

Sustainable materials and the circular economy - a key to the carbon conundrum?

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The FP WHEB Sustainability Fund is domiciled in the UK and primarily designed for UK investors. Should you be based in the EU, please contact Fanny Ruighaver (Business Development Director Europe for WHEB, FundRock Distribution) for further information.

Agenda

01

Introduction – WHEB's focus on solutions

02

Sustainable materials and the carbon conundrum

03

WHEB's portfolio

04

Where next?

Focusing on sustainable growth

Business at risk

✗ 15%

ExxonMobil

Peabody



Transitioning

✗ 70%



M&S
EST. 1884



Alphabet

VISA



amazon

Sustainable growth

✓ 15%

• APTIV •

ARCADIS






















solar edge

Notes: Only companies shown in "Sustainable Growth" category are considered for WHEB's investment strategy. Examples shown under "Business at risk" or "Transitioning" categories are not included in WHEB's investment universe.

Net zero drives demand for solution providers

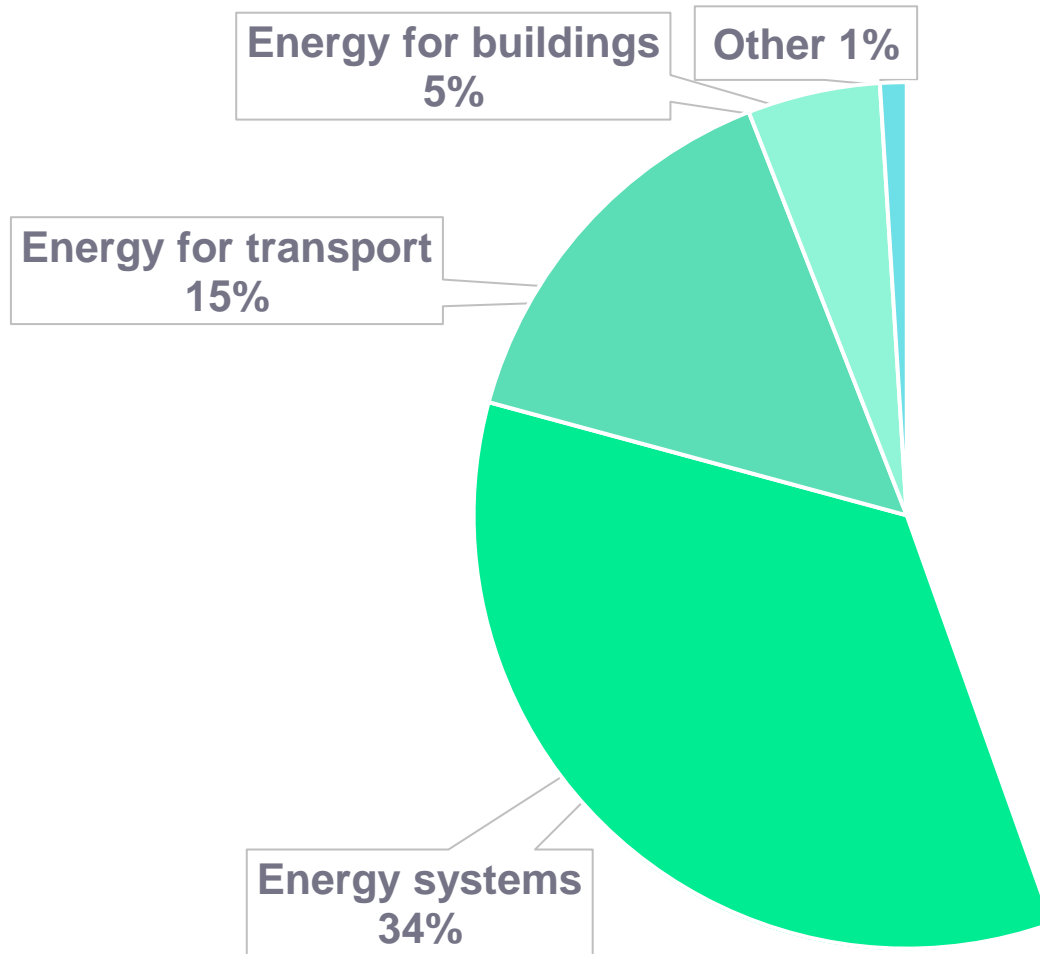
Planning & Design	Materials	Manufacturing	Capital Equipment	Buildings	Logistics	Energy
						
 	 	 	 	 	 	 

Net zero drives demand for solution providers

Planning & Design	Materials	Manufacturing	Capital Equipment	Buildings	Logistics	Energy
						
 	 	 	 	 	 	 

Tackling overlooked emissions (1)

Sources of global greenhouse gas emissions

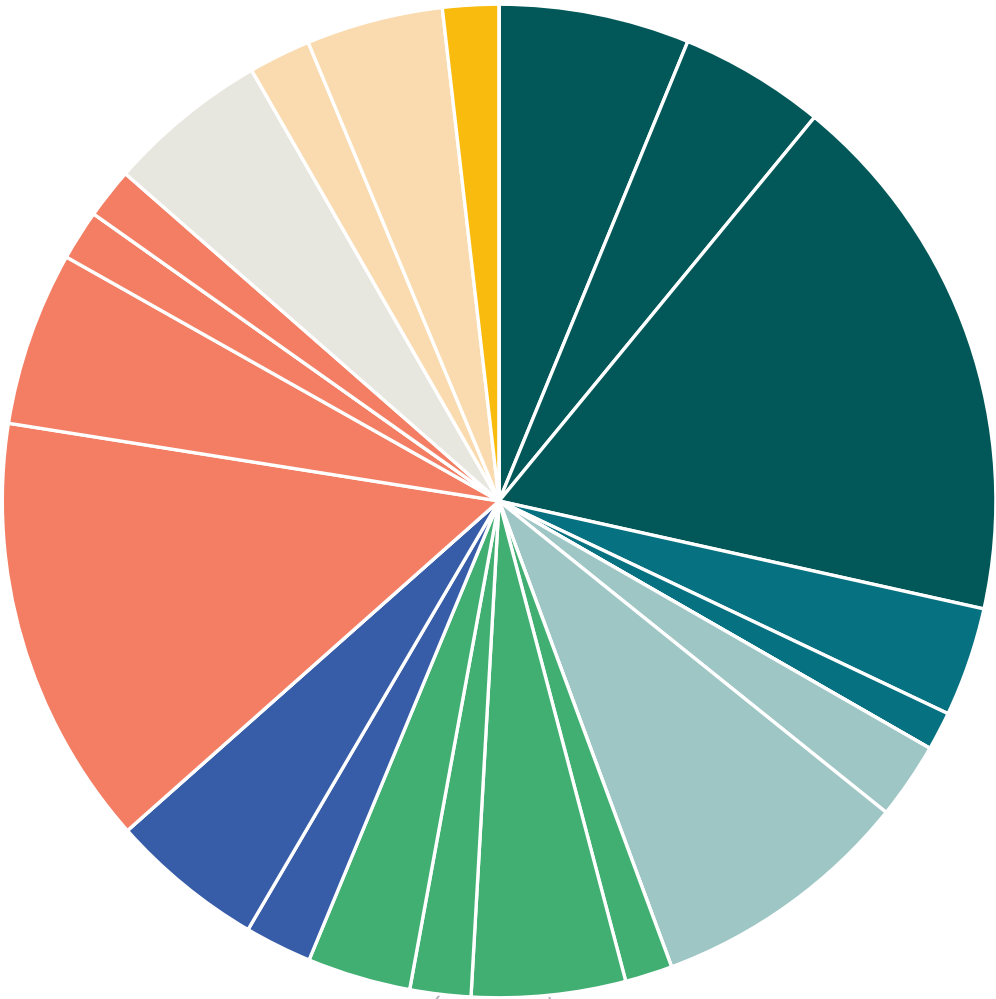


Source: Ellen MacArthur Foundation.

