Stewardship Report

Jan – Dec 2024

WHEB

Preface

2024 was a landmark year for the WHEB Strategy. Against a backdrop of heightened regulatory expectations and growing scrutiny of sustainability claims, we continued to champion authentic, outcome-oriented stewardship. Our investment approach remained rooted in the conviction that companies addressing global sustainability challenges are best positioned to deliver durable growth and competitive advantage.

A major milestone was becoming the first listed equities strategy to receive the FCA's Sustainability Disclosure Requirements (SDR) 'Sustainability Impact' label. This achievement followed a rigorous five-month process and affirmed WHEB's longstanding commitment to impact investing, while driving significant improvements in disclosure and reporting practices.

Complementing this, our Stewardship Whitepaper *'From Obstacles to Outcomes'* challenged prevailing norms and called for a shift toward more effective, outcome-focused engagement. These initiatives strengthened how we communicate our approach, ensuring clearer alignment with fund mandates and robust reporting of our contributions to stewardship outcomes. Throughout the year, we maintained transparency and accountability, publishing detailed voting records, impact metrics, and engagement outcomes. Client feedback remained consistently positive, reflecting our commitment to clarity and alignment with investor priorities.

Finally, in March 2025, WHEB entered a new chapter through its acquisition by Foresight Group. This transition brings expanded resources and capabilities to advance our stewardship ambitions while preserving the principles that have defined WHEB's approach. As we look ahead, we remain committed to driving meaningful change and supporting clients in navigating an increasingly complex sustainability landscape.

Seb Beloe
Managing Director, Foresight Capital Management and Group Sustainability

WHEB

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Section 1: Policy and Context Disclosure

A. Our Organisation and Investment Beliefs: How They Shape Our Stewardship Approach

Foresight Capital Management (FCM) and the WHEB acquisition

Foresight Capital Management (FCM) was established in 2017 to provide retail and institutional investors with access to real assets and listed market opportunities through actively managed open-ended investment funds.

As a sustainability-focused asset manager, FCM applies private market expertise to listed markets and currently manages the **FP Foresight Sustainable Future Themes Fund**, **FP Foresight UK Infrastructure Income Fund**, **FP Global Real Infrastructure Fund, FP Sustainable Real Estate Fund**, **Foresight SICAV, Diversified Real Asset Fund** and **Cromwell Foresight Global Infrastructure Fund**. The team also provides sub-advisory services to third parties, leveraging institutional-grade strategies.

In March 2025, FCM acquired the trade and assets of WHEB Asset Management LLP, a pioneer in listed equity impact investing. WHEB manages a single global mid-cap listed equities strategy (i.e. 'The Strategy') focused on companies providing solutions to key sustainability challenges through the following funds:

- **FP WHEB Sustainability Impact Fund (OEIC)**
- **WHEB Sustainability Impact Fund (ICAV)**
- **WHEB Environmental Impact Fund (ICAV)**

This acquisition establishes FCM as a UK leader in impact investing, expanding Foresight's domestic presence and opening long-term growth opportunities in Australia. It also creates distribution synergies, with WHEB set to benefit from FCM's dedicated sales capabilities and broader client reach.

The decision to combine was driven by a strong alignment in philosophy and purpose between WHEB and FCM, an alignment explored in more detail in WHEB's 2024 Impact Report.[1]

Investment beliefs

FCM invests to support sustainable economic and social development while creating long-term value for investors. Each strategy applies its own sustainability criteria, and portfolio companies are actively monitored and engaged to ensure they deliver enduring benefits for the economy, environment, and society.

Our approach prioritises investments that reduce carbon emissions, enhance social infrastructure, and support long-term business growth. As of 2024, 80% of FCM's assets aligned with the Paris Agreement's climate goals.[2]

Following the acquisition of the WHEB strategy, the FP WHEB Sustainability Impact Fund team joined FCM with no change to its investment process, reflecting shared values and a commitment to impact investing.

WHEB's integration strengthens FCM's position in sustainability and impact investing, including in investor stewardship. FCM brings enhanced distribution capabilities and robust oversight of environmental, social and

[1] Page 34, https://www.figma.com/proto/epjJ5Vi4AtlIGtCYZFqhm1/WHEB-x-Foresight-Impact-Report?page-id=240%3A1928&node-id=284-2127&viewport=7572C0.25&t=wVkZaxMOMWMH9jDZ-1&scaling=scale-down&content-scaling=fixed&starting-point-node-id=256%3A5075
[2] Based on Foresight's multilateral development bank assessment of paris agreement alignment

governance (ESG) and climate-related risks, including detailed Task Force on Climate-related Financial Disclosures (TCFD)-aligned reporting.

Approximately 94% of FCM's assets under management (AUM) is in sustainability or impact-focused, with several carrying the UK's 'Sustainability Focus' label under the Financial Conduct Authority's (FCA) Sustainable Disclosure Regulations (SDR).

The WHEB Strategy continues to retain its proprietary 'Impact Engine,' and its net-zero 2050 commitment[3] reinforcing FCM's long-term decarbonisation goals and leadership in impact investing. The FP WHEB Sustainability Impact Fund was also the first listed equities fund to be awarded the "Sustainability Impact" Label under SDR.

The Strategy has a long-term investment horizon[4], believing that companies addressing sustainability challenges gain lasting advantages. We act as long-term owners, not traders, engaging to drive better environmental, social and governance practices and long-term returns.

FCM's clients

The acquisition of the WHEB strategy expands FCM's assets under management to £1.2bn and increases its presence in the institutional investor space, complementing its existing focus on intermediaries. The WHEB strategy primarily serves professional investors in the UK and has clients across Australia, Asia and Europe (Figure 1).

Figure 1: The WHEB strategy primarily serves professional investors in the UK and has clients across Australia, Asia and Europe

Stewardship approach

FCM's stewardship approach is founded on the belief that responsible investment practices protect and enhance long-term shareholder value and contribute to broader societal goals.

While all of the FCM strategies share a common belief in the importance of stewardship, each adopts a tailored approach to reflect the specific objectives and investment philosophy of the respective fund.

WHEB Strategy (FP WHEB Sustainability Impact Fund OEIC; WHEB Sustainability Impact Fund ICAV; WHEB Environmental Impact Fund ICAV):

WHEB's stewardship approach is closely aligned with the fund's objective of investing in companies that provide solutions to sustainability challenges, an ambition shared by our clients. Through active engagement on material issues, transparent voting and collaboration with other stakeholders, WHEB seeks to enhance both the positive impact and long-term financial performance of its clients' investments.

Stewardship is a key tool through which WHEB helps clients achieve their sustainability goals a contribution to positive impact, using ownership to influence corporate behaviour in line with the fund's sustainability goals.

[3] https://www.whebgroup.com/reporting-impact-investment/nzc-carbon-data
[4] The WHEB Strategy has an average holding period of 4-7 years.

Regular reporting and independent review ensure transparency and accountability, reinforcing the alignment between stewardship activity and the fund's core impact-driven mission.

FP Foresight Sustainable Future Themes Fund; FP Foresight Infrastructure Income Fund; FP Global Real Infrastructure Fund; FP Sustainable Real Estate Fund and Foresight SICAV:

FCM is committed to exercising its voting rights, with engagement often anchored around AGM proposals and related research, as well as sector-specific themes and company-level issues. The process is structured with environmental, social, and governance objectives, identified both proactively and reactively, and aligned with each fund's objective. Exercising voting rights to influence behaviour is supported by third parties such as Glass Lewis. This approach is evolving to incorporate broader engagement practices and evolving beneficiary needs.

Diversified Real Assets Fund (DRAF):

DRAF was launched in 2014 and invests in a diversified mix of infrastructure, renewables, commodities, inflation-linked assets, and specialist property. It aims for total returns through a combination of income and capital growth. Foresight Group serves as the sub-investment manager and sub-distributor for the fund. DRAF does not publish fund-specific stewardship policies but is working towards doing so in 2026.

Report scope

This report covers the WHEB strategy for calendar year 2024 and follows the structure of the 2026 UK Stewardship Code. Because of this period being prior to WHEB's acquisition, we report the individual approaches of the WHEB strategy separately to that of FCM's. The FCM 2024 Stewardship Report is available on the website.[5]

B. Resources for Effective Stewardship

Stewardship resources

The WHEB Strategy's approach to stewardship is deeply embedded in its investment process and is delivered through five key activities:

- allocating capital to sustainability-focused companies,
- exercising proxy voting rights,
- engaging directly with investee companies,
- influencing public policy to support investee companies and the broader sustainable financial system, and
- reporting to investors.

Personnel

The WHEB team combines deep expertise in sustainable and impact investing, with a proven track record dating back to 2005. The Impact Investment Team, comprising both investment and impact research specialists, integrates stewardship throughout the entire investment process. Each analyst is directly responsible for engaging with portfolio companies on material ESG and impact issues, ensuring that stewardship is systematic and effective.

The approach is collaborative and research-driven, underpinned by a culture of continuous improvement. This enables the team to drive positive change and support long-term value creation through meaningful stewardship.

Company engagement and voting are led by six investment analysts in a structure which ensures that engagement is closely linked to investment decisions and grounded in a clear understanding of each company's commercial context. Analysts are supported by the Sustainability Team, which helps prioritise efforts based on materiality, ensures alignment with client and fund mandates, provides research input, and leads systemic

[5] https://www.foresight.group/media/thbjasox/foresight-capital-management-stewardship-report.pdf

stewardship and collective engagement. Responsibilities are embedded in individual roles and performance appraisals.

Key Roles:

- Stewardship & Climate Manager: Coordinates strategy and activities across the team.
- Head of Research: Oversees the effectiveness of stewardship and engagement.
- Investment Analysts: Lead engagements and voting decisions.

Internal systems

WHEB uses a mix of internal systems and select external tools to support stewardship. A bespoke engagement-monitoring system, integrated into the firm's Internal Research Note (IRN) platform, tracks objectives, methods, and outcomes. Additional tools include Net Purpose for impact data, Impact Cubed for sustainability analytics, Canalyst for financial data, Essentia Analytics for behavioural insights, and FactSet for research support.

Third party systems

The services of specialist proxy voting agencies are used to facilitate voting shares listed on stock exchanges around the world and to provide research that enables us to vote in line with WHEB's rigorous Voting Policy, as detailed under Principle C. Whilst we consider the recommendations of advisory services in how we vote our shares, the Investment Team assesses each individual company vote against our own internal policies before agreeing on how to vote.

Governance and oversight

In 2024, oversight was provided by the Investment Risk Committee, which met monthly, and the independent Investment Advisory Committee, which meets three times a year and publishes summary minutes. Together, these bodies ensured that stewardship activities conducted by the team were both rigorous and transparent.

C. Our Stewardship Policies and Processes

The WHEB Strategy fully integrates stewardship into its investment process. Engagement is viewed as a strategic tool for influencing companies to meet objectives that we believe are supportive of an aligned with their long-term success. Engagement and voting activities are not standalone processes, but rather they inform investment decisions by revealing insights into company growth and risk.

Policy framework

WHEB's Stewardship and Engagement Policy[6]

WHEB's stewardship approach, as outlined in the Stewardship and Engagement Policy, is aligned with the UK Stewardship Code and is built on a clear objective to contribute to sustainability impact and deliver long-term investor value.

Stewardship is delivered through engagement and voting activities, in an integrated manner as described above.

WHEB's Voting Policy[7]

[6] https://www.whebgroup.com/assets/files/uploads/1692709988-20230515-stewardship-policy.pdf
[7] https://www.whebgroup.com/assets/files/uploads/20240120-wheb-voting-policy.pdf

The WHEB Strategy has established a proxy Voting Policy designed to promote long-term shareholder value and effective global corporate governance. Voting is underpinned by four core principles: Accountability, Stewardship, Independence, and Transparency. These principles guide our voting decisions and engagement with portfolio companies, ensuring alignment with both market regulations and best practices. WHEB's Voting Policy is modelled on the Association of Member Nominated Trustee's (AMNT's) 'Red Lines'[8] and are generally more demanding than market standards.

- Our policy is applied globally and informed by a rigorous interpretation of ESG standards, supported by third-party sources and proxy advisors (ISS).
- We scrutinise every vote recommendation and reach our own decisions through internal consultation within the investment team. Where we vote against management's recommendations, we explain our rationale to company management. We also publish the rationale for all votes against management's recommendations on our website.
- We vote shareholder proposals on a case-by-case basis, applying our four core principles alongside detailed guidelines.
- Our policy is not to undertake stock lending from any WHEB funds. Clients in segregated accounts may direct voting. We have found that our Voting Policy typically covers clients' voting requirements and, in many cases, applies a higher standard.

Review and assurance processes

The Stewardship and Engagement Policy and Voting Policy were developed by the WHEB Senior Management Team and is subject to regular review in light of evolving industry best practice and regulatory changes. In 2024, oversight of the application of WHEB's stewardship processes and policies was provided by the Investment Risk Committee (which met monthly), with additional scrutiny from an independent Investment Advisory Committee (which meets three times annually). Reviews may be prompted by regulatory developments, changes in client expectations, or material ESG issues identified through engagement or voting activity.

Transparency and accessibility

While our full policies are not included here, they are available on our website.[9]

WHEB publishes voting and engagement activity in quarterly client reports, which are available on the company website. Additional transparency is provided through published Advisory Committee summary minutes, portfolio holdings, stewardship blogs, and annual Impact Reports, which are also available on our website.

Other related policies are our Responsible Investment Policy[10], which underpins our stewardship approach by setting out the Strategy's impact-driven investment philosophy and integration of sustainability considerations across all investment decisions, as well as our Ethical Outcomes Policy[11], which covers our approach to exclusions. These policies are also developed by the Sustainability Team, regularly reviewed (at least once annually), and aligned with evolving best practices.

WHEB's stewardship approach

For engagement to be effective, it must be anchored in a clear objective and a defined outcome.

- **Objective**: What we aim to achieve through the engagement.

