for service providers that support them. It comprises a set of “apply and explain” Principles for asset managers and owners. The Code does not prescribe a single approach to effective stewardship, instead allowing organisations to meet the expectations in a manner that is aligned with their own business model and strategy.

Since the publication of the first UK Stewardship Code there has been significant growth in investments in assets other than listed equity, including private equity. These other investments have different terms, investment periods, rights and responsibilities and firms need to consider how to exercise stewardship effectively in these circumstances. Environmental, particularly climate change, and social factors, in addition to governance, have also become material issues for investors to consider when making investment decisions and undertaking stewardship.

The Code’s Principles are grouped together under common themes, covering:

- Purpose and Governance.
- Investment Approach.
- Engagement and Communication.
- Exercise of Rights and Responsibilities

The twelve principles of the Code applicable to asset managers and institutional investors are:

1. Purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value leading to sustainable benefits for the economy, the environment and society;
2. Governance, resources and incentives support stewardship;
3. Have a publicly disclosed, robust policy on managing conflicts of interest in relation to stewardship;
4. Identify and respond to market-wide and systemic risks to promote a well-functioning financial system;
5. Review policies, assure processes and assess the effectiveness of activities in relation to stewardship;
6. Take account of client and beneficiary needs and communicate, to them, the activities and outcomes of their stewardship and investment;
7. Systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil stewardship responsibilities;
8. Monitor their investee companies and any service providers;
9. Engage with issuers to maintain or enhance the value of assets;
10. Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value;

11. Be willing to act collectively with other investors where appropriate; and
12. Have a clear policy on voting and disclosure of voting activity.

EOS IM provides its fund management related services for funds that pursue private equity and renewable energy strategies, which involves investing in unlisted European companies. While EOS IM fully supports the objectives that are underlying the Code, stewardship is managed through its policies and procedures including the integration of the investment and ESG framework, linked to direct involvement with the investee companies, thus being fully engaged with the funds' investments. EOS IM determines its approach to stewardship on a case-by-case basis, taking into account our duties to the funds, the nature of the investee companies (in which the funds are invested) and the actions that will lead to favourable outcomes for the value of our investments. This is accompanied by interaction with investors and other stakeholders.

In addition, EOS IM is a signatory to the international United Nation Principles for Responsible Investment ("PRI"). The Firm internally adopts the principles from the PRI which are fully embedded within its ESG Policy and underlying investment processes. Compliance with the PRI Principles forms a key basis for engagement with the Firm's investors, investee companies and other stakeholders.

Furthermore, the firm takes a consistent approach to engagement with companies in which the funds invest, in all of the relevant jurisdictions. EOS IM has therefore determined that it does not consider it appropriate to commit to any particular code relating to any individual jurisdiction.

It has therefore been considered and assessed that although in alignment with the overall objectives of the Code, we would not comply with the Code and apply it in detail to the EOS IM business model. However, in practice EOS IM will be broadly following the courses of action arising from the principles (when relevant), as set out in the Code.

Should any material changes occur to the strategies which would make the Code appropriate to EOS IM, we will review our commitment to the Code at that time and make appropriate disclosure. For further details on any of the above information, please contact EOS IM.