Sustainable materials as a solution

Legend:

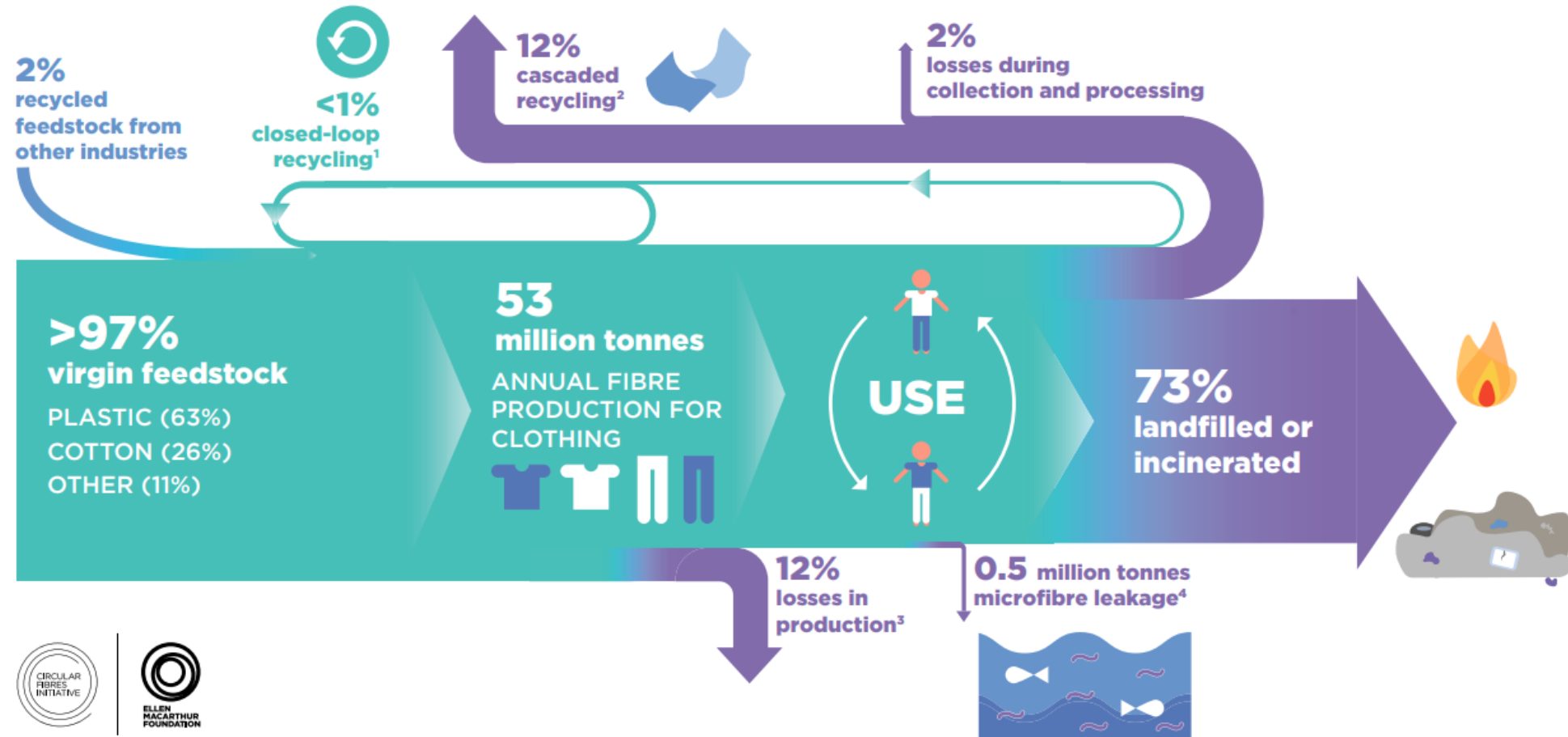
- Resource Efficiency
- Cleaner Energy
- Sustainable Transport
- Environmental Services
- Water
- Health
- Safety
- Wellbeing
- Education



Source: WHEB, as of September 30, 2022.

The linear model

Global material flows for clothing in 2015



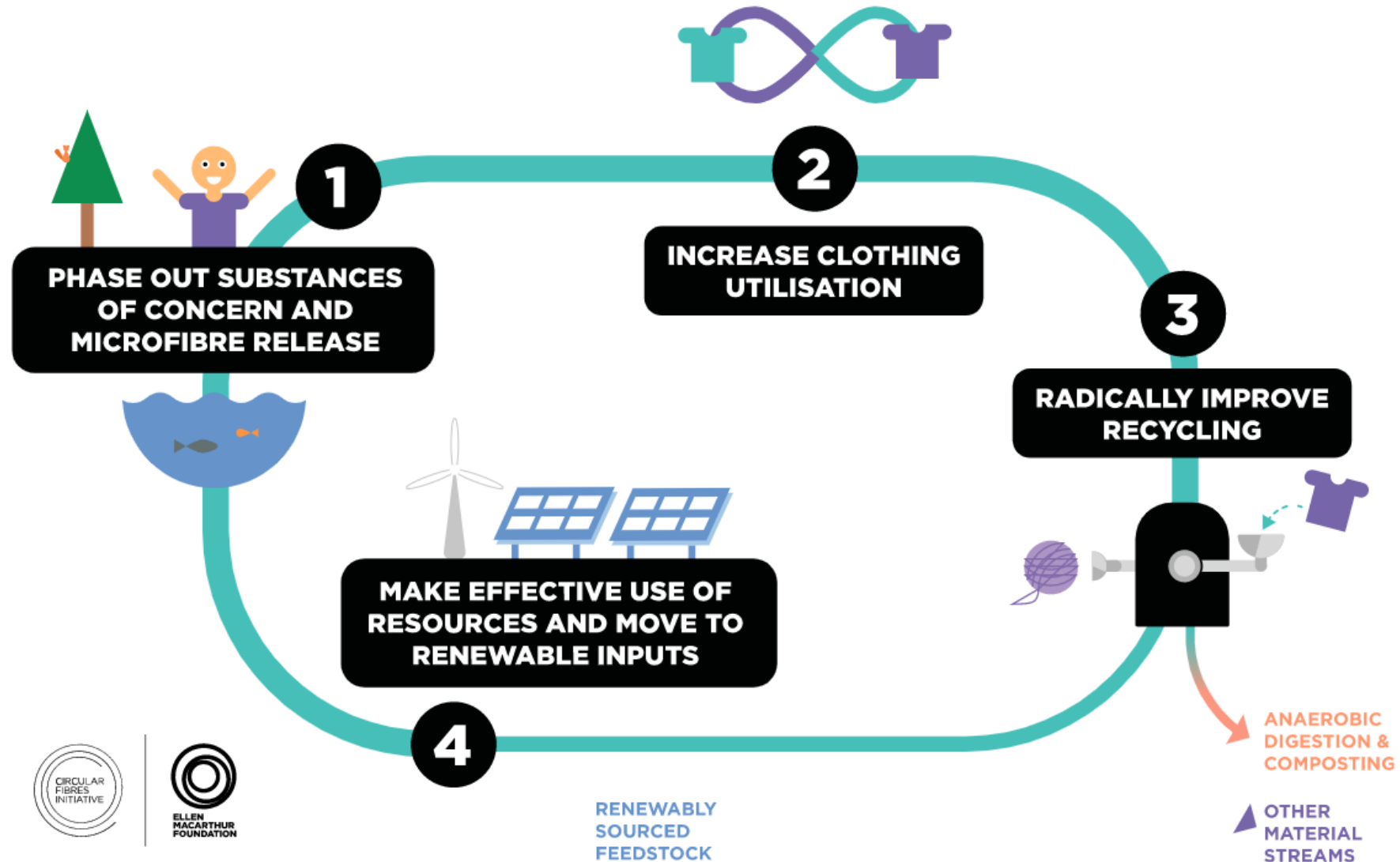
Source: Ellen MacArthur Foundation, Circular Fibres Initiative

The linear model



Source: Bloomberg.

To a circular model



Source: Ellen MacArthur Foundation, Circular Fibres Initiative.