[8] https://www.amnt.org/red-line-voting
[9] https://www.whebgroup.com/investing-for-impact/sustainability-policies1
[10] https://www.whebgroup.com/assets/files/uploads/20241211-responsible-investment-policy.pdf
[11] https://www.whebgroup.com/assets/files/uploads/1744192138-20250323-ethical-outcomes-final.pdf

- **Outcome**: The result of achieving - or not achieving - the stated objective.

WHEB's definition of engagement activity:

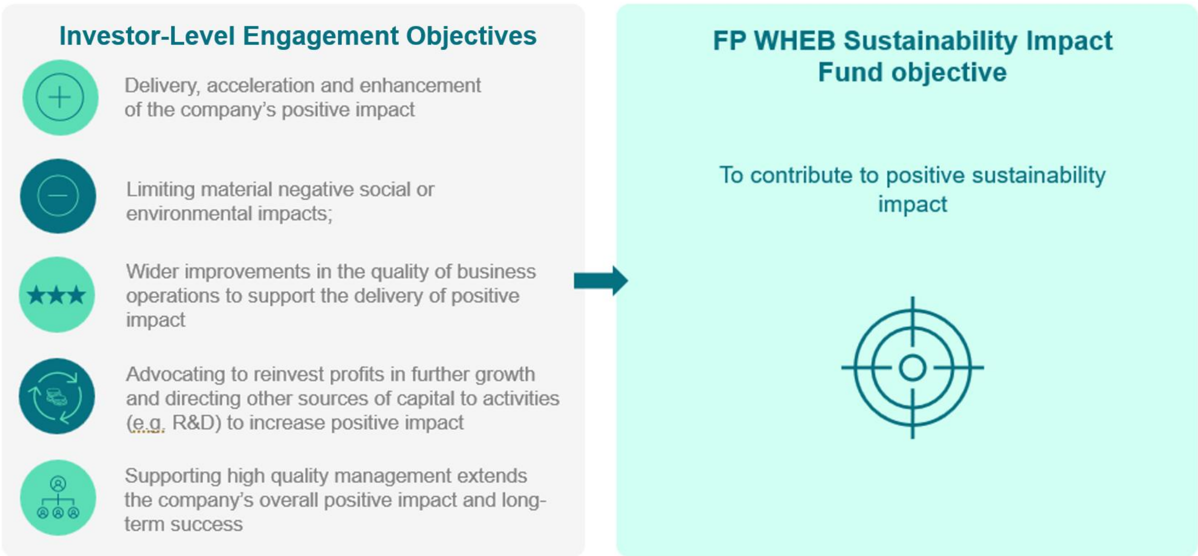
An interaction either online, in person or through written correspondence that involves the clear communication of an objective aimed at addressing a material sustainability or governance risk or opportunity, with an identifiable outcome measure.

Objectives: Investor-level

All engagement objectives should align with the Fund's overarching goal and therefore long-term value. This alignment also ensures consistency with client mandates. WHEB categorises all engagements under five 'investor-level objectives' (Figure 2). These serve two key purposes:

1. Internally, they help ensure our engagements are aligned with the Fund's objective and contribute to long-term client value.
2. Externally, they provide clients with a clear framework to understand how engagement supports the Fund's purpose.

Figure 2: WHEB's Investor-level objectives align with the fund objective



Objectives: Company-level

Effective engagement begins with a clear, context-specific objective that aligns with the investee company's commercial reality and supports the delivery of long-term value. The objective should articulate how a particular issue represents a material risk or opportunity to the company's sustained success and financial performance (Figure 3). We define an 'engagement activity' by the presence of such an objective.[12]

[12] We outline our reasons for defining and engagement in this way in our 2024 White Paper: *From Obstacles to Outcomes: Enhancing Effectiveness in Stewardship and Engagement*

Figure 3: WHEB's investor-level objectives, examples and outcomes

Objective	Objective Example	Outcome
Delivery, acceleration and enhancement of the company's positive impact	Vestas to mitigate negative impacts and maximise positive impacts of its activities on biodiversity	Reduced licensing delays; improved positioning as sustainability leader to attract new customers
Limiting material negative social or environmental impacts;	Ecolab to phase-out hazardous chemicals from its product portfolio	Faster regulatory compliance; competitive advantage; faster adoption of its safer technologies
Wider improvements in the quality of business operations to support the delivery of positive impact	SolarEdge to source 100% renewable energy, inc. using own panels	Reduced Scope 2 emissions; stronger market positioning
Advocating to reinvest profits in further growth and directing other sources of capital to activities (e.g. R&D) to increase positive impact	MSA Safety to reinvest profits into R&D for PFAS-free turnout gear	Improved competitive advantage; increased adoption of its safety technologies
Supporting high quality management extends the company's overall positive impact and long-term success	Infineon to have a minimum of 33% female board-level representation	Inclusion of more diverse perspectives; better decision-making

Fact-finding versus behaviour change objectives

Fact-finding objectives can be a helpful precursory stage in engagement, a progress milestone, or valuable in complex or opaque situations where understanding a company's position or constraints is an essential first step. However, our view is that engagement is most powerful where it drives tangible company action. We therefore prefer behaviour change objectives that drive tangible shifts in company policy, governance, or strategy to enable real-world impact.

Crucially, though, our view is that it is the communication of a well-defined objective that transforms a routine investor-company interaction into a meaningful engagement activity.

Outcomes

Outcomes should create long-term value for clients and should be articulated along with objectives. The difference between the overall objectives of an engagement strategy and the specific objective for engaging individual companies is reflected in the types of outcomes each one produces[13] (Figure 4). Outcomes can include:

- Those directly reflecting the company-level engagement objective.
- Those that influence our investment conviction (Figure 4).

Stewardship to influence investee companies should be directly relevant to capital allocation decisions, and ongoing management and oversight of assets.

Reporting outcomes: WHEB's view

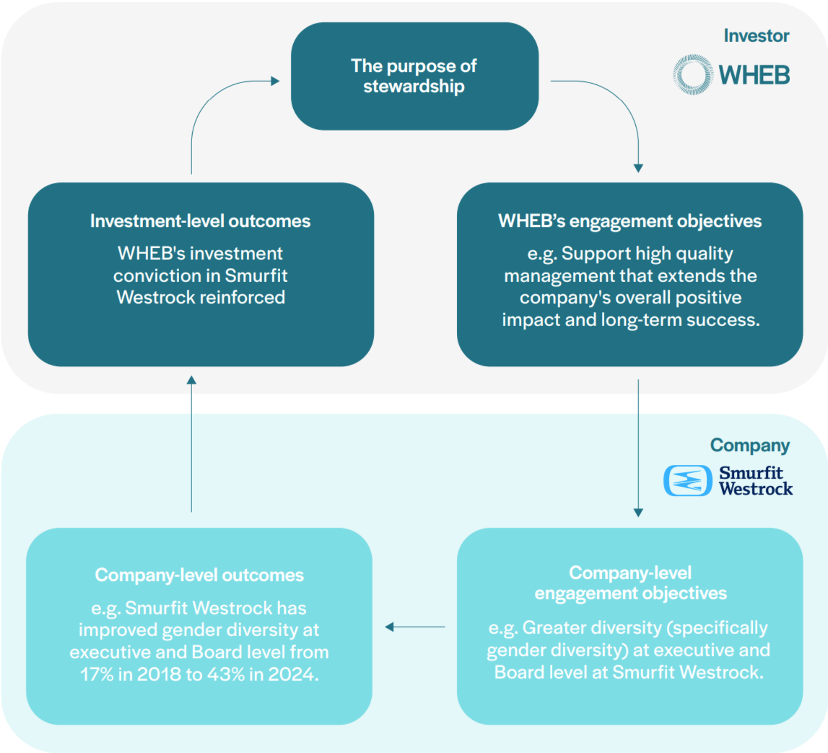
Outcomes reflect the influence of many factors, including market conditions, regulation and other stakeholders. Our engagement is just one of these factors. Consequently, we do not seek to attribute specific outcomes directly to our engagement activities. We do, however, believe it is important to report to clients in a way that enables them to assess and evaluate the effectiveness of our approach.

Our aim is not to demonstrate causation, but rather, to provide transparency around the objectives we are actively pursuing, the engagement methods we consider most impactful within a company's context, and any observable outcomes. This allows clients to identify potential correlations between our stated intentions, our actions, and the changes we see.

[13] https://www.whebgroup.com/assets/files/uploads/20241030-wheb-stewardship-white-paper.pdf

Through this approach, we aim to demonstrate our contribution to real-world outcomes, while acknowledging the inherent challenges in establishing direct attribution in public markets stewardship.

Figure 4: Engaging Smurfit Westrock; from objectives to outcomes[14]



D. Managing Conflicts of Interest

In 2024, WHEB operated under a formal Conflicts of Interest Policy to ensure the interests of clients and beneficiaries were protected. We identified, recorded, and monitored potential conflicts, maintained a register, and applied measures such as disclosure, oversight by the Compliance Officer and Investment Risk Committee, and, where necessary, declining services. There were no conflicts related to stewardship in 2024. Had any occurred, they would be addressed through transparent engagement and independent review by our Investment Advisory Committee.

E. Maintaining Dialogue with Clients and Beneficiaries

In 2024, most WHEB clients were UK-based professional investors (Figure 1), a profile unchanged since 2020. We maintained close relationships through regular reporting, annual conferences, quarterly webinars, and one-to-one meetings. Our long-term investment horizon, grounded in the belief that companies addressing sustainability challenges can achieve durable growth, aligned with clients' objectives and informed our stewardship approach.

[14] https://www.whebgroup.com/smrufit-kappa-engagement-case-study

We actively sought feedback and used it to improve communications and services. Our Stewardship and Responsible Investment and Voting Policies reflected client expectations, and in many cases exceeded client expectations.

Transparency remained a priority. We published full voting records with detailed rationales, impact tools such as the Impact Calculator and Carbon Data, and Investment Advisory Committee minutes on our website. Key reports included our Annual Impact Report, quarterly and monthly updates, and stewardship-specific case studies. Client feedback on openness and reporting was consistently positive throughout the year.

Section 2: Activities and Outcomes Report

Principle 1: Signatories Integrate Stewardship and Investment to Deliver Long-Term Sustainable Value for their Clients and Beneficiaries

Integration of sustainability in WHEB's investment process

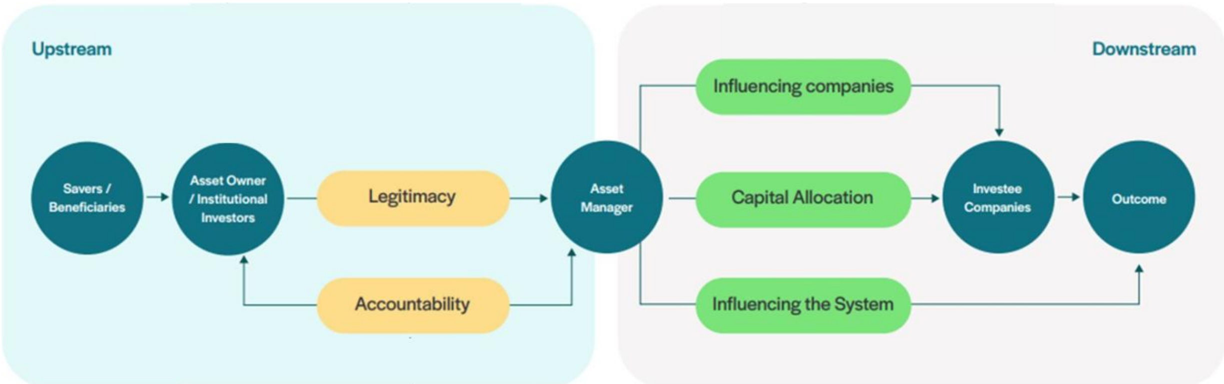
The WHEB Strategy seeks to generate superior returns by actively investing in companies providing sustainability solutions. Positive impact, sustainability, ESG and stewardship are therefore integrated throughout the investment process. Specifically, the Strategy focuses exclusively on companies delivering solutions to sustainability challenges, avoiding sectors most exposed to transition risks such as fossil fuels and bulk chemicals.

The Strategy targets structurally growing markets aligned with the shift to a zero-carbon and more sustainable economy across nine sustainable investment themes: five environmental (Cleaner Energy, Environmental Services, Resource Efficiency, Sustainable Transport, and Water Management) and four social (Education, Health, Safety, and Well-being). This impact-led approach ensures positive environmental and social outcomes alongside long-term financial performance.

Stewardship is central to our 'investor contribution' to delivering positive impact[15]. There are five core components of our approach to stewardship (Figure 5):

- Upstream, **legitimacy** of investor stewardship activities hinges on activity and objectives aligning with client mandates.
- Reporting back to clients upstream is the mechanism through which we are held **accountable** for this.
- Downstream, within the investment value chain, stewardship means **influencing companies** (covered in more detail under Principle 3) through engagement and voting at company AGMs.
- **Capital allocation** decisions (See STERIS case study under Principle 3); and
- **Influencing the system** through, for example, policy advocacy and industry collaboration (also known as 'macro stewardship' and covered in more detail under Principle 2).

Figure 5: Stewardship fundamentals in public equities



[15] This is distinct from the 'enterprise impact' which is delivered through intentional impact investment.

Influencing companies

How integration guides identification and prioritisation of engagement objectives

Engagement and voting are most effective when integrated with a company's ongoing monitoring and assistance, as these activities provide insights into growth potential and risk. To be impactful, engagement must have clear objectives and outcomes. In the WHEB Strategy, all engagements align with five overarching objectives that support the Fund's purpose and demonstrate value for clients. Each engagement sets a context-specific goal addressing a material risk or opportunity to long-term success. Objectives are developed by identifying issues early, before investment, and monitoring companies' post-investment. Prioritisation is based on the severity of the issue.

