



# Responsible Investment Policy

## About WHEB

WHEB is a specialist investment manager focused on the opportunities created by the global transition to more sustainable, resource and energy efficient economies. Our mission is to advance sustainability and create prosperity through positive impact investments.

We are independent and owner managed. Our focus is to create long-term value for our clients through a small number of high conviction products. We are known for our extensive experience, thought leadership and innovation.

This policy summarises WHEB's overarching investment philosophy and policy on responsible investment.

## Investment Philosophy

The global economy is increasingly challenged by growth in demand for energy and other resources as a result of growing and ageing populations and a rising number of consumers. Significant improvements in the sustainability of the supply and utilisation of these resources are required to ensure their continued availability. We believe that businesses that successfully turn this challenge into an opportunity will access faster growing markets and gain a long term competitive advantage.

Our businesses is based on a common philosophy and culture focused on:

- Identifying and investing in solutions to society's pressing environmental and social challenges;
- Applying a long-term, research-based investment approach to uncover areas of value;
- Being transparent about our policies and systems and prepared to challenge the status-quo of the investment world; and,
- Providing clients with the best possible client service and support.

## Responsible Investment

Across WHEB's range of investment management activities, our approach is to:

### 1. Integrate environmental, social and governance (ESG) issues into our investment analysis and decision making processes

In addition to our exclusive focus on investing in areas that fit our social and environmental thematic framework, our interest in so-called 'ESG' issues is driven by our desire to understand the fundamental quality of the businesses and other investment opportunities that we are researching. We have strong conviction in the impact of ESG issues on company performance either in their own right or as a wider proxy for the quality of a business franchise, especially over a multi-year investment horizon. We do not utilise ESG ratings in our analysis, but build bespoke profiles that factor in material ESG issues into the overall analysis of a company.



## 2. Be active owners and integrate ESG issues into our ownership policies and practices

Our engagement activity with companies is driven fundamentally by a desire to understand them better, and to advocate for practices that we believe will help secure the company's long-term success. The investment team scrutinises governance practices as a core part of our investment process and uses voting powers to push for better practices. Where we vote against or abstain on a company vote, we always write to the company to explain our reasons for doing so.

Engagement also takes place outside the context of company voting. The team regularly meet with company management and where there are ESG related concerns, we raise these directly with management either in face-to-face meetings or through correspondence. We also engage collaboratively with other investors where we believe that a broader approach is more likely to secure a positive response from management. Further information on our engagement activity is covered in our Stewardship Code compliance statement.

## 3. Encourage appropriate disclosure on ESG issues by entities in which we invest

We are strong believers in the disciplines of transparency and disclosure and encourage companies in which we invest to improve disclosure of material ESG issues in regular publications. We believe that clear communication of policies and performance on material ESG-related issues is of great value in enabling investors and other stakeholders to have a clearer, more holistic understanding of a business and its future prospects.

### Reporting and Review

As an independent, and independently minded, investment management business, we seek to build a relationship of trust with our clients, co-investors and other partners based on open and honest communication. We aim to be innovative and transparent in our approach and work collaboratively in promoting more responsible investment practices across the financial community. To this end, we seek to:

- Promote responsible investment practices through collaborative initiatives;
- Report on our activities and progress in implementing this policy; and,
- Periodically review and update this policy in light of new developments in the practice of responsible investment.

Further information on our approach and performance as regards responsible investment is available through:

- Quarterly voting and engagement reports;
- Summary minutes of our tri-annual Independent Advisory Committee Meetings;
- An annual Impact Report and investor conference; and,
- Regular publication of our full portfolio holdings.



## Conflicts of Interest

WHEB is committed to carrying out its business in compliance with the highest standards of corporate governance and integrity. We apply a consistent and transparent approach to the management of conflicts of interest. The central objective when reviewing which companies we engage, and how we engage and vote, is to act in the interests of clients and to treat all clients fairly. A copy of WHEB's conflicts of interest policy is available on request.

We will seek to minimise the incidence of material potential conflicts of interest, monitor such potential conflicts of interest, and prevent potential conflicts from becoming actual material conflicts. However, conflicts of interest may arise in the context of corporate governance and wider stewardship activity. Where a conflict arises or is likely to arise and we are not able to effectively manage that conflict, we will consult WHEB's independent Investment Advisory Committee to assist us in deciding how best to resolve and address the conflict. Subject to confidentiality obligations, the Investment Advisory Committee's views are published in summary minutes on the company website.

## Governance and structure

WHEB's investment team is required to consider ESG issues as a core part of the fundamental stock analysis process. The daily application of our investment process is overseen by Ted Franks, Partner – Fund Manager. This policy, as well as other aspects of Responsible Investment, are overseen by Seb Beloe, Partner – Head of Research, and is signed off by the Senior Management Team.