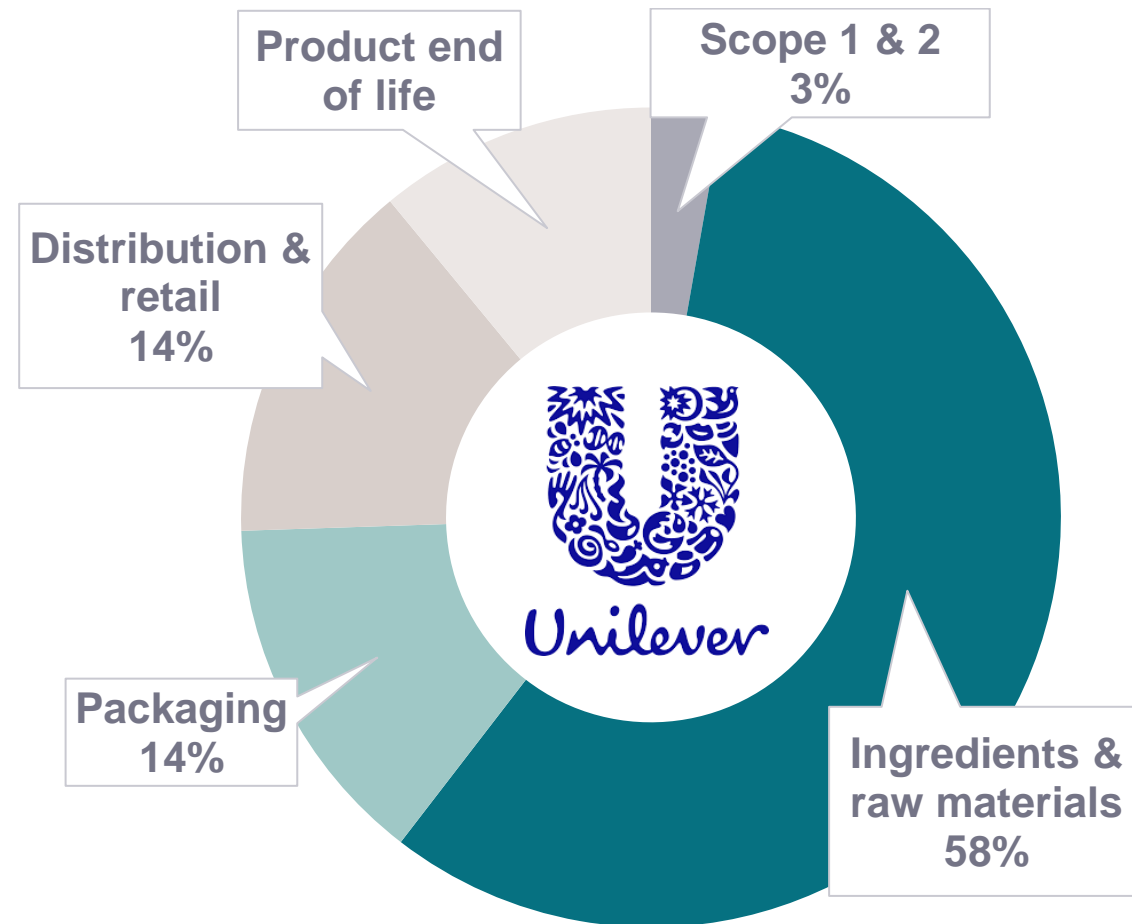
Industrial ecology



CONFIDENTIAL

The carbon conundrum

Emissions profile of Unilever*

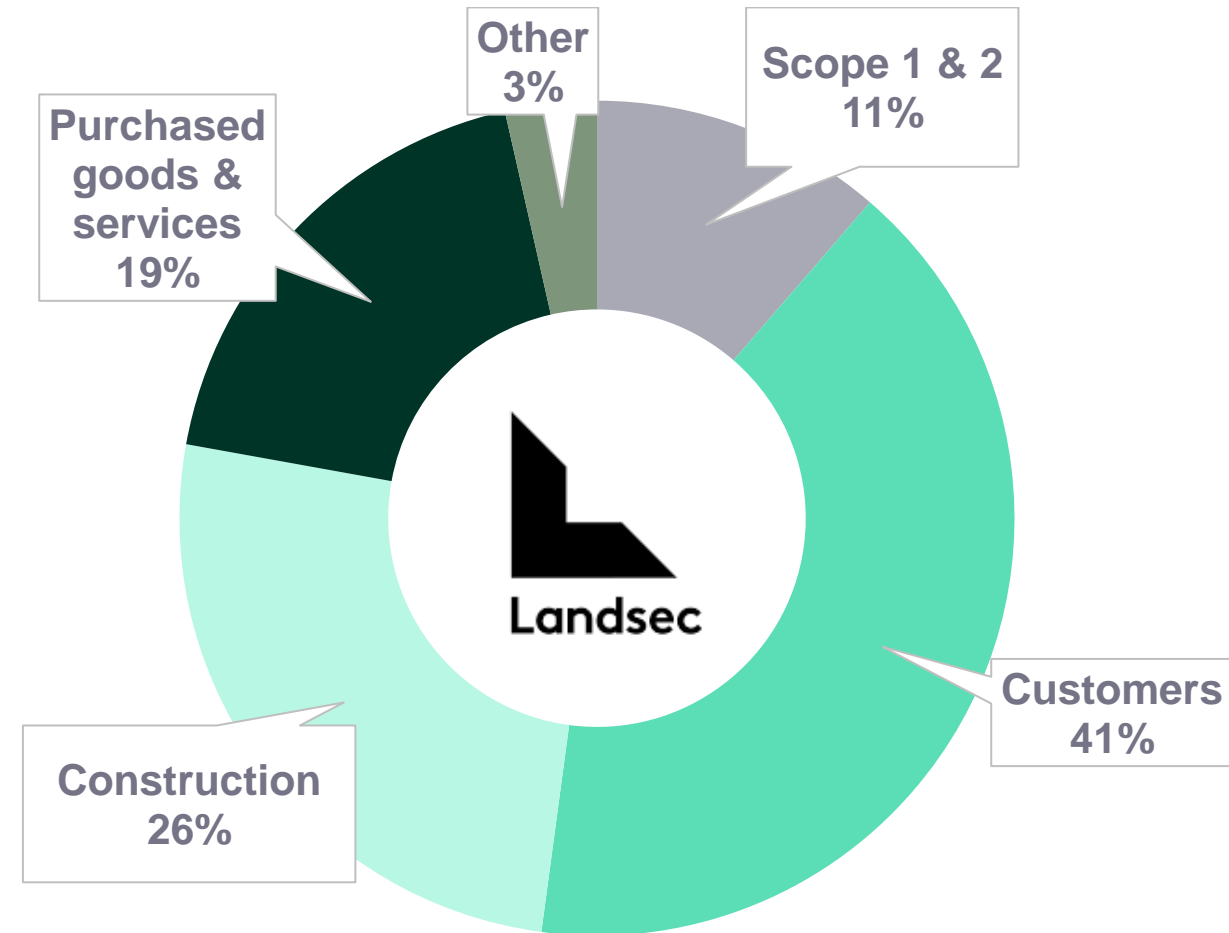
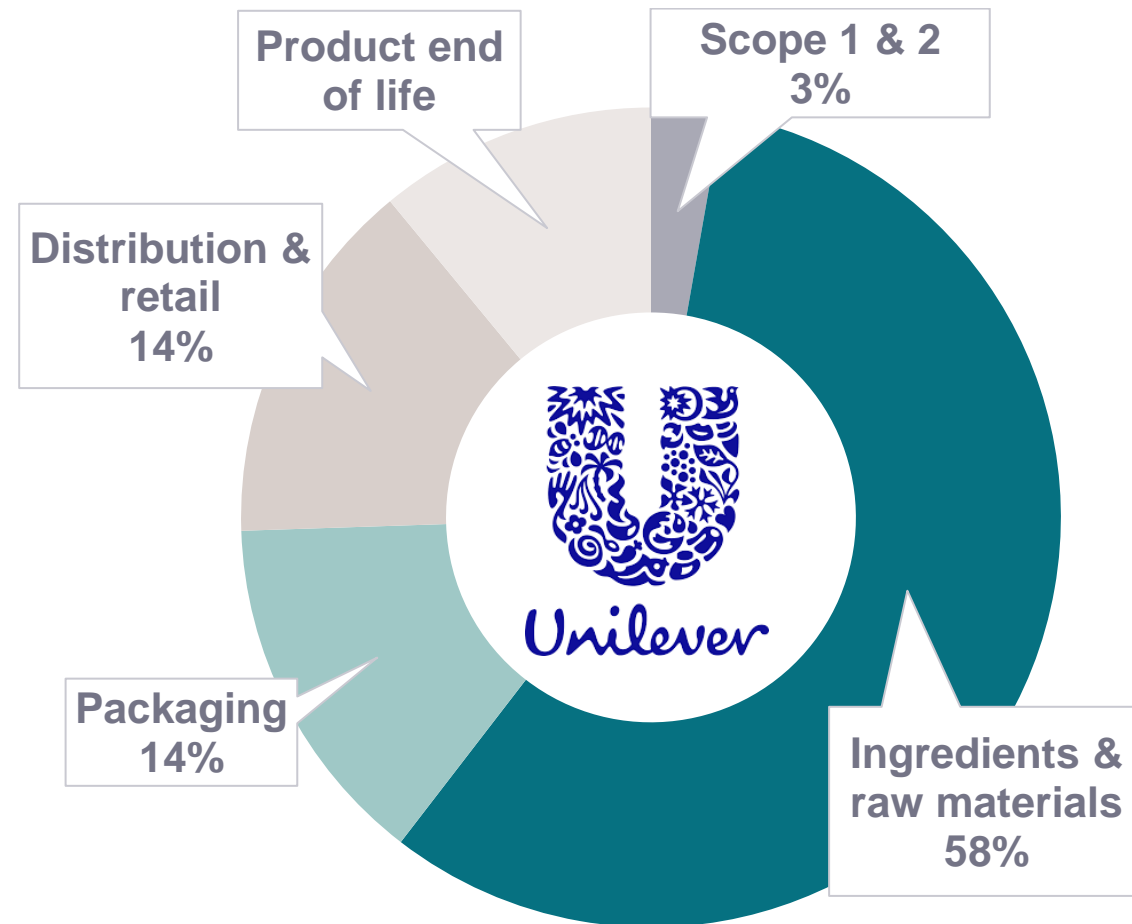