- **Bottom-up identification** is enabled by a concentrated portfolio and the integration of stewardship within investment analyst responsibilities.
    - We do this proactively, as well as reactively (Daikin case study below) and cover ESG topics that relate to both company operations and product impact.
    - The severity of material issues is researched and analysed for each stock.
    - Thematic priorities emerge at the fund level where topics are material for a significant proportion of the portfolio. These include the following objectives (covered in more detail under Principle 3):
        - Advance **climate** action
        - Supporting a productive, diverse, equitable and inclusive workforce (**DEI**)
        - Protect **biodiversity and nature**
        - Strengthen corporate **governance**

Case Study: Controversy response at Daikin and how it informed an investment Decision

Background: Daikin is a global leader in energy-efficient heating, ventilation and air conditioning (HVAC) solutions and was held in WHEB's Resource Efficiency theme. Our investment thesis focused on its innovative, low-carbon technologies driving long-term growth. In Q4 2023, we learned that Daikin was involved in producing weapons containing white phosphorus, which is widely considered a controversial weapon. Following consultation with WHEB's independent Investment Advisory Committee, we classified white phosphorus under our banned weapons policy with a 0% revenue threshold.

Objective: Limiting material negative social or environmental impacts

Activity: Upon learning of the company's involvement in the production of weapons containing white phosphorus, we engaged Daikin, outlining our concerns and those of our investors. We made it clear that any involvement in armaments containing white phosphorus is incompatible with WHEB's investment universe and warned that we would divest if the company did not exit this activity.Despite these efforts, Daikin provided no assurance of change. Consequently, we sold our position in Q4 2023 and formally disqualified the company from our investable universe. Importantly, we wrote to Daikin explaining the rationale for divestment.

Outcome: Milestone 4 – Company provides evidence that the issue is being managed in line with the policy or strategy, demonstrating the concern has been addressed

In 2024, Daikin announced it would end the production and sale of artillery shells containing white phosphorus[i], ceasing new orders immediately and fulfilling existing contracts only until the end of 2025. The company's CEO referred to the investor pressures as one of the reasons for doing so. This reinforced to us that divestment, while a last resort, can still influence corporate behaviour when communicated transparently.
Once existing orders are fulfilled to the end of 2025, Daikin will return to our investable universe.

[i] https://www.investing.com/news/stock-market-news/daikin-halts-production-of-white-phosphorus-shells-due-to-investor-concerns--nikkei-asia-93CH-3893876

- Top Down: Client mandate agreements and associated documents also inform our objectives and ensure alignment with client priorities. Typically, client priorities are also aligned with the Strategy's thematic priorities. Where client priorities are not directly material to our holdings yet still represent a legitimate interest for end beneficiaries or broader civil society, we seek to address them through our broader stewardship activities to influence the system and policy engagement. An example is provided below in the case study looking at our approach to addressing Antimicrobial Resistance (AMR). This ensures that while portfolio-level engagement remains tightly focused on material issues, our wider stewardship work remains responsive to client expectations and aligned with our effort to address systemic risks across the market.

Case Study: 'Top down' prioritisation & 'influencing the system' to address antimicrobial resistance (AMR)

Background: Antimicrobial resistance (AMR) occurs when disease-causing microbes evolve to resist the drugs that are designed to kill them. AMR poses a severe threat to global health and economic stability, with projections suggesting it may cause a higher mortality rate than cancer and reduction of global GDP by nearly 4% by 2050.[i, ii]

One of our clients identified AMR as a core priority and asked how we were addressing the issue. .

Our approach: Rather than engaging all portfolio companies on AMR, we assessed the materiality of the issue to companies held in our Strategy. WHEB has minimal exposure to the primary drivers of AMR, such as the overuse of antibiotics, so direct engagement would deliver limited impact, and could risk undermining our credibility with investee companies.

Recognising the systemic risk posed by AMR, WHEB joined the Investor Action on AMR initiative, a coalition led by the Access to Medicine Foundation, FAIRR, and the UK Government. In 2024, we co-signed a public statement urging global policymakers to act. This statement was presented at the UN General Assembly in New York and contributed to key outcomes, including the creation of an independent panel for AMR action by 2025.

Outcome: Through collaborative advocacy, WHEB is helping to drive policy change on AMR, a systemic issue which is critical to long-term health and economic resilience, while maintaining a focused and credible engagement strategy within our portfolio.

I *Global burden of bacterial antimicrobial resistance 1990–2021: a systematic analysis with forecasts to 2050 Naghavi, Mohsen et al. The Lancet, Volume 404, Issue 10459, 1199 – 1226*

ii *https://www.worldbank.org/en/news/press-release/2016/09/18/by-2050-drug-resistant-infections-could-cause-global-economic-damage-on-par-with-2008-financial-crisis?*

Prioritising effectively and balancing resources

Engaging every company on every issue is neither practical nor effective. Each investment analyst manages engagement and voting for the stocks they cover. This work is guided by the Stewardship & Climate Manager who assists in prioritising companies and objectives based on thematic issues using WHEB's proprietary scorecards assessing management of key risks and opportunities.

Engagement plans are reviewed and agreed upon with analysts twice a year. Progress against the objectives is monitored by the Manager who also suggests opportunities for escalation. This approach ensures strategic coordination and prioritisation of engagement objectives across the portfolio. To balance analysts' day-to-day demands, the Manager also leads collaborative engagements and deeper research where needed. This focuses resources on the most important companies and objectives, while reactive engagement, such as responding to controversies, is considered alongside ongoing engagement to ensure a balanced, proactive strategy.

Principle 2: Signatories Identify and Respond to Market-Wide and Systemic Risks to Promote a Well-Functioning Financial System

Identifying and Responding to Market-Wide and Systemic Risks and Opportunities

WHEB recognises its responsibility as an active market participant to address systemic risks that threaten the stability of the financial system. Our Strategy is built on the view that the global economy is in the process of a transitioning to a zero-carbon, more sustainable model. This belief, which is shared by our primarily institutional client base, shapes our investment approach and stewardship activities.

Stewardship is a key tool for enabling real economy change that mitigates systemic risks. By combining selective capital allocation, targeted engagement, transparent reporting and collaboration with clients and other stakeholders, the WHEB Strategy helps address systemic risks while supporting a well-functioning financial system.

Climate: Avoiding Transition Risks while Capturing Structural Opportunities

The portfolio is positioned to be resilient to systemic risks while benefiting from long-term structural opportunities. This is achieved by deliberately avoiding sectors most exposed to transition risks, such as fossil fuels, cement, steel, and bulk chemicals. Instead, the focus is exclusively on companies providing sustainability solutions, such as renewable energy, sustainable transport, water management, and resource efficiency.

The WHEB Strategy is therefore aligned with a <1.5°C climate scenario, and we believe regulatory actions to mitigate climate change will positively impact our holdings.[16] In other words, transition risk is for the WHEB Strategy, largely a transition opportunity.

In 2024, we introduced Climate Adaptation as a sub-theme within our Environmental Services theme, reflecting the growing need to address climate impacts through adaptation. While we have long invested in companies focused on adaptation, this formalisation underscores its strategic importance and creates opportunities in areas such as hurricane-resistant infrastructure. This evolution demonstrates our proactive approach to systemic and market-wide risks, ensuring our strategy remains aligned with a changing climate and supports resilient, sustainable outcomes.

Furthermore, we continue to work towards the Strategy-level net-zero carbon (NZC) targets (Figure 6) we set in 2019 with stewardship placing a key role in achieving progress against these commitments. As shown in Figure 7, financed emissions have fallen significantly, now just 8% of 2019 levels, well ahead of our 2030 target to cut Scope 1 and 2 emissions by 50%.

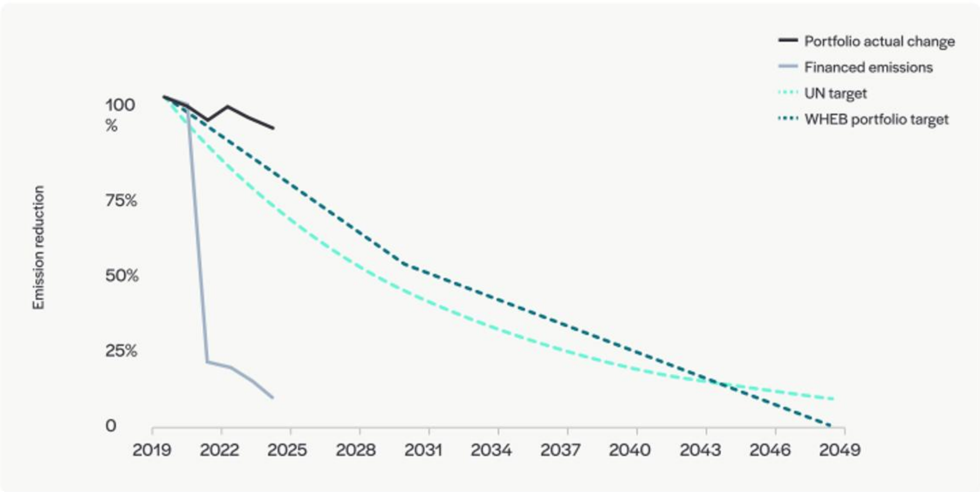
Most of this reduction occurred in 2020–2021 following the sale of China Everbright Environment Group, with further declines driven by a smaller fund size and lower normalised emissions. The fund's carbon footprint dropped from 25.16 tCO_2e/£1m invested in 2023 to 22.1 tCO_2e/£1m in 2024. Encouragingly, companies held for two years also show real-world emissions reductions. Despite progress, current levels remain short of the Paris Agreement's 1.5°C pathway, and we will continue to press for faster improvements through engagement.

[16] For example, the EU targets to end sales of new CO_2 emitting cars by 2035 will drive demand for technologies provided by holdings within the Strategy's Sustainable Transport theme, such as Aptiv's advanced electrical distribution and software systems and Infineons SiC MOSFETs and HybridPACK™ power modules used in high-voltage electric drivetrains.

Figure 6: FP WHEB Sustainability Impact Fund net zero carbon (NZC) commitments

Target	Target year	Progress
85% of financed Scope 1 and 2 emissions covered by a NZC target of 2050 or sooner	2025	Target exceeded
100% of financed Scope 1 and 2 emissions covered by a NZC target of 2050 or sooner	2028	On-track
15% reduction in absolute portfolio emissions (compared to a 2019 baseline)	2025	Ahead of target
7.6% portfolio company-level absolute reductions year-on-year	2030	Behind target
50% reduction in portfolio carbon emissions (compared to a 2019 baseline)	2030	Ahead of target
100% reduction in portfolio carbon emissions (compared to a 2019 baseline)	2050	Ahead of target

Figure 7: FP WHEB Sustainability Impact Fund Scope 1 and 2 emission targets and reductions, 2024.



Biodiversity and Nature

The threats of climate change and biodiversity loss are deeply interconnected. Climate change acts as a threat multiplier for biodiversity degradation, while ecosystem destruction undermines nature's ability to regulate greenhouse gas emissions and buffer against extreme weather. Despite this interdependence, global decarbonisation efforts often come at the expense of habitats critical to wildlife.

Given this relationship, WHEB has embedded biodiversity as an implicit strategic objective within its Environmental Services theme and overall philosophy of investing in sustainability solutions. This approach means that the Strategy is almost entirely absent from the highest-risk sectors such as agriculture and extractive industries. In 2024 we joined Nature Action 100 (NA100) and acted as lead investor for Smurfit WestRock, advocating for TNFD-aligned disclosures, indigenous community engagement, and improved transparency on biodiversity impacts. These steps demonstrate our commitment to addressing nature-related risks both at company and systemic levels. This work is detailed under the Thematic Engagement Case Studies section under Principle 3.

Micropollution, Antimicrobial Resistance (AMR) and PFAS

Micropollution represents another critical systemic risk WHEB seeks to address through investment and stewardship. Micropollutants, tiny man-made molecules such as antibiotic residues, synthetic hormones, pesticides, and industrial chemicals like Per- and polyfluoroalkyl substances (PFAS), enter ecosystems and food chains, causing severe health impacts from chronic exposure. Left unchecked, the human and economic costs are staggering. UNEP estimates ten million annual deaths from AMR by 2050, while the World Bank projects $1 trillion in healthcare costs[17,18]; and others have sized PFAS-related remediation at $17.5 trillion globally.[19]

WHEB has been engaging on micropollution for over a decade, using stewardship tools to mitigate risk and support companies developing solutions. Our Q1 2024 stewardship blog highlights how our investments in water management and hazardous chemical alternatives position the portfolio to benefit from tightening regulations.[20] Recent engagements include pressing MSA Safety to phase out PFAS (see case study under Principle 3) and participating in the Investor Initiative on Hazardous Chemicals (IIHC) to advocate for robust regulatory frameworks, as outlined below. These efforts reflect our dual approach: influencing company behaviour and shaping systemic conditions to reduce micropollution risks.

Addressing Systemic Risk via Engagement and Voting

WHEB's engagement and voting activities are designed to proactively address systemic risks, particularly climate change, biodiversity loss, and other interconnected environmental and social challenges. We do this primarily through thematic engagement aligned with our sustainability-focused investment strategy. This approach supports long-term value creation and client-aligned outcomes by encouraging companies to act responsibly on issues that impact both financial systems and society. We cover this in more detail in the 'Thematic Engagement Case Studies' section under Principle 3.

Influencing the System: Macro Stewardship and supporting a well-functioning financial system

Macro Stewardship

Systemic issues extend beyond the influence of any single company and require coordinated action across industries, supply chains, and policy frameworks to achieve meaningful change. While direct engagement with individual businesses remains a core stewardship tool, it has limitations in addressing these broader challenges.

To complement this, WHEB actively seeks to shape the wider financial system to enable more sustainable outcomes, a practice often referred to as *macro stewardship*. This involves leveraging our influence as investors through collaborative initiatives, investor coalitions, and policy advocacy, as highlighted in the AMR case study under Principle 1.

Our efforts include engagement downstream with regulators, policymakers, and standard setters, as well as upstream with clients and their advisers. WHEB also participates in industry initiatives that promote long-term sustainable investing, as outlined under Table 1. We contribute by sharing our thinking, collaborating on sustainability issues with investee companies, and engaging through conferences, seminars, and our WHEB blog.

