

Statement from WHEB's Investment Advisory Committee

- The principal role of WHEB's independent Investment Advisory Committee is to review the composition and integrity of WHEB's investment portfolios. This involves determining whether the sustainable investment philosophy is applied consistently in terms of theme definition and stock selection.
- The committee is composed of independent members with expertise in sustainability and in investment and is chaired by WHEB's non-executive chairman.
- The committee met three times in 2018 and summary minutes of these meetings are published [here](#).
- During 2018, the committee reviewed the five companies that had been purchased. The committee also considered a range of related issues including how the WHEB fund is positioned for a world with climate change of more than 2° Celsius and how the fund impacts upon UN Sustainable Development Goal 12 – Life under water.
- Based on this work, the committee believes that WHEB's portfolios are consistent with the stated sustainable investment objectives of the strategy.
- The committee also reviewed the Impact Report covering calendar year 2018 and felt that the report was well-balanced and open about performance, including areas that could use further improvement.
- The committee was also supportive of WHEB's focus on positive impact businesses and its efforts to quantify this impact. Calculations of 'avoided' emissions are a particular area of interest. The publication of the methodology provides valuable transparency around WHEB's approachⁱ.
- Reporting the net impact of the fund is also important as gross numbers overstate the positive impactⁱⁱ. Setting out WHEB's contribution to global greenhouse gas reduction targets was also seen as valuable, not least in underlining the scale of the challenge.
- The committee felt that it would be useful to have further insight into the engagement work that WHEB does, and in particular which engagements are driving real change.
- The committee also welcomed the fuller disclosure of 'ESG' issues in the report and encouraged WHEB to provide more insights into how ESG issues interact with the 'impact' of portfolio businesses.



Geoff Hall,
Non-Executive
Chairman,
WHEB Asset
Management



Kingsmill Bond,
New Energy Strategist,
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Kelly Clark,
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ⁱ The methodology is available on the WHEB website at <http://www.whebgroupp.com/impact/methodology/>

ⁱⁱ This distinction is clarified in the methodology document.