* - not including customer emissions

Source: Unilever and Land Securities

The carbon conundrum

Emissions profile of Unilever* and Land Securities

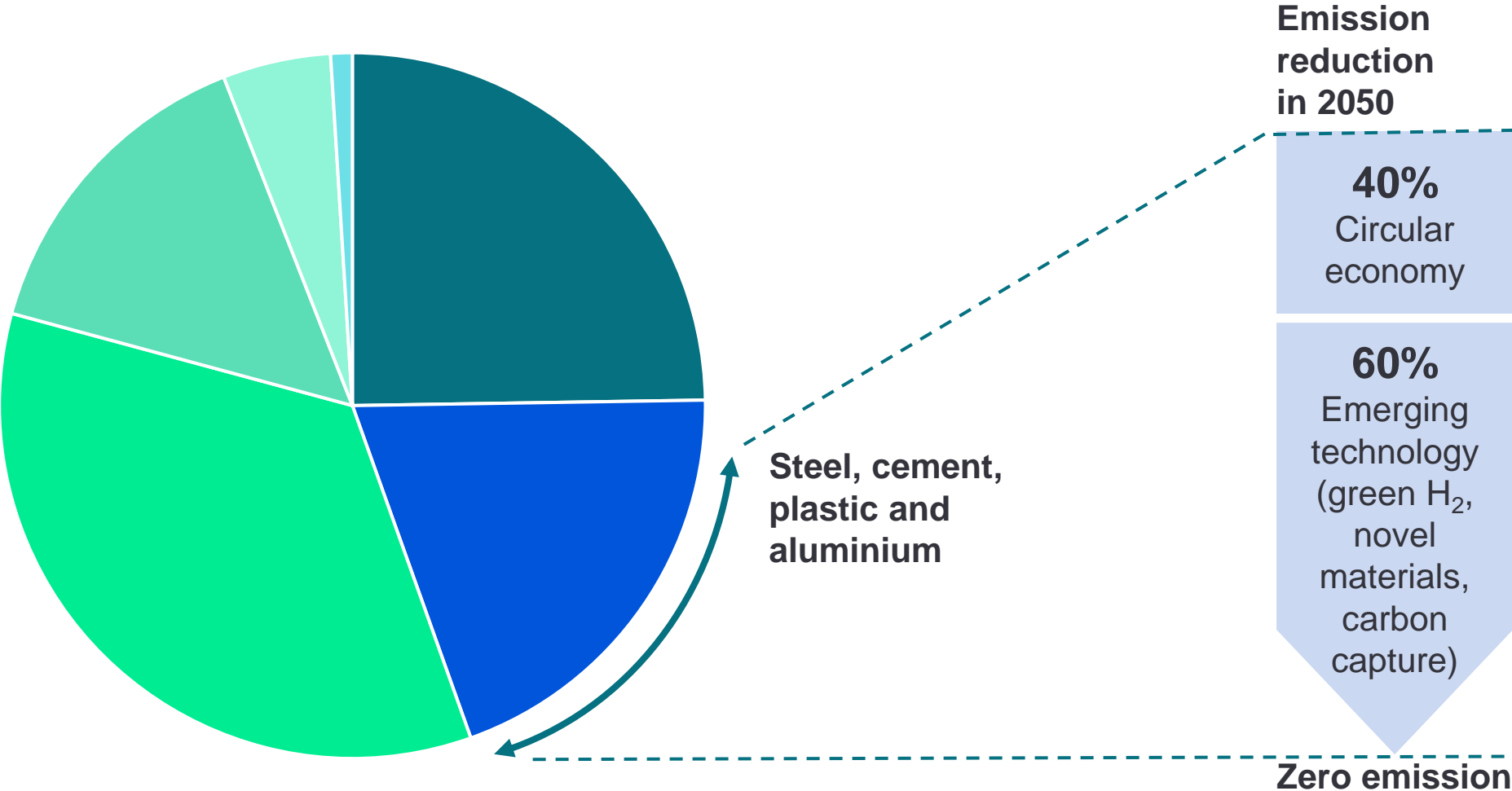


* - not including customer emissions

Source: Unilever and Land Securities

Tackling overlooked emissions (2)

Sources of global greenhouse gas emissions



Source: Ellen MacArthur Foundation.

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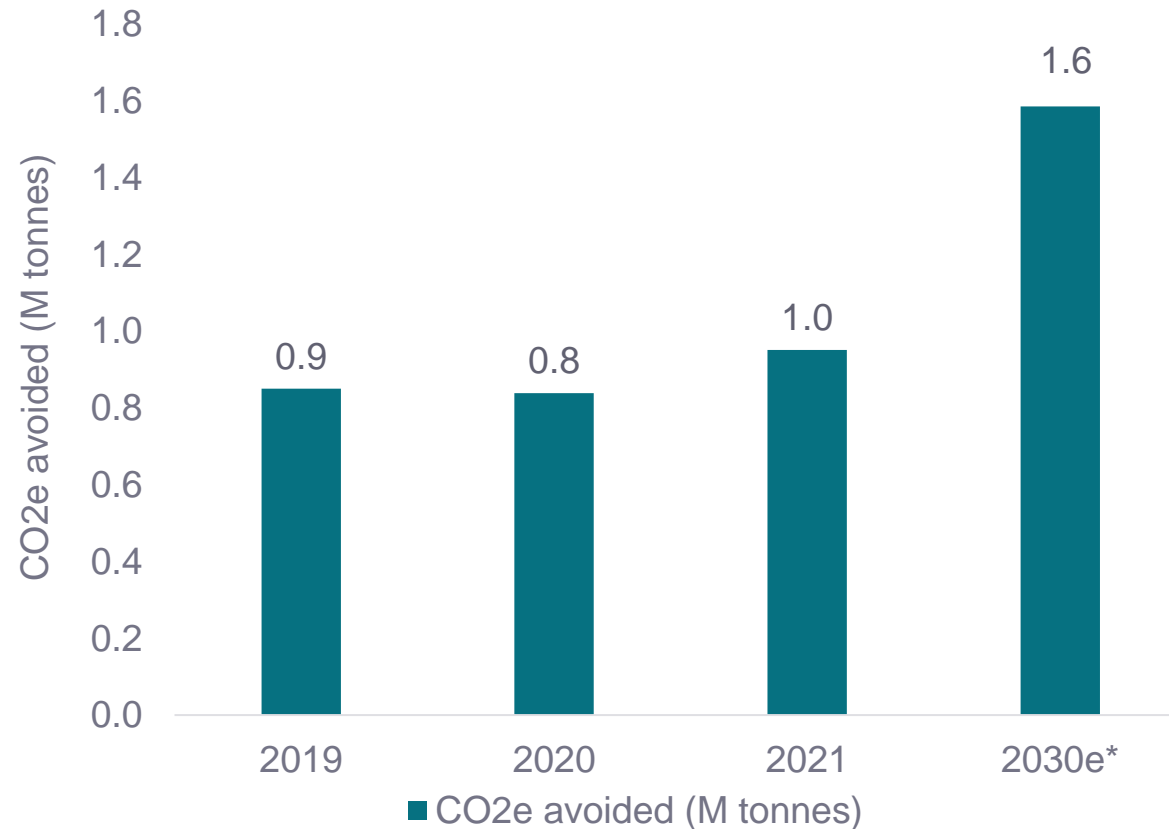
WHEB's portfolio

04

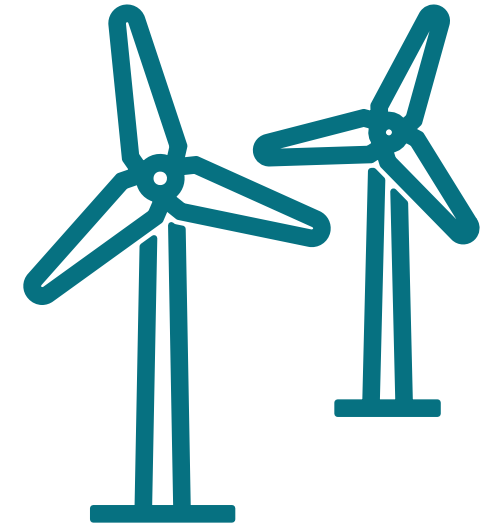
Where next?