Table 1: WHEB's involvement with industry initiatives

Initiative/ organisation	Background	WHEB's participation	Affiliate since
CA100+	Climate Action 100+ is a collaborative engagement initiative focused on major carbon emitters.	Trane aims to advance its sustainability commitments by expanding disclosures, accelerating progress on its Gigaton Challenge, and aligning reporting with science-based targets, while addressing systemic challenges such as manual data collection for green revenue and integrating new businesses into its baseline. The company is also prioritising Scope 3 decarbonisation through efficiency, refrigerant transition, and electrification, alongside improving transparency on capital allocation, climate policy engagement, and trade association alignment.	2020

[17] https://www.unep.org/news-and-stories/press-release/reduce-superbugs-world-must-cut-down-pollution
[18] https://www.who.int/news-room/fact-sheets/detail/antimicrobial-resistance
[19] https://chemsec.org/reports/the-top-12-pfas-producers-in-the-world-and-the-staggering-societal-costs-of-pfas-pollution/
[20] https://www.whebgroup.com/our-thoughts/stewardship-in-the-spotlight-managing-micropollution

Finance for Biodiversity Pledge	The Finance for Biodiversity Pledge is a commitment from financial institutions to protect and restore biodiversity through their finance activities and investments.	Financial institutions that sign the Finance for Biodiversity Pledge can become members and participate in the Finance for Biodiversity Foundation's working groups. We signed the pledge in December 2022 but suspended our involvement pending further direction from Foresight.	2022
Global Impact Investing Network (GIIN)	The GIIN is a not-for-profit network dedicated to increasing the scale and effectiveness of impact investing around the world.	WHEB has been a core member of the working group defining guidance for impact investing in listed equities since 2021.This working group has two main objectives: 1. Understand how strategies delivering impact in listed equities can align with the expectations of the Core Characteristics.[21] 2. Provide reference points for best practice in order to support investors in structuring and deploying effective impact strategies in listed markets.	2021
Institutional Investors Group on Climate Change (IIGCC) and its Net Zero Engagement Initiative (NZEI)	The IIGCC is the largest global investor membership body focusing specifically on climate change. NZEI is a collaborative investor programme that engages high-emitting companies to adopt credible net-zero targets and transition plans aligned with the goals of the Paris Agreement.	WHEB has been a signatory and member of the Policy Group since 2013. We have also been an active participant in formulating the Paris Aligned Investment Initiative and are involved in the Net Zero Engagement Initiative (see TE Connectivity case study under Principle 3 and Schneider Electric website case study[22]).	2013
Investor Initiative on Hazardous Chemicals (ChemSec)	The Investor Initiative on Hazardous Chemicals (IIHC) is an investor-led initiative that encourages chemicals companies to increase transparency and stop the production of persistent chemicals.	Please refer to the case study below under this Principle covering our engagements with Ecolab on hazardous chemicals.	2021
Nature Action 100	Co-led by Ceres and the IIGCC, Nature Action 100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss.	WHEB joined the Nature Action 100 on its launch in September 2023 in order to collaboratively engage portfolio company, Smurfit Westrock, which is a target of the initiative. Please refer to the Thematic Engagement Case Studies section under Principle 3 for more information.	2023
Net Zero Asset Managers initiative (NZAMi)	NZAMi is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner.	In 2020, WHEB became a founding signatory. WHEB committed in 2020 to have 50% of portfolio holdings set net-zero targets by 2025 and 100% by 2030, achieving the first goal three years early in 2022. Targets were updated in 2023 to cover 85% of financed emissions by 2025 and 100% by 2028; as of this report, 98% of financed emissions are covered by net-zero targets, with 87% validated by SBTi.	2020
Net Zero Carbon 20	NZC20 is an initiative focusing on delivering absolute carbon reductions at the fund level.	NZC20 was developed following the success of the Net Zero Carbon (NZC10) target. NZC20 increases the minimum proportion of fund/portfolio assets that have set an NZC target with a target date of 2030 from 10% to 20%, including those portfolio companies that are subject to engagement.	2019
ShareAction Investor Decarbonisation Initiative	This working group aims to use investor action to engage with key European chemicals companies to accelerate their alignment with a 1.5°C pathway through high-impact, sector-specific asks backed by in-depth research.	WHEB joined this working group in 2023 and has since been involved with collaboratively engaging several portfolio companies with the support of ShareAction, most notably Croda.	2023
UK Sustainable Investment and Finance Association (UKSIF)	UKSIF exists to bring together the UK's sustainable finance community and support our members to expand, enhance and promote this key sector.	WHEB has been a member since 2009 and is regularly involved with events and initiatives including for example helping to develop responses to the UK government's sustainable finance proposals (e.g. the Sustainability Disclosure Requirements or SDR). Seb Beloe is a member of the Policy Committee and Rachael Monteiro is a member of the UKSIF Industry Development Committee.	2009
Principles for Responsible Investment (PRI)	The PRI works to support investors in incorporating ESG factors into their investment and ownership decisions.	WHEB has been a signatory since 2012.	2012

[21] In 2019 the GIIN released a set of Core Characteristics of Impact Investing that help consolidate key practices to support investors in the formulation of impact-investing strategies and to guide the market in developing effective approaches to impact investing.

[22] https://www.whebgroup.com/schneider-electric-q4-2024-engagement-case-study

We also seek to combine targeted company engagement with systemic efforts, as this helps to create the enabling conditions for long-term, sustainable value creation that aligns with our clients' outcomes across the wider economy

Case Study: From Micro to Macro - How We Combine Direct Engagement with Ecolab with Investor Advocacy through the Investor Initiative on Hazardous Chemicals (IIHC)

Background: We are an active member of the Investor Initiative on Hazardous Chemicals (IIHC), a collaborative platform working to reduce financial and environmental risks from hazardous substances. Our participation includes signing annual investor letters to ChemScore-ranked companies, leading engagement with portfolio company Ecolab, and joining workshops that advocate for transparency, phase-out plans, and investment in safer alternatives. This dual approach of direct company engagement and macro stewardship, creates enabling conditions for long-term sustainable value, aligning with our clients' objectives across the wider economy.

Objective: Limiting material negative social or environmental impacts
To influence policy and corporate behaviour on PFAS and other hazardous chemicals by advocating for strong regulatory frameworks that mitigate systemic financial, health, and environmental risks, while supporting innovation of safer alternatives and sustainable value creation.

Activities: In 2024, we joined over 60 investors representing $20 trillion in assets under the IIHC umbrella and co-signed a 2024 letter to European Commission President Ursula von der Leyen urging the Commission to maintain a robust stance on PFAS restrictions. This letter highlighted the need for legal clarity and ambition to accelerate safer alternatives and protect long-term economic resilience.

We also continued direct engagement with Ecolab, a company in our Water Management theme, as lead investor in the IIHC-coordinated collaboration. During the reporting period, we held detailed discussions on its 2030 target to phase out EU Substances of Very High Concern (SVHCs), focusing on the credibility of its approach, division-level actions, and plans for safer alternatives and circularity. We pressed for greater transparency on progress metrics and ChemScore engagement.

Outcome: Milestone 2 - Company shares or agrees to disclose on the issue
Ecolab confirmed all divisions have committed to reformulation or phase-out, supported by a global digital tool for substance selection, and highlighted challenges in replacing complex chemistries without compromising performance. This dialogue reinforced our letter's objectives by driving accountability and encouraging best practice adoption.

Our advocacy strengthened investor expectations for strong PFAS regulation and contributed to a unified industry voice on systemic chemical risks. This engagement demonstrates our commitment to macro stewardship and policy influence, complementing company-level dialogues and supporting a transition towards safer, more sustainable chemical practices.

Supporting sustainable finance

WHEB has a long history of collaborating with other investors, NGOs, regulators and standard setters. Many of these organisations seek to shape the financial system to address systemic risks and support and enable more sustainable and positive impact investment.

The Senior Management Team at WHEB were significantly involved in providing feedback for the FCA's Sustainability Disclosure Requirements (SDR) and we have contributed to work done by the Global Impact Investing Network (GIIN) to develop guidance on impact investing in listed equities. In 2024, we also contributed our views on effective engagement to the FRC's consultation on the development of the UK Stewardship Code 2026.

We believe that our demonstrated approach to thought leadership has been a meaningful ‘signalling’ contribution to the advancement of the sophistication of sustainable investing. For example, WHEB pioneered impact reporting for listed equities in 2014 and launched our Impact Calculator in 2017, with a peer-reviewed methodology to measure both positive and negative impacts.

Case Study: Contributions to Consultation on the UK Stewardship Code.

WHEB actively contributed to the development of the 2026 UK Stewardship Code through FRC roundtables and written feedback. We advocated for a definition of stewardship that recognises long-term systemic risks as central to delivering client value and supported clearer links between financial returns and environmental and social systems. Our input emphasised the importance of macro stewardship, system-level risk mitigation, and called for signatories to define key terms (for example, activity, objectives, and outcomes) to improve transparency and consistency in stewardship reporting.

This feedback was based on the white paper exploring effective engagement in listed equities that we published in 2024.[i]

[i] *https://www.whebgroup.com/assets/files/uploads/20241030-wheb-stewardship-white-paper.pdf*

Escalation

We are committed to escalating engagements where systemic risks are not adequately addressed. While there were no formal escalations during the reporting period, we remain prepared to intensify our approach, for example via collaborative action, public statements, or voting decisions, when progress stalls or risks remain unresolved. Principle 3 covers our approach to escalation in more detail.

Principle 3: Signatories Engage to Maintain or Enhance the Value of Assets.

Prioritisation: Proactive engagement

During 2024, WHEB continued to prioritise stewardship activities through a structured engagement planning process referred to earlier in this report under Principles 1 and 2.

Bottom-up evaluation of the portfolio for material issues and their severity highlights which companies should be a near-term focus for engagement. Often, the themes that emerge from this analysis align with client priorities to:

i. Advance **climate** action
ii. Support a productive, diverse, equitable and inclusive workforce (**DEI**)
iii. Protect **biodiversity** and nature
iv. Strengthen corporate **governance**

Prioritising resources for thematic engagement

Key performance indicators (KPIs) that are used to monitor the desired outcomes from engagements are essential not only for evaluating progress and effectiveness, but also for prioritising engagement work. On climate, for example, we use financed Scope 1 & 2 emissions data to identify holdings that contribute most to the portfolio’s carbon footprint. Progress from these companies can drive the greatest portfolio impact, making them a priority in our engagement. We track each company’s absolute emissions to assess both the real-economy decarbonisation progress made by the companies and the effectiveness of our own engagement approach, as demonstrated under the ‘Three levers, one goal’ case study on our climate engagement on in the “Thematic Engagement Case Studies” section below.

We apply a similar approach across other thematic areas by selecting a consistent, portfolio-wide datapoint to guide prioritisation, outlined in more detail under the ‘Thematic Case studies’ section. Take our work to support workforce productivity and DEI, for instance, in which we focus on gender diversity at senior management and board levels. Companies were ranked from best to worst performers, allowing us to direct engagement toward the bottom ten, where the potential for meaningful improvement is greatest.

WHEB’s Scorecards: A tool for prioritisation and objective setting

We use proprietary scorecards to assess how company management is addressing key risks and opportunities across our thematic areas. This helps us focus our resources and engagement efforts where they can have the greatest impact and ensures alignment with our clients’ long-term interests.

The scorecards assess the level of ‘management priority’ given to a topic. In practice, this means evaluating management’s strategies, governance, and policies to understand how decisions are made and where there is room for improvement. Strengthening management priority is typically an initial step toward achieving the real-world outcomes tracked by our outcome KPIs.

Management priority also serves as a useful guide for our own engagement. Lower scores highlight areas where companies may benefit most from focused dialogue and where we can set meaningful engagement objectives.

Case Study: How engaging STERIS on ethylene oxide informed investment decision making

Background: Ethylene oxide (EtO) is as a sterilisation agent used by the leading provider of infection prevention services, STERIS. However, while EtO is necessary for treating heat-sensitive medical devices, it is linked to serious health risks and subject to tightening US regulations. Steris’ use of EtO therefore presents reputational and legal risks, particularly following the company’s involvement in a local litigation case.

Objective: Limit material negative social or environmental impacts

Activity: In Q4 2024, WHEB engaged with Steris to understand the specific nature of the company’s use of EtO. The company had anticipated regulatory changes and is working to reduce EtO reliance, though viable alternatives remain unavailable. This issue is specific to Steris’s operations and regulatory context, making it a clear example of an idiosyncratic engagement which is not broadly material across the portfolio but significant for long-term value and impact alignment.

Outcome: Milestone 2 - Company shares or agrees to disclose on the issue

Given the lack of viable alternatives to EtO and therefore the limited ability to mitigate future risk, WHEB responded by downgrading its position.

Prioritisation: Reactive engagements

Inevitably other, potentially controversial issues are identified[23] that require our attention. These issues may raise reputational risks for businesses but are often otherwise not material to ongoing operations.

As an impact investor, these issues may also represent reputational risks for WHEB. We prioritise them early to alert management, understand the concern and seek a resolution that defuses the reputational risk, as demonstrated in the Daikin case study under Principle 1.

[23] For example, we use controversies research provided by Sustainalytics to identify companies involved in controversies and incidents with negative environmental, social and governance (ESG) implications.

Idiosyncratic issues

We also identify issues that are specific to a single company rather than widespread across the market. These idiosyncratic concerns may be material to only one of our holdings but can still warrant engagement due to their potential severity or relevance to long-term value (See MSA Safety case study on Page 24).

Purpose of engagement

As long-term investors, WHEB Asset Management wants its investments to generate attractive long-term returns, and engagement helps contribute to this goal. Framing engagement around a company's long-term success helps justify WHEB's approach and align with management, while focusing on financially material issues leads to more constructive dialogue. By maintaining deep, collaborative relationships and building trust, WHEB gains valuable insights into company culture and practices, which directly inform investment analysis. This collaborative and informed approach enables WHEB to advocate for progressive change, ultimately supporting long-term value creation.

