

Net zero carbonⁱ policy – Operational emissions



Introduction

WHEB's mission is to 'advance sustainability and create prosperity through positive impact investments.' This applies to our investment activities as well as to our own operations. WHEB has recognised that the world faces a climate emergency which requires the world's governments, businesses and civil society to massively accelerate and scale efforts to mitigate greenhouse gas (GHG) emissions to avoid further climate changeⁱⁱ.

This policy document covers the direct climate impact of WHEB's own operations as well as our investment activities. It is supported by a detailed action plan. Progress against the action plan is regularly reviewed by the Senior Management Team and is reported at least annually as part of WHEB's impact report.

Scope 1 emissions

As an office-based financial services business, WHEB has no Scope 1 operational GHG emissions. All our power and heating requirements are supplied using electricity. No fossil fuels are directly combusted as part of WHEB's business operations.

Scope 2 emissions

- **Electricity**

While our office is not powered by renewable energy, we purchase Renewable Energy Guarantees of Origin. Therefore, the energy provider is purchasing renewable power elsewhere, off-setting the impact of our non-renewable power.

Scope 3 emissions

- **Business travel**

Business travel is a necessary part of WHEB's business activities. Wherever possible, we seek to 1) minimise travel, 2) utilise public transport in preference to private transport and 3) avoid air travel.

In order to ensure that we limit the GHG impact of our business travel, employees are required to use train travel for any journey taking less than 6 hours except in exceptional circumstances. Where short-haul flights are used, an internal carbon levy of £100 per flight is charged that is then invested in the company's corporate social responsibility (CSR) activitiesⁱⁱⁱ.

In addition, we set an annual overall GHG budget that covers all of our travel. This budget is set annually and is reduced by at least 10% over each annual cycle.

All business travel is offset with Gold Standard Carbon Offset providers^{iv}.



- **Employee commuting**

WHEB's emissions from employee commuting is minimal. Over 90% of all employee commuting is done by public transport or bicycle. WHEB supports the Cycle to Work and annual travelcard schemes in order to encourage this.

- **Purchased goods and services**

As part of WHEB's contract negotiations with suppliers we include a requirement to measure and report GHG emissions wherever possible. Over time we will seek to include contractual commitments to progressively reduce GHG emissions from suppliers in-line with accepted science.

- **Waste disposal**

We are tenants within a shared office and share waste services with the other tenants. We maximise the proportion of our waste that is recycled or composted and set targets to reduce the proportion that is sent to landfill or incinerated.

Investments

WHEB is an investment management business that invests in companies that benefit from and enable the transition to a zero carbon and more sustainable economy. As such, tackling climate change is a central foundation on which WHEB's business is based.

Five of the nine investment themes that make up WHEB's core investment strategy are linked to climate change or associated environmental issues. These include Cleaner energy, Environmental services, Resource efficiency, Sustainable transport and Water management^{iv}. Investments in these themes will, we believe, both enable and benefit from efforts to reduce carbon emissions in line with the targets set out in the Paris Agreement^v.

Nonetheless, these companies also generate GHG emissions in the course of their own business. WHEB is committed to engaging with underlying companies held in our investment strategies to encourage them to accelerate their own efforts to achieve net zero carbon emissions by 2030. These efforts are governed by a separate policy^{vi}.

Carbon offsetting providers

WHEB has offset the GHG emissions associated with business travel since 2017. In 2019 we have committed to only using carbon offset projects that are verified by either Gold Standard or the Verified Carbon Standards to ensure the highest quality carbon offset projects^{vii}.

Building a movement

WHEB was one of the first businesses to declare our support for the 'Business Declares' network^{viii}. In setting out WHEB's action plan, we aim to support the community of businesses taking urgent action to tackle climate change. Furthermore, we commit to advocate to other business leaders the importance and value of joining this movement at such a critical time and to report annually on our progress.



i 'Net zero carbon' means eliminating greenhouse gas emissions as far as practicable on an annual basis, reducing these absolute levels of emissions year on year and offsetting the remainder using high quality, verified offset projects.

ii <http://www.whebgroup.com/wheb-commits-to-be-a-net-zero-carbon-business-by-2025/#more-6829>

iii The amount of money and how it spent will be reported annually in our annual Impact Report.

iv For more information on WHEB's investment themes and underlying holdings please visit

<http://www.whebgroup.com/investment-strategy/strategy/>

v <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

vi Please see WHEB's separate policy on Net Zero Carbon portfolio emissions.

vii The Gold Standard quantifies and certifies climate development interventions:

<https://www.goldstandard.org/> **The Verified Carbon Standard ensures credibility of emissions reduction projects:** <https://verra.org/project/vcs-program/>

viii The 'Business Declares' network is a network of businesses that have declared a climate emergency and are taking action to tackle it: <https://businessdeclares.com/>