Croda – Pioneers in bio-based ingredients

Croda's sales growth directly leads to avoided emissions



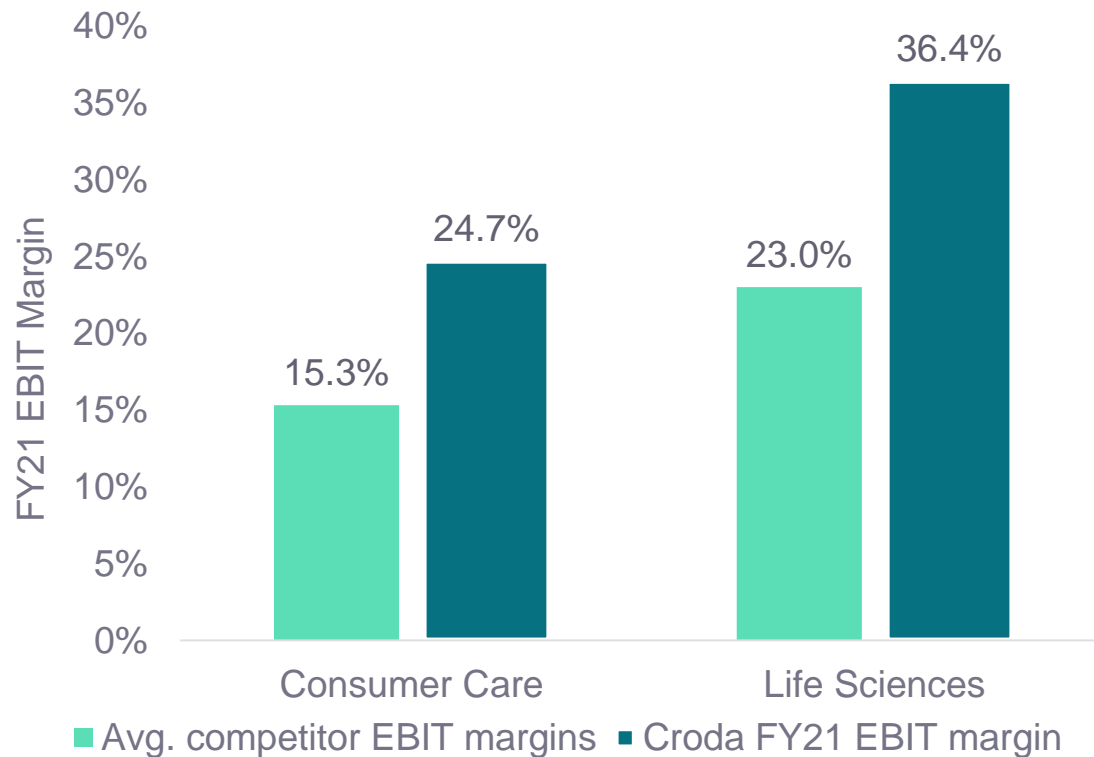
= **430** wind turbines



Source: Croda, WHEB. *2030 CO2e is calculated using WHEB revenue growth forecasts.

Sustainability drives strong shareholder returns

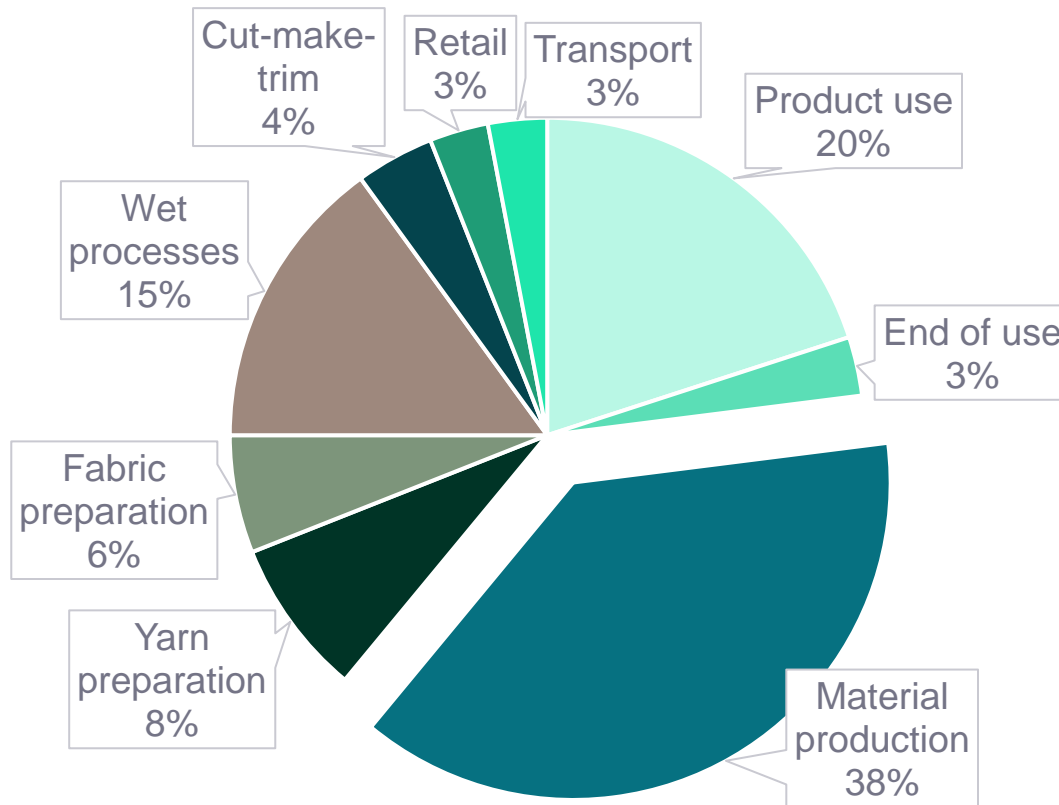
Croda's specialty ingredients drive sector-leading profitability



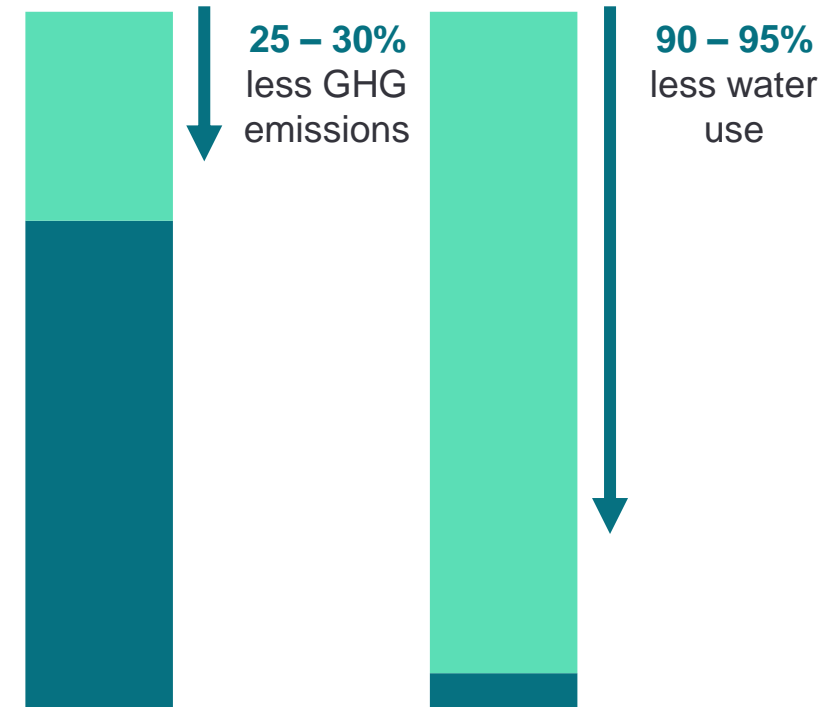
Source: Croda. Average competitor margins are adjusted operating profit (before interest and tax) divided by sales, as reported by the company. Numbers are based on full year 2021 reported results. Consumer Care sector peers are Chr. Hansen, DSM, Givaudan, IFF and Symrise. Life Sciences sector peers are Kerry, Lonza, Novozymes, WestPharma and Zoetis.