Objective types

Behaviour change versus fact finding

As outlined under Principle C and shown in the Daikin case study under Principle 1, we typically favour 'behaviour change' engagements, in which the objectives we set for companies require a change in strategy, governance or policy to achieve the desired outcome. However, fact-finding or information gathering-focused engagements also play a role in deepening our understanding of investee companies and informing investment decision making as well as future engagement, as was the case STERIS example above.

Investor-level engagement objectives

This preference is reflected in our 2024 engagement data. When mapped against WHEB's investor-level engagement objectives (Figure 7), the activity data shows a focus on behaviour change objectives, particularly those supporting high quality management. This is a trend that is likely driven by our Voting Policy's emphasis on good governance, as outlined under Principle 4.

Deep engagements

Looking at the subset of data relating to our 'deep engagements,' which are defined as those achieving milestones 3 or 4 and shown in Figure 8, we can see how objectives seeking to limit negative impacts also come into focus. This is attributed mostly to our work on climate and, to a lesser, extent hazardous chemicals. Deep engagements therefore reveal important information about where resources are strategically prioritised.

Figure 7: 2024 engagement activity focused on behaviour change objectives, especially those supporting high quality management

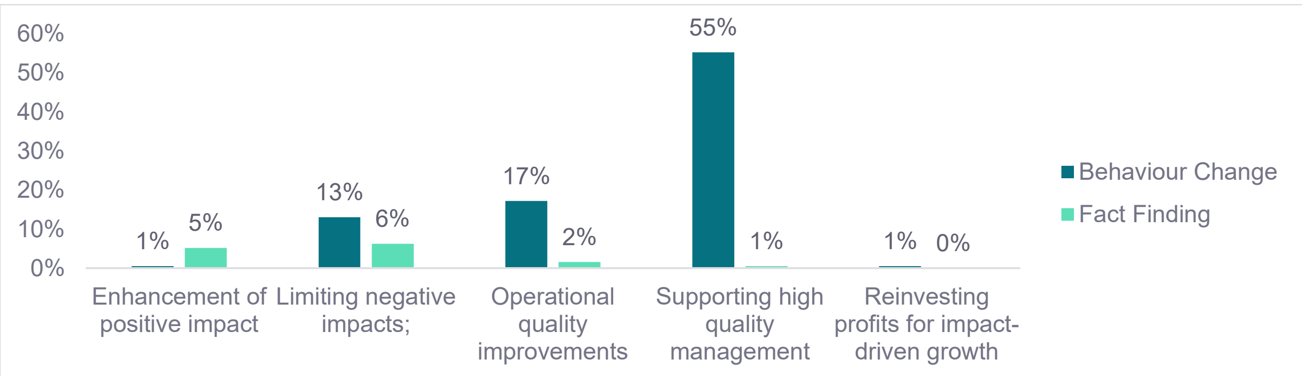


Figure 8: Looking at the subset 'deep engagement' data brings our work on limiting negative impacts into focus

Case Study: PFAS at MSA Safety

Background: MSA Safety, a leading manufacturer of firefighter turnout gear, faced growing litigation and regulatory risks due to its reliance on PFAS, known as "forever chemicals", for oil and water resistance. These substances persist in the environment and are linked to serious health impacts, including cancer and kidney disease.

Objective: Limit material negative social or environmental impacts

Activity: For over five years, WHEB engaged MSA with the clear objective of phasing out PFAS and developing safer alternatives. This aligns with our high-level goal of reinvesting profits for impact-driven growth and improving competitive advantage through innovation.

Outcome: Milestone 4 - Company provides evidence that the issue is being managed in line with policy or strategy

In August 2025, MSA confirmed the launch of PFAS-free alternatives, marking a significant milestone in our engagement journey.

Methods of engagement

As described under Principle 1, stewardship and engagement are central to WHEB's investor contribution and we aim to drive sustainable, long-term client value through:

- Influencing companies: through direct and collective company engagement, covered under this principle in detail, as well as voting (covered under Principle 4).
- Capital allocation decisions aligned with delivering long-term value (covered under Principle 1).
- Influencing the system: through 'macro stewardship' which includes policy advocacy and industry engagement to improve outcomes for investee companies as well as to strengthen the broader financial system (covered under Principle 2).

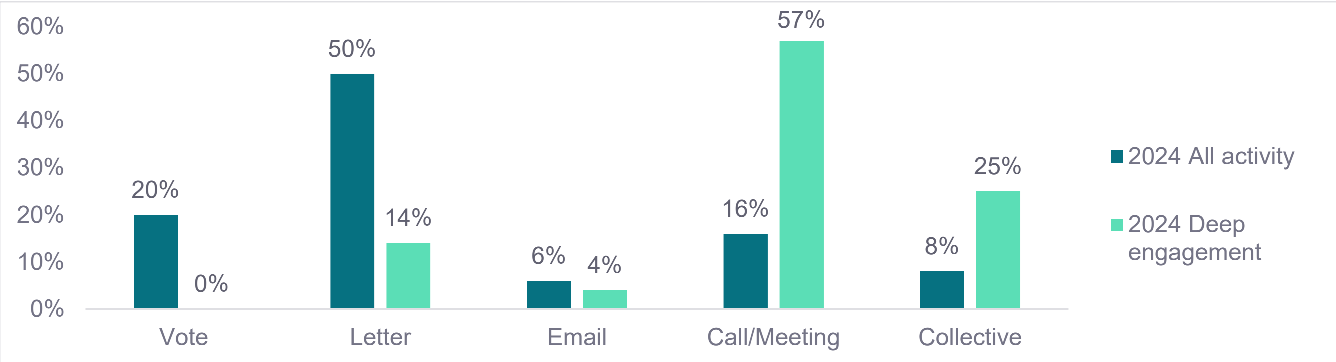
A preference for deep, constructive engagement

As an active manager with focused portfolios and deep company insight, we are well-positioned to engage directly with companies on strategic, policy, and governance changes, often sustained over multiple years.

We aim to identify issues early and, given our typically small ownership stakes, we favour a constructive approach that starts wth direct engagement initially and progresses via escalation tactics when necessary.

In 2024, around 70% of our activity came from voting and the letters we send to management explaining votes against their recommendations (Figure 9). However, activity volume alone can be misleading. The most impactful work happens in 'deep engagements'[24], which are those that go beyond disclosure to drive tangible action and verification. These engagements typically rely on interpersonal methods such as calls, meetings, or collaborative initiatives, reflecting the constructive dialogue needed to achieve meaningful progress toward objectives.

Figure 9. THE WHEB Strategy's methods of influence: Voting dominates activity, but dialogue-based methods drive progress and deep engagement



Collective engagement

As well as engaging companies directly, we also influence them through collective, or 'collaborative' engagement via both formal and informal coalitions. In 2024, collective engagement accounted for 8% of activity volume, and a quarter of deep engagement (Figure 9). The benefits include:

- Greater influence: A unified investor voice carries more weight, which is important for escalating issues. For example, our work to engage Smurfit Westrock via the Nature Action 100 (NA100) underscored previous bilateral objectives to address biodiversity and nature loss (detailed under the Thematic Engagement Section below).
- Expertise sharing: For instance, our work engaging on hazardous chemicals benefits from ChemSec's technical expertise (see IIHCC case study under Principle 2).
- Efficiency: Joined up efforts reduce duplication and costs, for example, our work engaging Schneider Electric on its NZC strategy[25].

WHEB has a long history of being involved in a variety of collective initiatives (Figure 10).

Figure 10: WHEB's involvement with industry initiatives and networks.

[24] We class deep engagements as those that have achieved either Milestone 3: 'Company develops or commits to a strategy or method to address the issue.' Or 'Milestone 4: Company provides evidence that the issue is being managed in line with policy or strategy, demonstrating the concern has been addressed.'
[25] https://www.whebgroup.com/schneider-electric-q4-2024-engagement-case-study

We prioritise those that align with our investment objectives and policies and we are mindful of the legal and regulatory considerations[26] during participation. It is our policy to act as the lead investor wherever possible. Coordination efforts can make collective engagements resource intensive and so we sometimes choose to focus on bilateral dialogue initially and then escalate through collective engagement. Our involvement in these initiatives is under review as we join Foresight Group.

Escalation

We escalate engagement where initial dialogue does not achieve sufficient progress on material issues. Our process follows a structured approach:

1. Initiating Engagement: When a topic is identified, we set clear objectives and communicate them to company management. This may include explaining voting decisions to encourage further dialogue.
2. Assessing Response: We review company responses and consider escalation if there is no reply within 3–6 months or if responses are inadequate.
3. Escalation Decision: Decisions are made by the investment analyst in consultation with the sustainability team and, where appropriate, our Investment Advisory Committee.
4. Escalation Tactics:
    - Stage 1: Raise the issue with senior management, often via formal correspondence.
    - Stage 2: Collaborate with other investors, often through collective industry initiatives. Typically, activities are structured around joint letters and meetings.
    - Stage 3: Use voting rights to effect change, including AGM attendance, voting against key board members and filing or co-filing shareholder resolutions.
5. Final Step
   If escalation fails, we may reduce or divest holdings in the company.

Decisions not to escalate

We prioritise escalation for issues with significant financial or systemic relevance, recognising that not all topics warrant resource-intensive escalation

Case Study: Escalating an engagement with TE Connectivity

Background: TE Connectivity, a US-based manufacturer and one of the top ten emitters in our strategy, had credible near-term targets but lacked a long-term Net Zero Carbon (NZC) commitment. This gap posed a material climate risk and limited alignment with global decarbonisation pathways.

Objective: Delivery, acceleration and enhancement of the company's positive impact by encouraging adoption of an SBTi-aligned NZC target and improved Scope 3 emissions management.

Activity: We joined the IIGCC-led Net Zero Engagement Initiative in 2023 to collaborate on systemic climate advocacy. Specifically, we pushed for TE Connectivity to set a 2050 NZC commitment and stronger Scope 3 targets. After initial outreach and follow-ups yielded no response, we chose to escalate in January 2024 via a formal letter to the chair and collaboration with another institutional investor.

Outcome: Milestone 3 - Company develops or commits to develop an appropriate method or strategy to manage the issue

TE Connectivity outlined challenges in collecting Scope 3 data across 10,000+ suppliers and detailed actions including supplier training, improved surveys, renewable energy guidance, and circularity initiatives. The company also raised its Scope 3 reduction target from 25% to 30% by 2032. While this falls short of a full NZC commitment, we see this progress as encouraging, and we will continue monitoring developments, with further escalation if necessary.

[26] Including conflicts of interest and insider information

Measuring Progress and Effectiveness

The challenges of evidencing effectiveness

Monitoring progress is essential to our understanding of both performance and effectiveness. Logically, this requires outcomes data. Measuring outcomes, however, is challenging in public markets because results reflect the influence of many factors, including market conditions, regulation and other stakeholders. Investor influence is just one element of this.

Attempts to evidence causation, for example by isolating the influence of each investor for each engagement, is resource intensive, difficult to demonstrate and it also risks misdirecting efforts towards the most achievable or easily evidenced objectives, rather than the most meaningful.

In the absence of comprehensive outcome data, stewardship reporting has traditionally focused on activity metrics. But this too is inadequate alone. While activity data can show resource allocation and strategic intent, it is only an input indicator. Further, reported activity data can offer little insight when comparing managers, not least because there is little consensus on what ‘counts’ as an engagement.

That said, activity data can be meaningful where it helps to demonstrate strategic priorities, where it evidences claims made about a managers’ overall approach or where the data indicates how activities have contributed to improved outcomes.

Our solution: Evidencing contribution for correlation

Our solution is to clearly articulate intended outcomes and then provide evidence of our contributions to specific outcomes. Achieving this requires robust data collection and reporting, encompassing three key elements:

- Case studies that illustrate impact, as included throughout this report
- Data on observable outcomes, (See Figures 15 and 16 under ‘Thematic Engagement Case Studies’ below) and
- Activity metrics that reflect resource allocation (see ‘2024 Engagement Data Pack’ as well as Figures 7 & 8)

Our aim is to enable clients to draw a clear line between our intended objectives and the outcomes observed, supporting a transparent and evidence-based stewardship narrative. This supports transparency without overstating influence and offers a more meaningful view of engagement effectiveness.

Objective milestones & outcome KPIs

There is often a significant time lag between engagement and the data required to assess its effectiveness. To address this, we use Objective Milestones to track and evaluate the effectiveness of our efforts (Figure 11). Milestones are generic and issue-agnostic, providing a consistent measurement framework across themes. Achievement of the objective, either partially or in full, can be monitored using issue-specific KPIs.

Figure 11: Milestones track progress, while KPIs help evaluate the link between activities and outcomes

Thematic Engagement Case Studies

Stewardship to advance climate action: Three levers; one goal

At WHEB, we embed climate stewardship across our investment strategy, and our work is delivered through a three-pronged approach: influencing companies, shaping the broader system, and evidencing real-world progress. Paris Alignment is a core objective, underpinned by our commitment as a Net Zero Asset Managers Initiative signatory to achieve net zero emissions across 100% of investable assets by 2050 or sooner. We prioritise engagement with the highest emitters in our portfolio, leveraging voting and collaborative initiatives to drive tangible change, advocating for systemic policy shifts, and rigorously reporting outcomes. Our goal is to ensure our stewardship activities translate into measurable emissions reductions and strategic climate commitments that support long-term sustainable value creation.

Objective

Paris Alignment is an explicit objective that is core to WHEB's investment strategy. We joined the Net Zero Asset Managers Initiative (NZAMi) in December 2020, committing to net zero emissions across 100% of WHEB's investable assets by 2050 or sooner.

Background

Having surpassed our initial goal of 50% portfolio coverage (by holdings) with net zero commitments by 2025, reaching 55% by end-2022, we have now shifted focus to financed emissions. Ambitions were to have 85% of financed Scope 1 & 2 emissions covered by net zero commitments by 2025 and 100% coverage by 2028. At the time of publishing this report, 98% of financed emissions are now covered by net zero targets. 87% are covered by SBTi-validated targets.