Lenzing – More than a fashion statement

Apparel and footwear value chain GHG emissions



Lenzing specialty fibres generate...

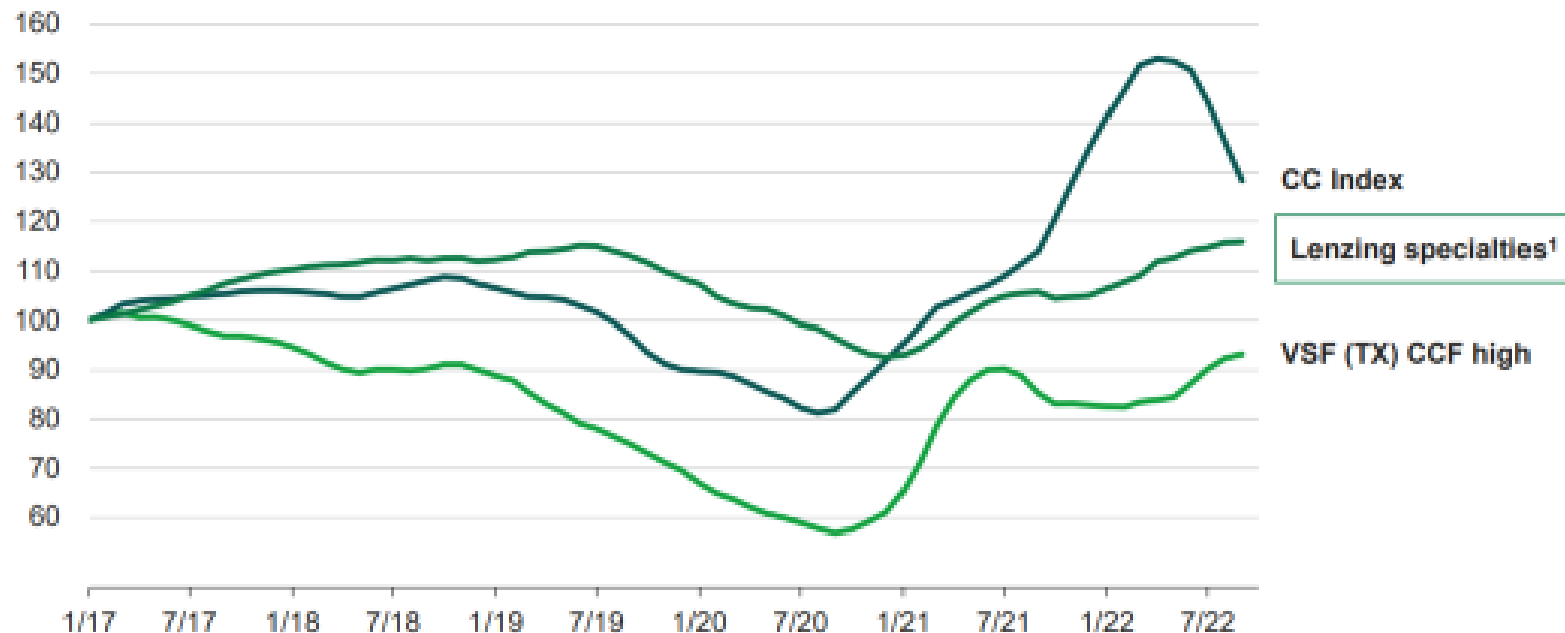


... compared to organic cotton

Source: McKinsey, Fashion on Climate, 2018. <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf> ; Lenzing, based on cradle to gate LCA.

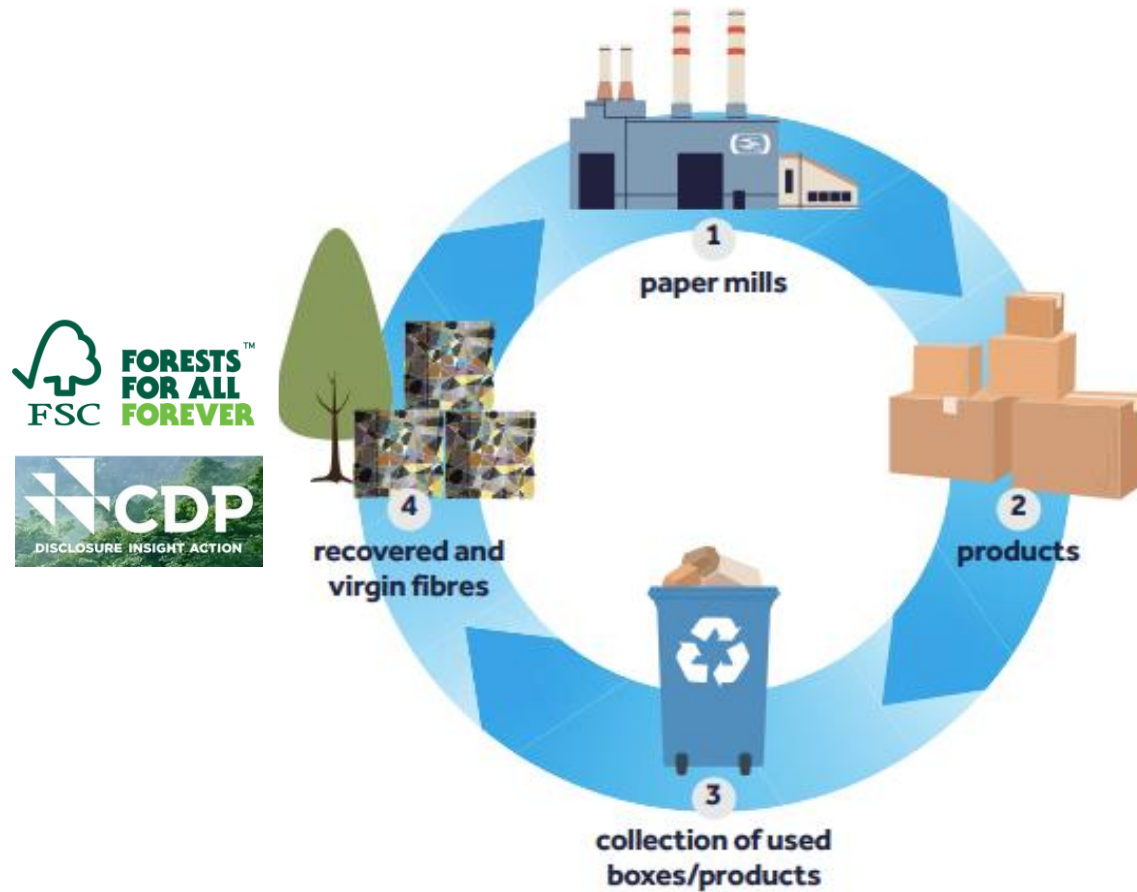
Lenzing – A sustainable trend

Lenzing has commanded higher prices for its specialty fibres

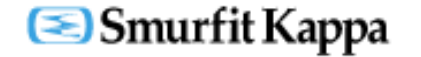


Smurfit Kappa – The fully circular package

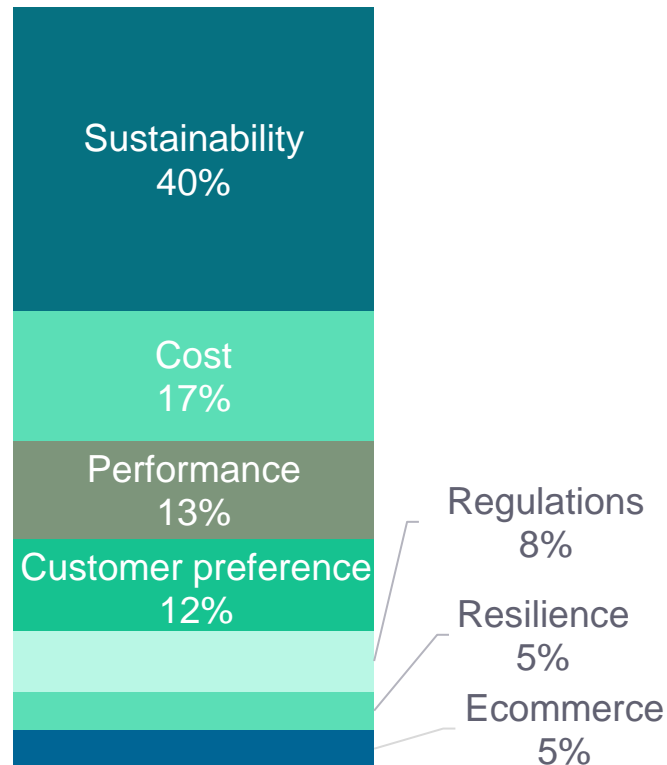
Smurfit's circular economic model



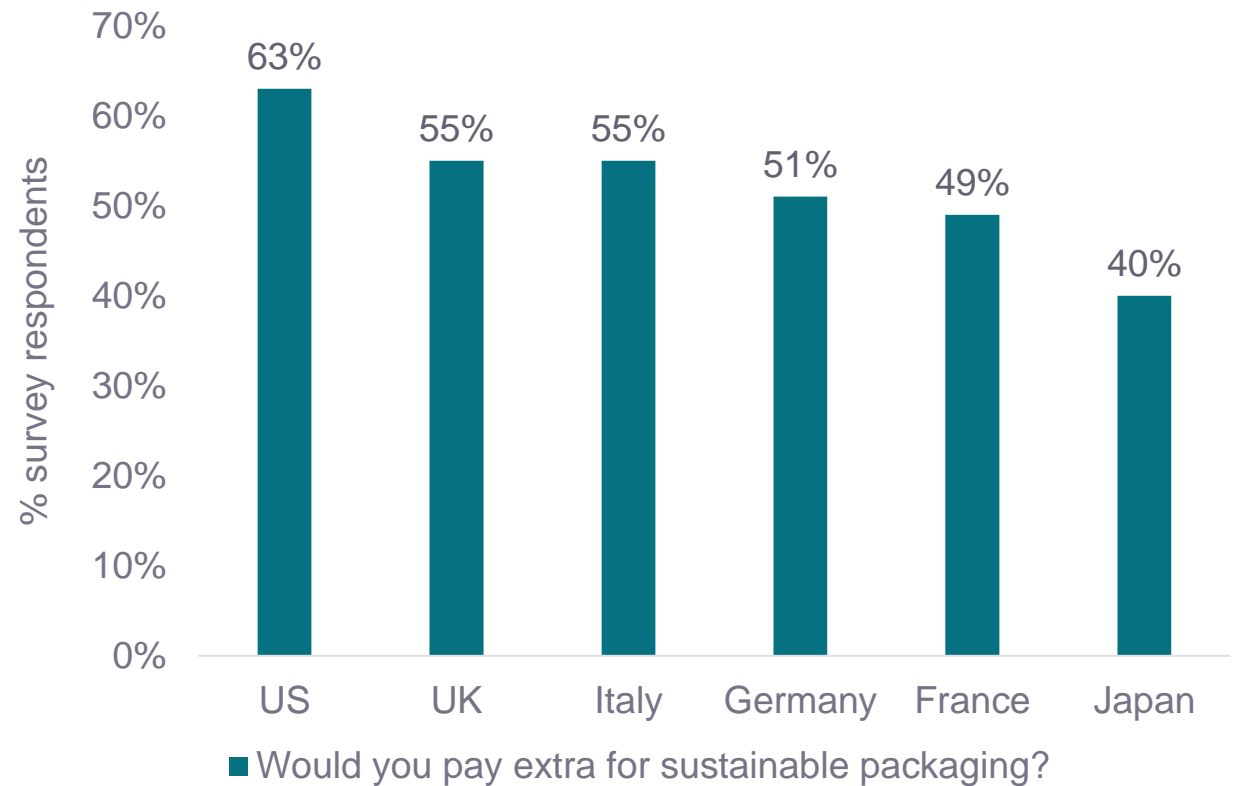
Smurfit Kappa – Meeting the surge in demand



40% of business claims sustainability is the #1 factor in packaging design



Consumers are willing to pay extra for sustainable packaging

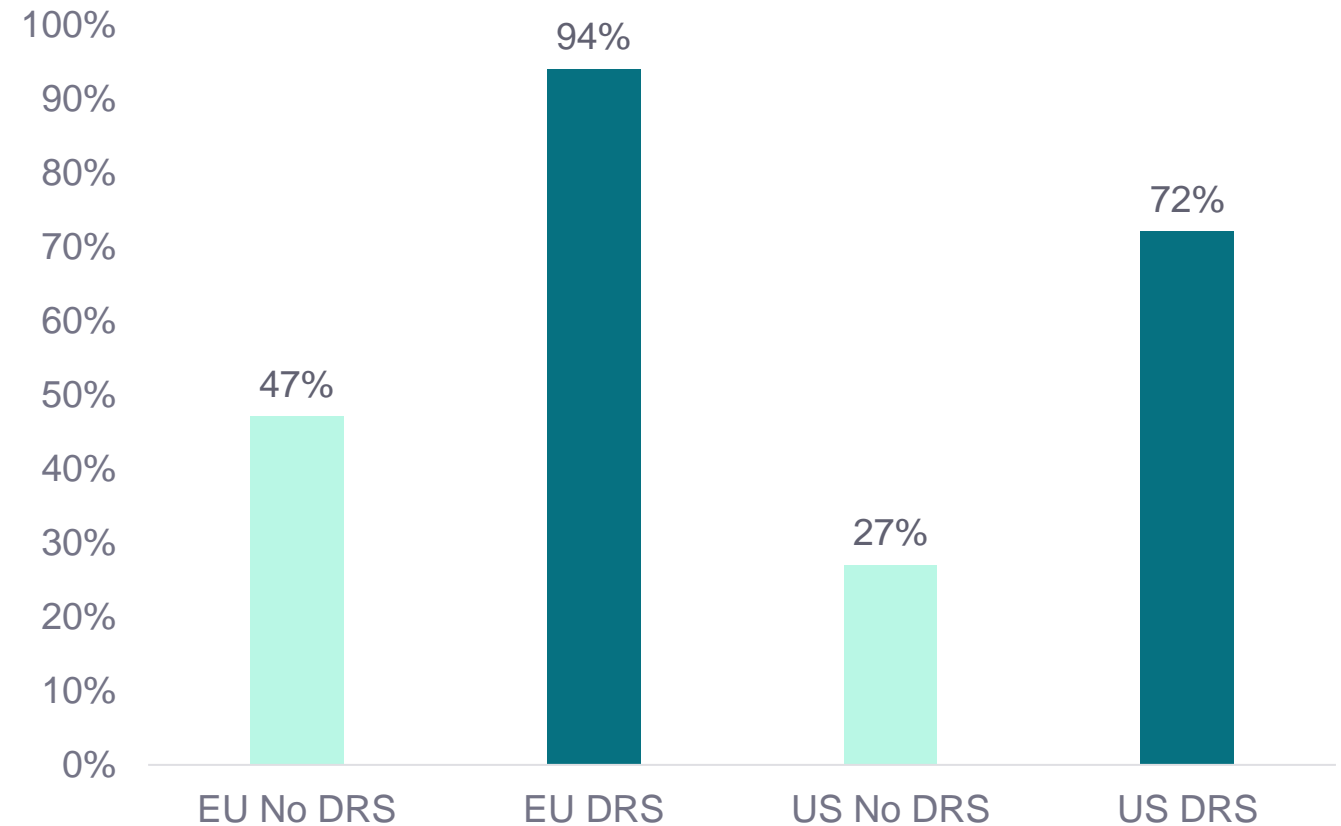


Source: McKinsey. <https://www.mckinsey.com/industries/advanced-electronics/our-insights/sustainability-in-packaging-five-key-levers-for-significant-impact>