Prioritisation

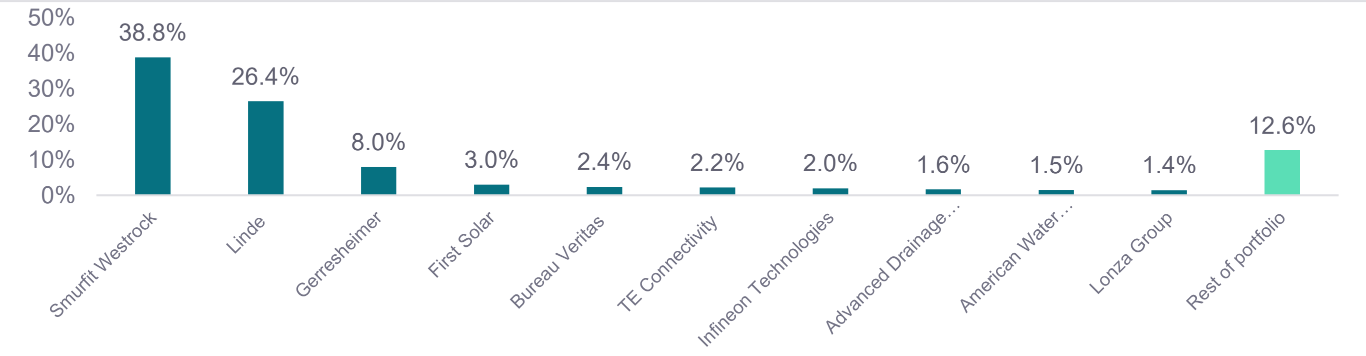
Financed emissions are concentrated in a few companies. In 2024, 87% of the Fund's Scope 1 and 2 financed emissions came from the top ten emitters. Smurfit Westrock and Linde alone are responsible for 65% of financed emissions (Figure 12). These companies face significant regulatory and market risks, making them a priority for our engagement efforts. We use our proprietary Net Zero Carbon Score Card to assess the companies' climate action strategies and the priority assigned by their management teams to addressing climate. Lower scoring indicators highlight potential engagement opportunities.

Our Activity

There are three core stewardship mechanisms the WHEB strategy uses to achieve this goal. They are designed to balance our influence, credibility, and impact, and are outlined below:

1. Influencing Companies
2. Influencing the System (also known as macro stewardship)
3. Evaluating effectiveness and measuring real-economy progress

Figure 12: WSF's 10 highest emitters are responsible for 87% of financed portfolio emissions as of 31st December 2024



1. Influencing companies

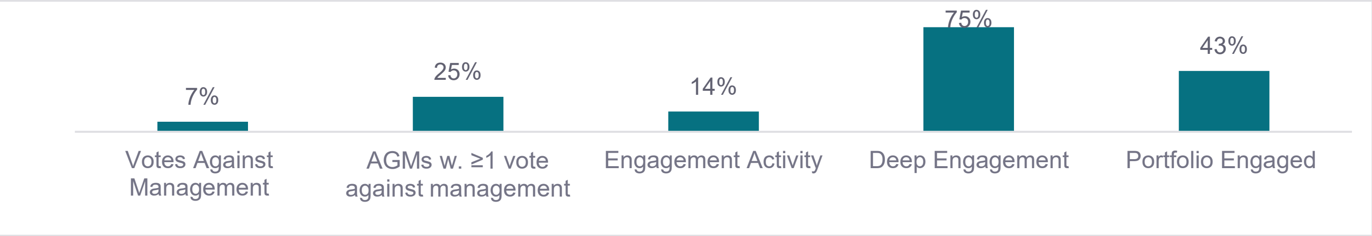
- **Focus:** Targeted engagement and voting with portfolio companies ensures our stewardship efforts are focused on where they can most effectively address systemic risks and support long-term sustainable value.
- **Objective:** drive absolute GHG emissions reductions and measurable improvements in sustainability strategy, governance, or policy related to climate action.
- **Tactics:** bilateral and collective company engagement, with emphasis on deep engagements (those achieving milestone 3 or 4), voting at company AGM's, (Figure 13)
- **Priorities:** Strategy's highest emitters, based on financed Scope 1 & 2 emission (market-based) (Figure 12).

Figure 13 shows the average proportion of voting and engagement activity related to climate stewardship, by tactic, between 2022 and 2024. Climate-related objectives dominate our deep engagements, reflecting a strategic priority to limit negative impacts through operational improvements and emissions reductions. These engagements go beyond surface-level commitments, targeting milestones that indicate real behavioural change.

Our proactive approach to climate results, on average, in 43% of portfolio companies being engaged on climate each year and climate being the subject of 14% of all engagement activity each year.

We support this with our approach to exercising our voting rights. On average, 7% of our votes against management were driven by our policy which requires companies to have set a 2050 net zero carbon target. Further, we integrate climate considerations with broader management quality objectives, such as board oversight for sustainability and remuneration practices. In our view, embedding sustainability into core business practices, supports long-term resilience and impact.

Figure 13: Proportion of total engagement and voting activity focused on climate action across engagement and voting tactics (2022–2024)



2024 Engagement Examples

First Solar
Management Priority: 63% | Absolute Emissions 776,502 tCO_2e

- **First Solar** is a US-based solar panel maker and top emitter in WHEB's portfolio despite its products directly enabling global decarbonisation efforts.
- **Objective: Delivery, acceleration and enhancement of the company's positive impact** by accelerating progress on Scope 1 and 2 emissions reductions in the near term, particularly through renewable energy sourcing, and ultimately achieving net zero emissions by 2050.
- **Activity:** WHEB pushed for greater use of renewables and energy efficiency to reduce Scope 1 and 2 emissions.
- **Outcome: Milestone 4 - Company provides evidence that the issue is being managed in line with the policy or strategy, demonstrating concerns have been addressed**

First Solar's Scope 1 and 2 emissions are rising due to its rapid growth, with production expected to quadruple by 2026. The company is focusing on reducing emissions intensity through energy efficiency improvements, while exploring absolute reductions via renewable energy procurement, using power purchase agreements (e.g., in India), renewable energy credits, and partnerships with customers.

Smurfit Westrock
Management Priority: 67% | Absolute Emissions 2,882,000 tCO_2e

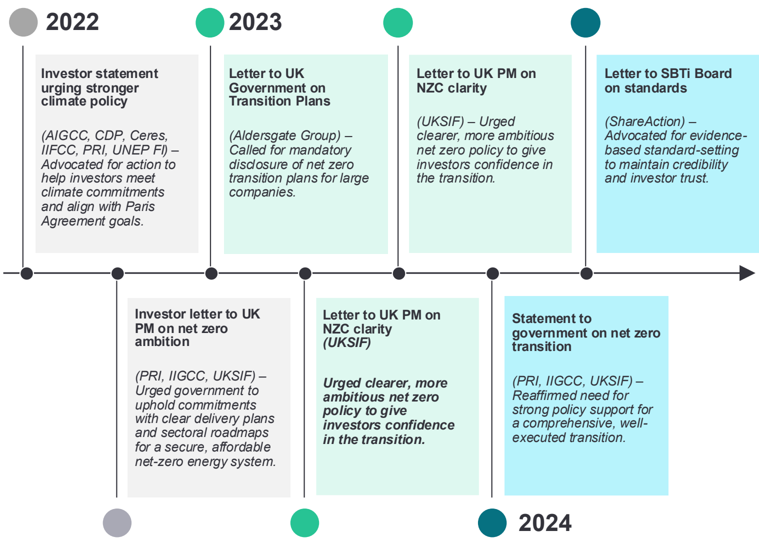
- **Smurfit Westrock** (formerly Smurfit Kappa) collects, manufactures and sells recycled cardboard packaging and is a global leader in sustainable packaging with clients in food, beverages, household consumables and industrial markets.
- **Objective: Limiting material negative social or environmental impacts** by reducing near-term Scope 1 and 2 emissions.
- **Activity:** Alongside our participation in the Nature Action 100 initiative, we are seeking continued progress on climate action from Smurfit Westrock. In 2024, we collaborated with a fellow Nature Action 100 investor who visited the site of the company's planned biomass boiler at its paper mill in Cali, Colombia, to assess the credibility of Smurfit Westrock's plan to reduce Scope 1 emissions.
- **Outcome: Milestone 3 - Company develops or commits to a strategy or method to address the issue.**

  Smurfit Westrock has committed to replacing a legacy biomass boiler at its Cali paper mill in Colombia, due online in late 2025. The mill, previously powered 65% by coal and 35% by gas, will transition to a 70% biomass fuel mix, 40% sourced internally from bark, branches, wood rejects, and sludge, and 30% from external biomass. This project represents a significant investment and is expected to reduce the company's global Scope 1 and 2 emissions by approximately 100,000 tCO_2e. The new boiler is scheduled to become operational in November 2025.

2. Influencing the system or 'macro stewardship'

- **Focus:** influence policy and industry standards to support portfolio companies' long-term success.
- **Objective:** ensure the broader system supports portfolio company climate ambition and investment behaviour.
- **Tactics:** policy consultations, working groups (e.g. IIGCC, UKSIF, PRI), thought leadership, (Figure 14)

Figure 14: WHEB's climate policy advocacy 2022 - 2024

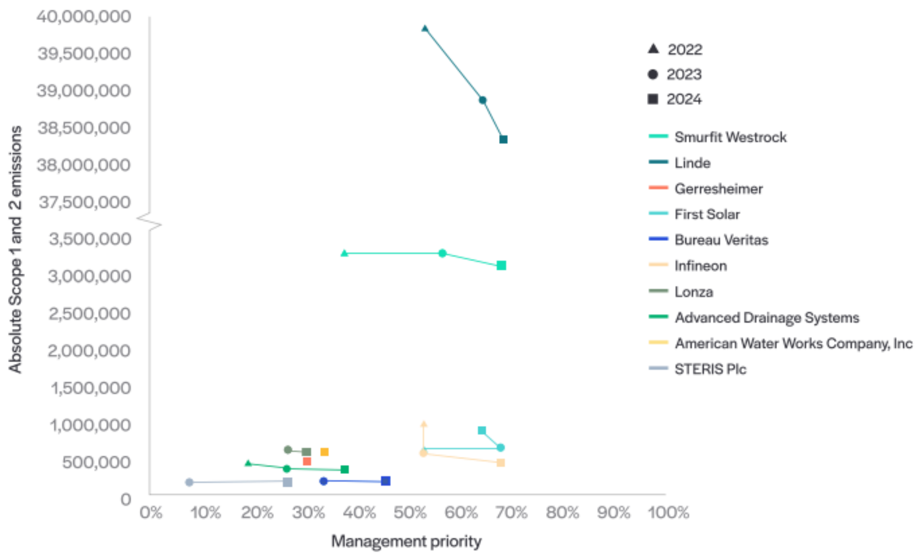


3. Evidencing effectiveness and measuring real-economy progress

- Focus: Transparency and evaluation of effectiveness
- Objective: Communicating progress and evidencing our contribution
- Tactics: Implement robust data collection and outcome reporting, supported by case studies that demonstrate objectives and active influence. Complement this with engagement activity data to substantiate claims about strategic resource allocation.

Figure 15 shows progress among the fund's highest emitters in reducing absolute Scope 1 & 2 market-based emissions (*y* axis) from 2022 to 2024. Improvements in management priority (*x* axis) often occur faster, signalling strategic commitment to climate action. We view management priority as a potential leading indicator of future emissions reductions, and this is assessed using WHEB's Net Zero Carbon scorecard. By collecting and presenting this data we aim to demonstrate our contribution to real-world outcomes.

Figure 15: WSF's top emitters have made progress on climate 2022-2024.



Learning to fail forward: DEI stewardship in a politicised landscape

Diversity, Equity, and Inclusion (DEI) is increasingly politicised, and its link to financial performance remains debated. Progress is rarely linear, so missteps should be treated as opportunities to learn and improve. Our approach focuses on measurable drivers of workforce productivity, such as cognitive diversity, psychological safety, and team effectiveness, rather than symbolic gestures. By targeting these factors, we aim to foster environments that enhance collaboration, innovation, and ultimately long-term value creation.

Why DEI Matters

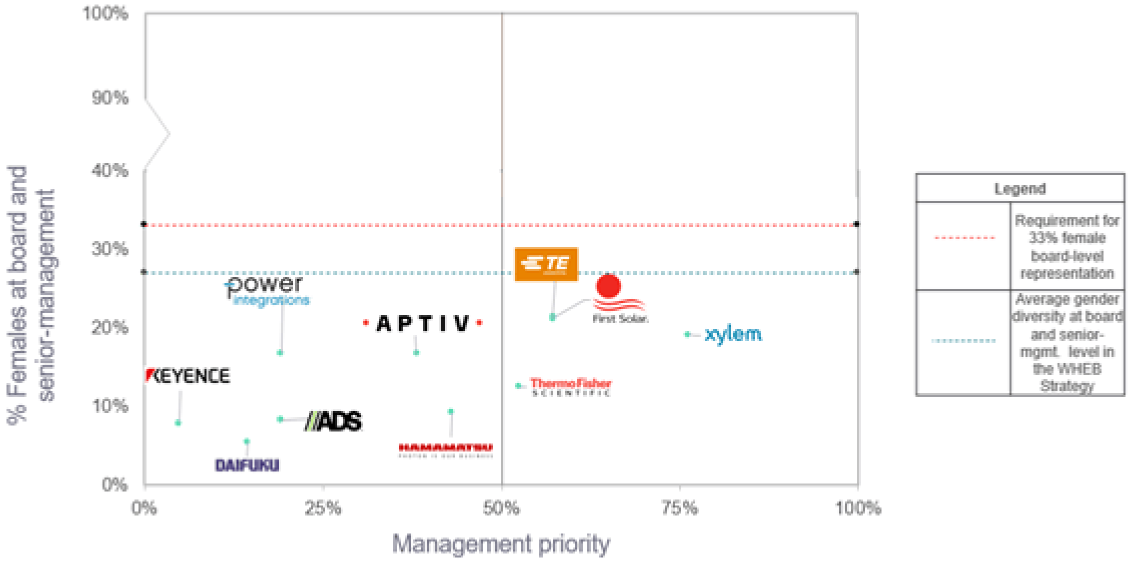
- Workforce productivity: Diverse teams bring a wider range of perspectives, experiences, and problem-solving approaches. This diversity fosters collaboration and sparks innovation, which are critical drivers of productivity. When employees feel included and psychologically safe, they are more likely to share ideas, challenge assumptions, and contribute fully, leading to better decision-making and stronger business outcomes.
- The evidence base: Rather than relying on broad DEI rhetoric or symbolic gestures, the focus should be on practices that have been linked to improved firm performance. Research shows that principles such as cognitive

diversity, psychological safety, and effective team dynamics correlate strongly with high-performing teams. These measurable factors help organisations move beyond compliance and towards creating environments that genuinely enhance long-term value creation.

WHEB's Framework

WHEB's Management Priority Score and Diversity Matrix guide our engagement on DEI. The framework (Figure 16) assesses gender diversity at Board and senior management levels (*y* axis) and evaluates the priority with which management seeks to improve performance (*x* axis) through indicators such as targets, talent pipeline plans, disclosure of diversity data, previous engagement responses, and supply-chain diversity efforts. Underperforming companies are targets for engagement.

Figure 16: Mapping DEI Priorities: Linking Management Commitment to Gender Diversity in the WHEB portfolio



2024 Engagement Examples

KEYENCE Corporation
Management Priority: 5% | Gender Diversity: 2nd lowest in portfolio

- **Background:** KEYENCE Corporation, a Japanese manufacturer of automation sensors and control systems, held its Annual General Meeting on 14 June 2024. While KEYENCE is a high-performing company operationally, governance and sustainability gaps remain significant as it is the second lowest ranking of gender diversity in the portfolio.
- **Objective:** Promote stronger governance and sustainability practices by Improving board-level gender diversity, establishing a net zero carbon target and integrating ESG and sustainability metrics into executive remuneration.
- **Activity:** WHEB voted against the election of President Yu Nakata, diverging from both management's recommendation and ISS proxy advice. Our rationale was based on our previously mentioned objectives. As part of our stewardship approach, votes against management are typically followed by engagement to explain our position and encourage improvements.
- **Outcome:** The resolution passed, but WHEB's vote signals our commitment to advancing diversity, climate accountability and sustainability-linked governance. We will continue to monitor KEYENCE's progress and seek opportunities for dialogue to help align its practices with international best standards

Danaher Corporation
Management Priority: 29% | Gender Diversity: 13th lowest in portfolio

- **Background:** Danaher designs and manufactures laboratory equipment used in drug development and critical diagnostics. In 2024, it ranked 13th in the WHEB portfolio for gender diversity. A shareholder proposal filed by As You Sow requested that Danaher publish a report assessing the effectiveness of its DEI programmes, including goals, metrics, and retention data.
- **Objective:** Encourage Danaher to provide transparent reporting on DEI effectiveness, beyond headline hiring statistics.
- **Activity:** WHEB supported the proposal, despite opposition from both management and our proxy advisor, ISS, and wrote to Danaher explaining its rationale. While the company reports diversity hiring goals and progress, it does not disclose retention or promotion data by race and ethnicity, a key gap for improving senior-level diversity.
- **Outcome:** Danaher did not respond to WHEB's letter. The resolution failed but received nearly 40% shareholder support, signalling strong investor interest in enhanced DEI reporting. WHEB will continue to monitor and seek engagement on this issue.

Nature Calls: From Assessment to Action – Biodiversity and Nature Loss

Driving biodiversity stewardship through collaborative engagement

Nature loss and biodiversity degradation are systemic risks that threaten global economies and ecosystems. In response to growing regulatory and investor expectations, WHEB undertook a portfolio-wide biodiversity assessment in 2021, mapping exposure against management priority. The assessment confirmed protection of biodiversity as an implicit strategic objective, closely linked to WHEB's sustainability philosophy and Environmental Services theme. It also revealed limited portfolio exposure to companies with significant exposure to the issue, largely because the Strategy is absent from the highest-risk sectors like agriculture and extractives. That said, one portfolio company, Smurfit Westrock, was identified as being exposed to related risks and opportunities and has therefore been both a subject of our engagement on the topic, and is also included in the Nature Action 100 (NA100) engagement initiative.

Engagement Examples 2024

Packaging companies such as **Smurfit WestRock** (formerly Smurfit Kappa) are directly linked to forestry, water use, and land management, areas critical to biodiversity. Smurfit Westrock was the only of WHEB's portfolio companies identified as priorities under the Nature Action 100 initiative, which launched in 2023 to accelerate corporate action on nature-related risks.

Objectives

- Improve NA100 Benchmark Assessment score.
- Strengthen engagement with indigenous communities.
- Enhance disclosures on biodiversity and water impacts.
- Align reporting with Taskforce on Nature-related Financial Disclosures (TNFD) and Corporate Sustainability Reporting Directive (CSRD) requirements.

Activity

In 2024, WHEB acted as lead investor for Smurfit WestRock under NA100, coordinating a group call with senior executives and sending a formal letter outlining expectations for biodiversity strategy, indigenous engagement, and transparency. We advocated for TNFD adoption and readiness for CSRD reporting.

Previously, we had engaged the company bilaterally on forest management practices, water stewardship, and biodiversity metrics. We requested improved disclosure on species data and encouraged integration of nature-related risks into governance structures. WHEB also pressed for alignment with emerging frameworks such as Science Based Targets for Nature.

Outcome

Milestone 3: company develops or commits to developing an appropriate policy or strategy to manage the issue

Smurfit Westrock (and Smurfit Kappa before that) continues to demonstrate strong responsiveness and leadership in addressing nature-related risks. Smurfit WestRock committed to adopt TNFD reporting by FY2026 and integrate biodiversity considerations into its post-merger strategy, while reaffirming its commitment to indigenous community engagement and improving transparency on nature-related impacts.

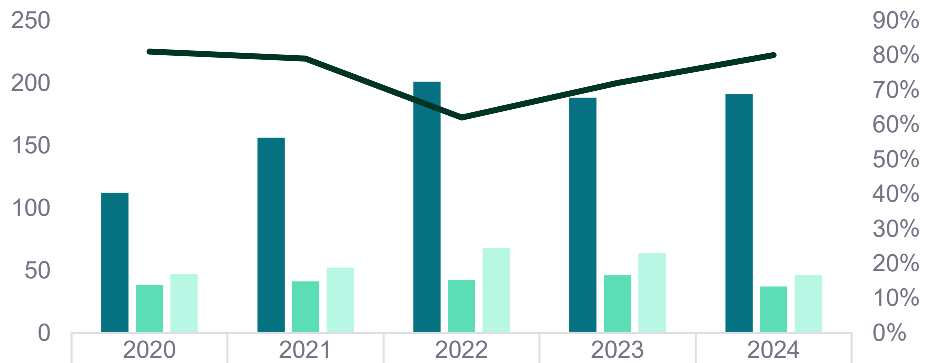
Pre-merger, with Westrock, the company also demonstrated proactive engagement on biodiversity, enhancing disclosure on forestry and water impacts and embedding nature-related governance into its sustainability roadmap. Its willingness to explore alignment with global frameworks such as TNFD and Science Based Targets for Nature reflects a forward-looking approach.

These steps position the company as a leader in tackling nature-related risks within the packaging sector, setting a positive example for peers.

2024 Engagement Data Pack

Materiality guides WHEB's engagement, ensuring resources focus on the most significant issues. This means we do not engage every holding in a given reporting period. Still, our records indicate an engagement rate of approximately 60-80% of the portfolio each year (Figure 17).

Figure 17. Level of engagement activities 2020–2024[27]



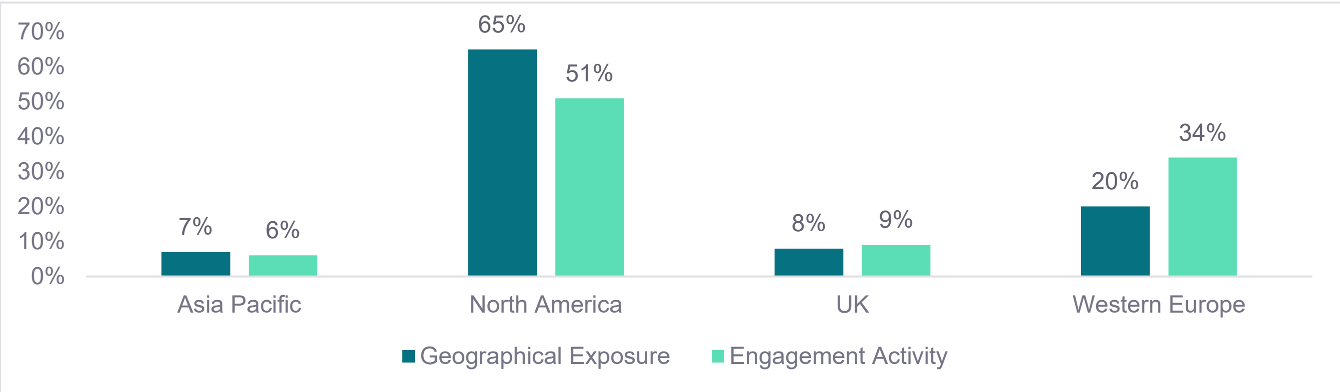
	2020	2021	2022	2023	2024
Number of engagements	112	156	201	188	191
Number of companies engaged	38	41	42	46	37
Number of companies held in WHEB funds	47	52	68	64	46
% of portfolio engaged	81%	79%	62%	72%	80%

[27] The dip in engagement in 2022 reflects WHEB's transition to managing the iMGP Sustainable Europe Fund in July 2022, which added 10 additional holdings.

By Geography

The distribution of engagement activity broadly tracks geographic exposure with a slight bias towards European names (Figure 18).

Figure 18 Geographic exposure and location of engagement activities 2024



By Topic

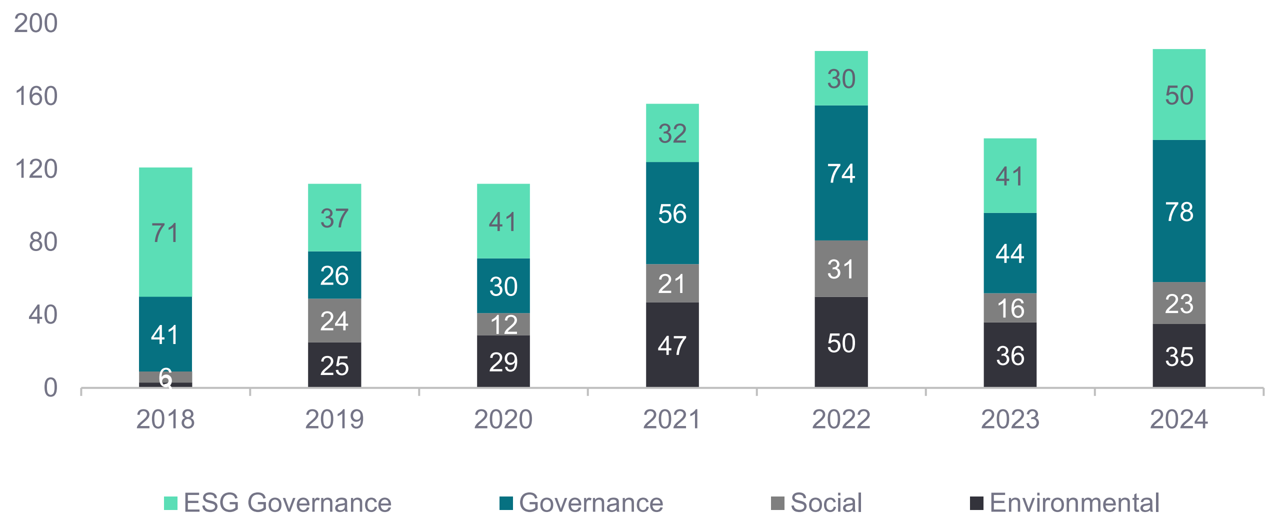
Governance dominated engagement activity volumes (see Figure 19), with auditor independence and director independence each accounting for 12.9% of all engagements. Remuneration was also a major focus, including excessive pay (13.4%) and integrating sustainability metrics into pay (10.2%).

Environmental topics also featured strongly, with 10.2% of engagements on net zero carbon strategies, alongside biodiversity (2.7%), carbon reduction (2.7%) and hazardous chemicals (1.6%). These included both direct company engagement and collaborative initiatives.

Social issues were less prevalent. Gender diversity represented 9.7% of engagements, while human rights, animal welfare and tax each accounted for just over 1%. This pattern is consistent with previous years, where governance and environmental themes dominate.

These figures show priorities but not the depth of engagement or progress achieved, which are explored under “Objective Types,” “Methods of Engagement” and in the “Thematic Case Studies” highlighted earlier.

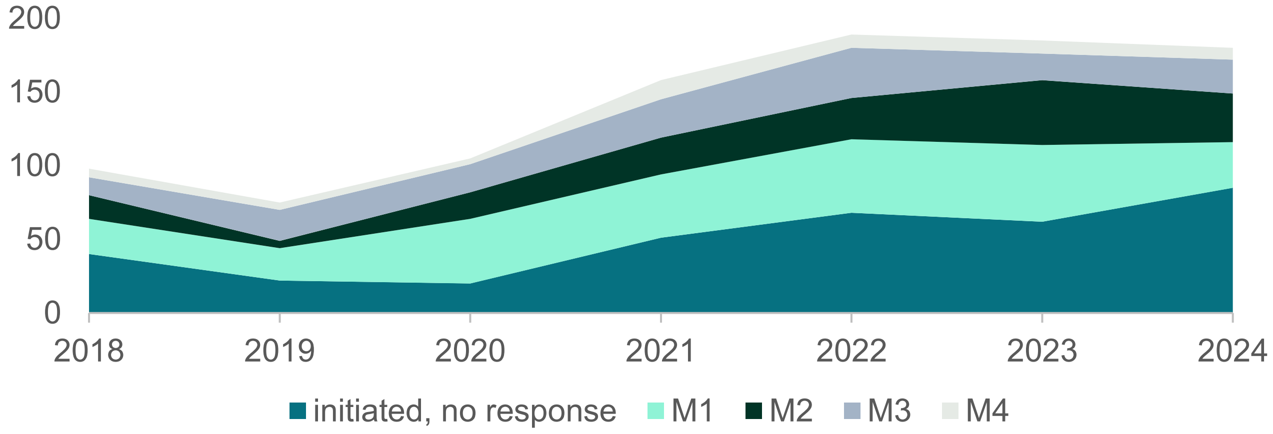
Figure 19: Company engagement by topic 2018–2024



Milestone progress

Figure 20 shows a general trend of progress towards engagement objectives, with the proportion of later-stage milestones (Milestones 3 and 4) beginning to increase in 2024. This progression indicates that our long-term persistent approach is effective in influencing companies and lays the groundwork for structural change.