Tomra – Solving the plastic problem



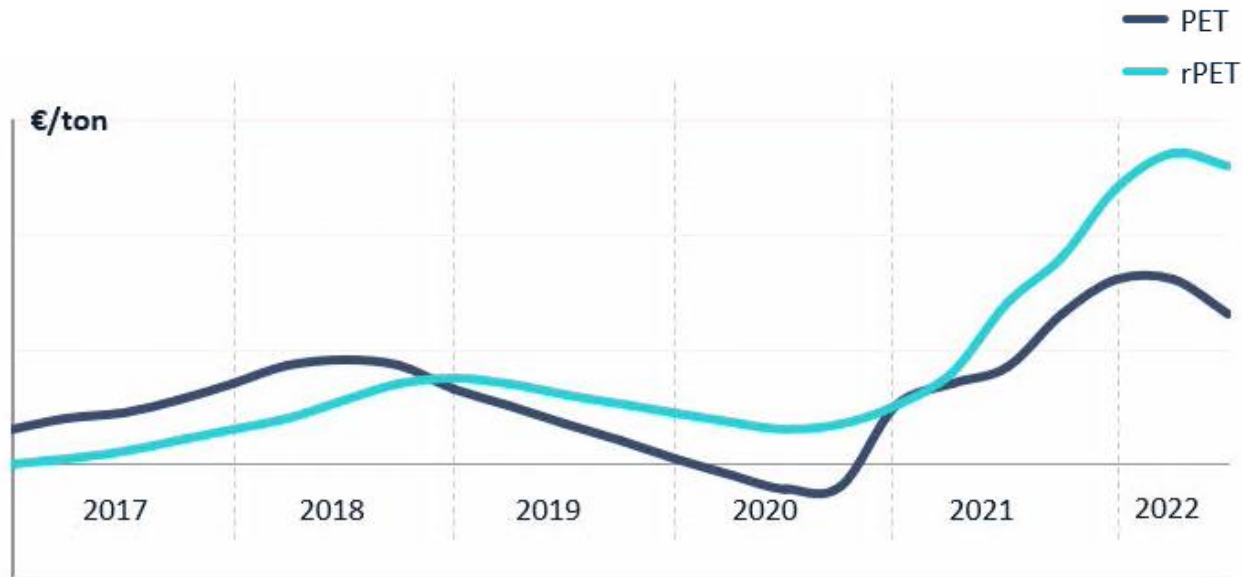
PET container collection with and without a Deposit Return Scheme (DRS)



Tomra

The fight for recycled plastic

Virgin PET vs recycled PET (rPET) price trends

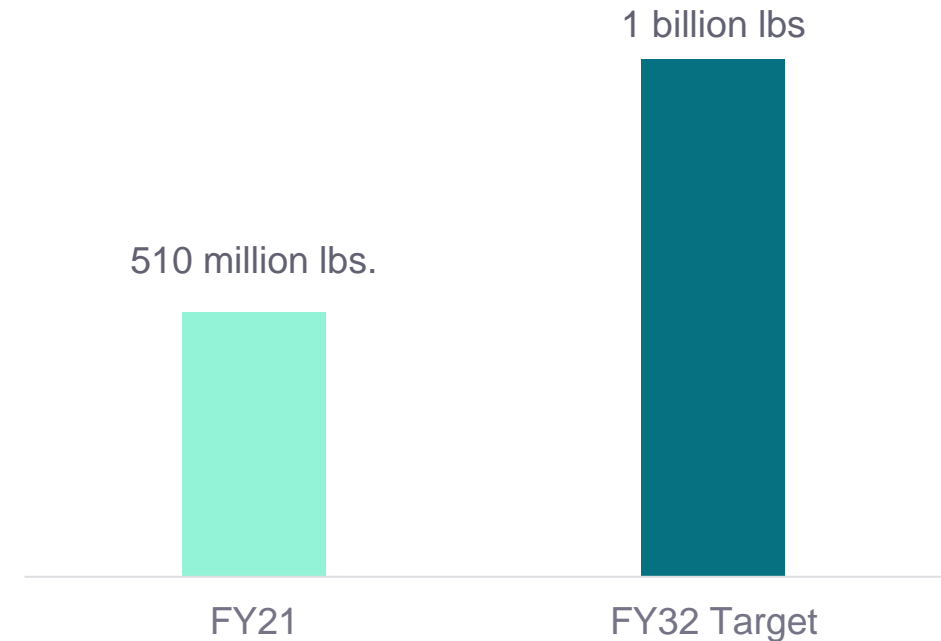


Source: Tomra. PET = virgin-derived. rPET = recycled.

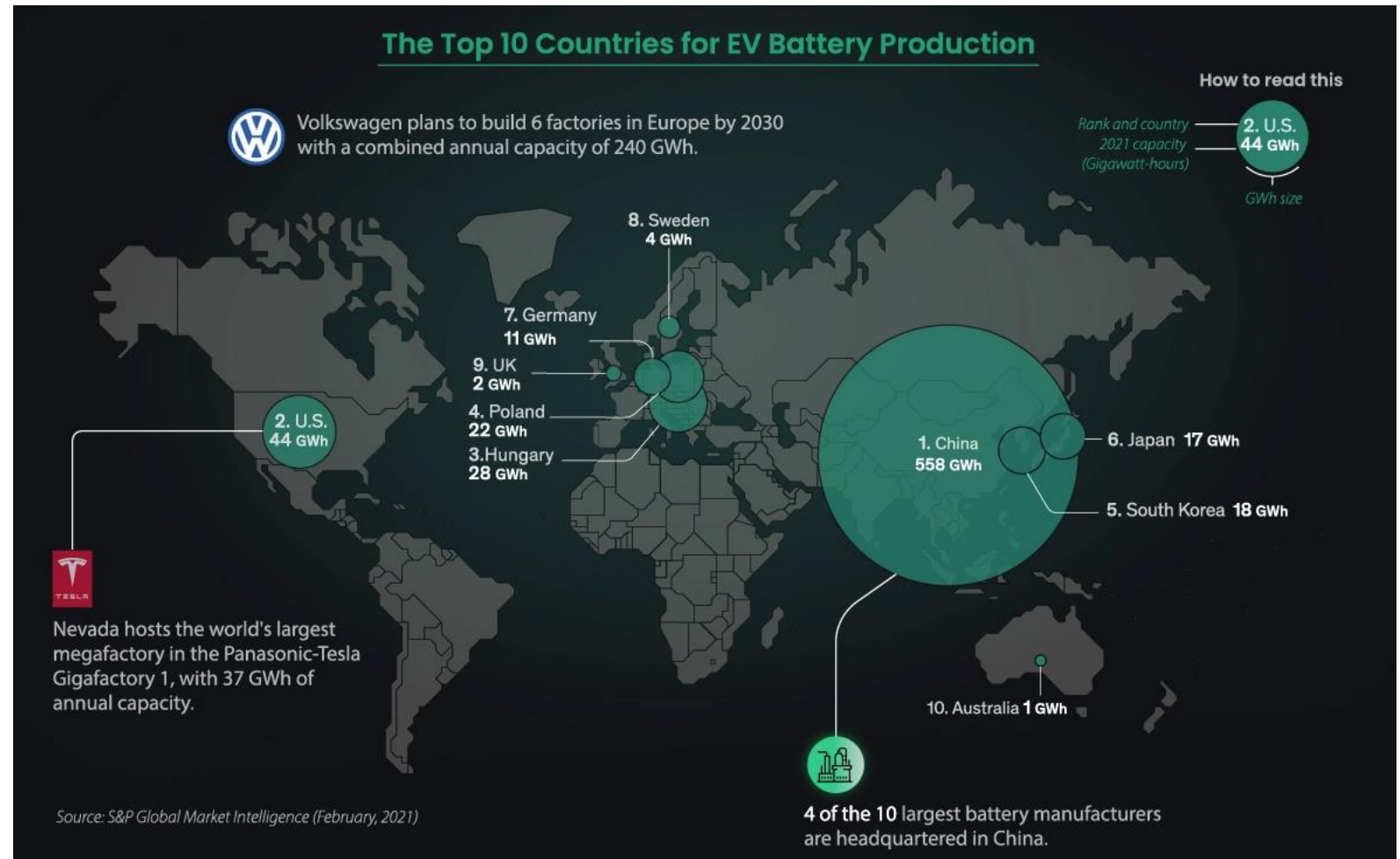
Advanced Drainage – The stealthy recycler

Providing climate adaptation solutions...

...while recycling huge quantities of plastic



Where next?



Source: Visual Capitalist; S&P Global Market Intelligence, Feb 2021. <https://www.visualcapitalist.com/sp/mapped-ev-battery-manufacturing-capacity-by-region/>

Where next?



This is Cyclon.



And this
is the running
shoe you
will never own.

Thank you