Figure 20 Early engagement lays the foundation for structural change in the WHEB portfolio.



Principle 4: Signatories Actively Exercise their Rights and Responsibilities

WHEB's approach to voting at company meetings

We view our voting rights as a key tool for progressive influence on investee company strategy and governance. We aim to vote all our shares (Figure 21) in line with the guidelines set out in WHEB's Voting Policy, using voting as an extension of our broader stewardship and engagement approach.

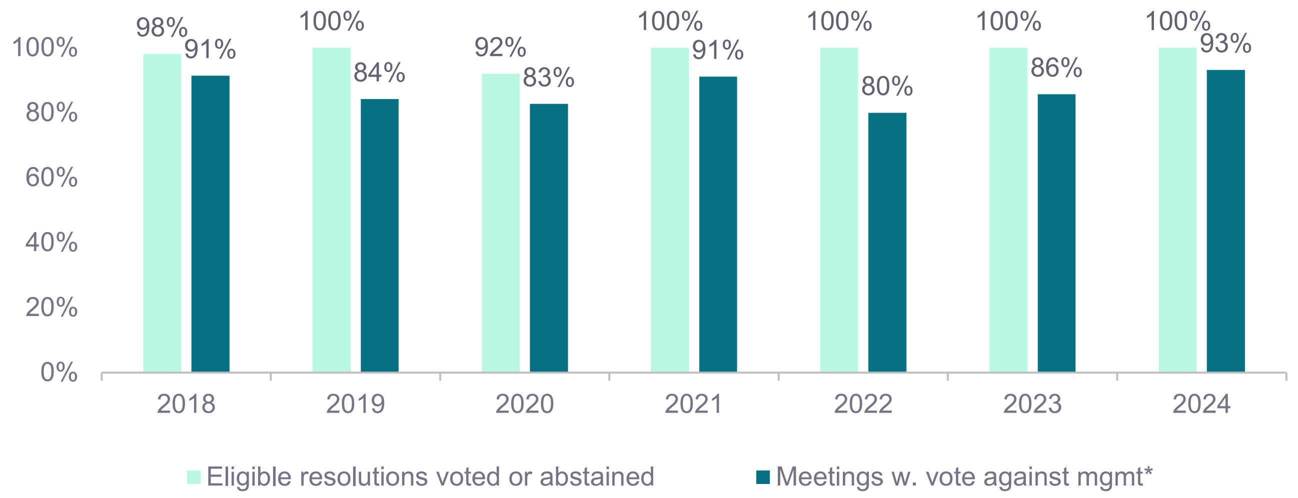
Our Proxy Voting Policy is intended to promote long-term shareholder value creation and risk mitigation at portfolio firms through support for responsible global corporate governance practices

Voting is not treated as a stand-alone obligation, but as a complementary strategy to our ongoing engagement with company management. When we vote against management's recommendations, we always communicate our rationale to the company, often prompting further dialogue. This ensures that even if the vote outcome does not immediately result in change, it opens the door to constructive conversations that can drive future improvements.

Our Voting Policy is designed to guide decisions on both governance and sustainability issues, not just in response to shareholder resolutions, which are typically <1% of resolutions each year (Table 1, also see the Danaher Case Study under Principle 3), but also for routine proposals. For example, we may vote against the re-election of a board chair if there is no board-level responsibility for sustainability. This proactive approach is distinctive among fund managers and enables us to set high standards and actively seek opportunities for engagement and impact.

Transparency and accountability are central to our philosophy. We publish all our voting activity and rationale, providing qualitative justifications that link our actions to our policies. This level of disclosure ensures our investors can see how our capital is managed in line with our stated commitments and reinforces the integrity of our impact-focused investment strategy.

Figure 21: Exercising WHEB's voting rights



2024 Voting Data

Within the WHEB Strategy, we cast at least one vote against or abstain at more than 80% of all company meetings. In 2024 WHEB cast votes on 100% of the resolutions at 100% of the company meetings at which we were entitled to vote in that year. The key figures are summarised in Table 1 below.

Table 2: Voting activities in 2024

	Number	Proportion of total
Meetings voted at	44	100%
Meeting with at least one vote against management	44	100%
Votes against management	142	21%
Votes with management	523	77%
Do not vote	0	0%
Votes withheld	12	
Votes abstained	3	
Resolutions voted	680	100%
Votes against ISS[28]	141	21%
Shareholder resolutions	9	1%

We voted against management on 142 occasions, representing 21% of our votes cast, a pattern consistent with previous years (Figure 22)

- 88% of these votes were on Governance issues (especially auditor independence, director independence and executive remuneration).
- 7% of these votes were on Social issues, the majority aimed at improving diversity.

[28] ISS is WHEB's proxy advisor

- 5% of these votes were on Environmental issues, mostly carbon reduction targets. (Figure 23)

Our escalation process of writing to company management provides an opportunity to widen the scope of engagement to cover Environmental and Social issues as well as Governance issues.

WHEB currently uses ISS as a third-party research provider to help inform our voting decisions and to deliver the votes to company meetings. However, we actively consider each vote ourselves to confirm whether it is line with our own, typically stricter, voting policies. We report the proportion of votes that go against ISS's policy in Figure 20. Most of these are votes against management when ISS's policy is to vote for management.

Figure 22: A proactive Voting Policy in action

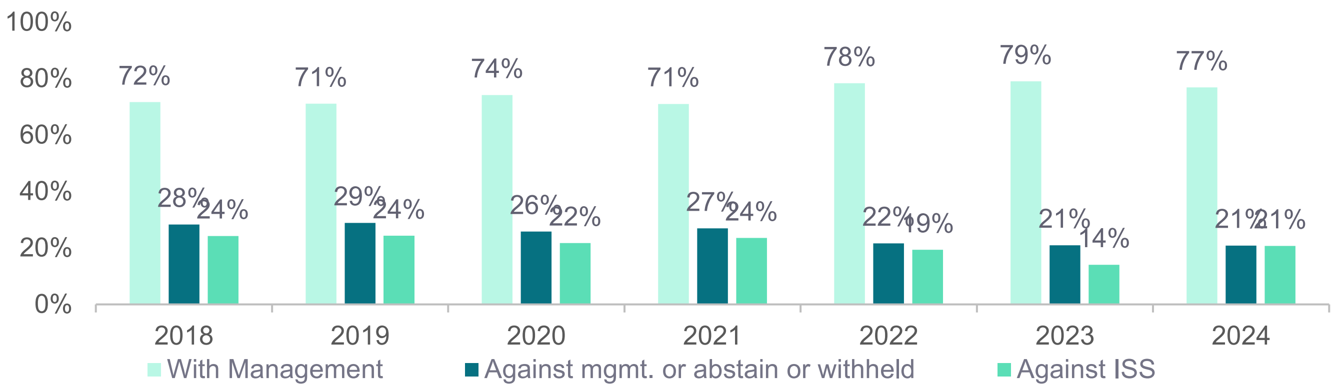
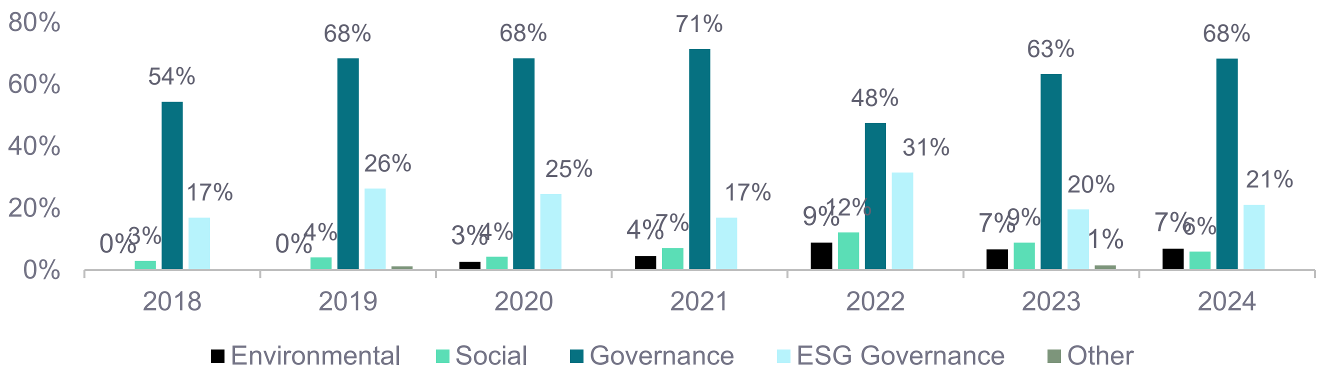


Figure 23: Votes against management by topic (2020–2024)



Principle 5: Signatories Integrate Stewardship Considerations into their Selection and Oversight of External Managers

Principle 5 does not apply to the WHEB Strategy, and we do not delegate asset management to external managers. All stewardship activities are conducted internally by our investment and sustainability teams, with oversight from our Investment Risk Committee and independent Investment Advisory Committee. N/A – no need to include

Principle 6: Signatories Monitor and Hold to Account Managers and/or Service Providers

During the reporting period, WHEB used a range of third-party providers for fund operations, IT, research, and trade execution. We regularly reviewed their performance through scheduled meetings and incident reviews, with annual assessments of critical outsourcers. Any issues or inaccuracies identified were promptly addressed through direct engagement with the provider.

For proxy voting, we used external advisors but independently assessed each vote against our own, more demanding policies, and engaged with providers to encourage progressive standards. Investment research and data providers were reviewed annually for value and quality. Oversight and outcomes were reported in quarterly client reports and annual impact reports, ensuring transparency for our clients.

Appendix

WHEB Macro Stewardship 2024

Public policy topic	Other orgs	Notes
Letter to Board of Trustees and Executive Leadership Team of the Science Based Targets initiative (SBTi)	ShareAction; As You Sow, Interfaith Centre on Corporate Responsibility;	The letter expresses concern about the SBTi Board's April 9, 2024, pre-emptive statement suggesting expanded use of carbon credits and environmental attribute certificates (EACs) in corporate emission reduction targets, potentially undermining decarbonisation efforts within value chains. It emphasised the importance of maintaining evidence-based, transparent decision-making and avoiding political or profit-driven influence during the ongoing assessment of SBTi's standards. While acknowledging recent clarifications from the Board, the letter stresses that companies should prioritise mitigating climate risks within their operations over relying on offset mechanisms.
Sign on statement calling for ISSB Adoption	PRI; LSEG	This statement emphasised the urgent need for consistent, reliable sustainability data to drive efficient capital allocation and effective management of sustainability-related risks and opportunities. It calls on policy makers globally to adopt the International Sustainability Board's (ISSB) standards (IFRS S1 and IFRS S2) by 2025, highlighting their foundation in established frameworks like the TCFD and endorsement by IOSCO. Adoption of these standards will reduce reporting fragmentation, improve access to international capital and accelerate decarbonisation through better transparency and decision-making across economies.
Letter to Danaher	ICCR	A key product in the effort to end TB is diagnostic testing. More than 1 in 3 people with TB go undiagnosed, and part of the reason is lack of access to and affordability of testing. After an advocacy campaign led by global health organizations Cepheid, a molecular diagnostic company and subsidiary of Danaher Corporation, announced last September it has reduced the price of its Xpert test cartridges used to diagnose TB by 20% and will sell them at cost. Critically, Cepheid said it will allow a third-party organization to validate their costs annually to confirm this. We signed a letter to Danaher Corporation commending the company for Cepheids Xpert test price reduction and ensuring that the independent validation of the cost of the product is conducted annually. The letter also asked that Danaher set up a committee of stakeholders to give advice on and be informed of the process and methodology used for the audit.
Statement for new Government	PRI; IIGCC, UKSIF	This statement is purposefully high level, apolitical and non-prescriptive, highlighting the need for a whole of government approach to the net zero transition, underpinned by clear sectoral roadmaps, and setting out the benefits of doing so (including in avoided costs for taxpayers and businesses).
Letter on PFAS to the European Commission	ChemSec	This letter urges the President of the Commission to resist industry pressures to weaken the scope of the Universal PFAS restriction, emphasising the potential financial risks of diluting the legislation. It highlights the importance of maintaining strong regulatory measures to address PFAS effectively. It also encourages prioritising the clarification and enforcement of robust restrictions during the new mandate.
FCA survey to inform future regulation of ESG ratings	Financial Conduct Authority	Participation in the Financial Conduct Authority's (FCA) survey to inform the future regulation of ESG ratings and broader sustainability disclosures. The survey aims to help the FCA better understand the ESG ratings market, including how investors use ESG ratings, whether they produce internal ESG ratings, and the challenges faced in the market. This will help to inform the development of a regulatory regime for ESG ratings providers.
FRC Stewardship Code Consultation	FRC	WHEB responded to the Financial Conduct Authority's Stewardship Code consultation both in person during a roundtable event on the 3rd of December 2024, and in writing. Our feedback primarily relates to concerns that the proposed revisions to the definition of stewardship could justify stewardship claims in cases where actions fail to account for systemic risks that threaten the long-term stability of financial markets. It is also our view that some level of standardisation of key terminology is necessary if the engagement community is to realise its potential for driving positive change. We encouraged the FRC to consider its role in bring the industry closer to a consensus on these foundational issues.