

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

WHEB Asset Management is a specialist fund management business owned and managed by some of the most experienced practitioners of sustainable investment in the sector. We seek to generate superior returns from global equities by investing in companies providing solutions to some of the most serious environmental and social challenges facing mankind over the coming decades. Our corporate mission in support of this aim is to “advance sustainability and create prosperity through positive impact investments”.

As a specialist fund manager with a unique focus on sustainable investing we see our culture as a key differentiating factor and source of long-term competitive advantage. We are organised as an owner-managed partnership and a Certified B Corporation. In addition to this, at the time of writing WHEB is currently in the process of implementing a new Deferred Equity Bonus scheme which will see the whole team gradually build an equity interest in WHEB Asset Management LLP over time. These factors create a longer term set of incentives more closely aligned with those of our clients.

WHEB has one of the longest track records in sustainable and impact investing. The investment strategy was first designed and implemented during 2004 and 2005. Since then, we have received a series of accreditations which we believe demonstrate our commitment to be a leader in sustainable and impact investing. In 2021, WHEB Asset Management was named in B Corporation’s ‘Best for the World’ list. Honoured in the ‘Customers’ category, we were delighted to be recognised in the top 5% of all B Corps in our size group worldwide for our sustainable business practices, based on an independent, comprehensive assessment administered by the non-profit B Lab. This is the fourth time that WHEB has been recognised as one of the companies creating the most positive overall impact in the Customers category. WHEB made the list thanks to exceptional practices which are embedded in our business mission to advance sustainability and create prosperity through positive impact investments.

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2021	December 31 2021	No	<Not Applicable>

C0.3

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**(C0.3) Select the countries/areas in which you operate.**

United Kingdom of Great Britain and Northern Ireland

C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

GBP

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Equity share

C-FS0.7

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**(C-FS0.7) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?**

	Does your organization undertake this activity?	Insurance types underwritten	Industry sectors your organization lends to, invests in, and/or insures
Banking (Bank)	No	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>	Exposed to all broad market sectors
Investing (Asset owner)	No	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	No	<Not Applicable>	<Not Applicable>

**C0.8**

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, another unique identifier, please specify (LEI)	213800B7UEMSC61UL290

**C1. Governance**

**C1.1**

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

**C1.1a**

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Risk Officer (CRO)	<p>WHEB is jointly owned by the partners and WHEB Group and, as an impact investment manager, environmental risks and opportunities are the sole focus of the strategy.</p> <p>Three of the four senior management team (Managing Partner/Chief Risk Officer, Fund Manager, Head of Research) members are actively involved in a day to day capacity in assessing and understanding climate related risks and opportunities. These insights are brought directly to the senior management team (SMT) where climate change is an integral part of discussions of the team and feature regularly as part of deliberations on the strategic outlook for the business. The vast majority of this discussion is focused on transition risks and opportunities for the WHEB business and in particular changing appetites among asset owners and other investors for investment strategies that focus on sustainability.</p> <p>Separately, WHEB's independent Investment Advisory Committee (IAC) meets three times a year to review the strategy's holdings and ensure they meet with the letter and the spirit of the fund's sustainability criteria. If a holding is deemed inappropriate, the Committee can recommend that holding be sold. The committee also provides us with intelligence and a discussion forum on strategic developments in our themes.</p>
Board Chair	<p>The WHEB Chair heads up the WHEB Investment Advisory Committee. The IAC meet every four months to review and discuss</p> <ol style="list-style-type: none"> <li>the definition and structure of the investible universe of stocks, and any additions thereto;</li> <li>the stocks in, and integrity of, the portfolio, and any additions thereto;</li> <li>overall fund strategy, portfolio risk and macro outlook;</li> <li>significant external factors and issues relevant to the fund(s); and</li> <li>future fund investment strategies.</li> </ol>
Other, please specify (Fund Manager)	<p>Alongside the CRO, Chair and Head of Research, the Fund Manager is one of four members of the Senior Management Team that regularly considers climate change as part of the strategic management of the business.</p>
Other, please specify (Head of Research)	<p>Alongside the CRO, Chair and Fund Manager, the Head of Research is one of four members of the Senior Management Team that regularly considers climate change as part of the strategic management of the business.</p>
Other, please specify (Independent Committee)	<p>The WHEB Investment Advisory Committee meet every four months to review and discuss</p> <ol style="list-style-type: none"> <li>the definition and structure of the investible universe of stocks, and any additions thereto;</li> <li>the stocks in, and integrity of, the portfolio, and any additions thereto;</li> <li>overall fund strategy, portfolio risk and macro outlook;</li> <li>significant external factors and issues relevant to the fund(s); and</li> <li>future fund investment strategies.</li> </ol> <p>Summary minutes of these meetings are publicly available from WHEB's website.</p>

**C1.1b**

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding business plans</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Climate-related risks and opportunities to our investment activities</p> <p>The impact of our investing activities on the climate</p>	<p>WHEB is a specialist investment manager focused on the opportunities created by the global transition to more sustainable, resource and energy efficient economies. Our mission is to advance sustainability and create prosperity through positive impact investments.</p> <p>The partnership team is also the Senior Management Team. (SMT) and the team behind WHEB's strategy. By focusing on companies that provide solutions to sustainability challenges, the strategy identifies companies that benefit from and enable a transition to a low carbon, sustainable economy. Climate-related risks and opportunities are therefore given considerable thought.</p> <p>As the entire business is focused on sustainable and impact investing, the whole team, and especially the three partners and the investment team, are responsible for implementing the strategy's objective and ESG considerations.</p> <p>Climate change is an integral part of the discussions of WHEB's senior decision-making body and features regularly as part of deliberations on the strategic outlook for the business. The vast majority of this discussion is focused on transition risks and opportunities for the WHEB business and in particular changing appetites among asset owners and other investors for investment strategies that focus on sustainability.</p>

**C1.1d**

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	<p>The Managing Partner, Fund Manager and Head of Research have all worked exclusively in sustainable and impact investing for the past ten years and in some cases for several decades. In addition our Head of Research has degrees in Environmental Science (including climate science) and Environmental Technology and is a Chartered Environmentalist.</p> <p>Additionally, the members of our Investment Advisory Committee are all chosen based on sustainability credentials.</p>	<Not Applicable>	<Not Applicable>

**C1.2**

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other, please specify (Managing Partner / Chief Risk Officer)	Reports to the board directly	Both assessing and managing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Risk committee	Other, please specify (Reports to the partners and senior management team)	Assessing climate-related risks and opportunities	Risks and opportunities related to our investing activities Risks and opportunities related to our own operations	More frequently than quarterly
Other, please specify (Independent Investment Advisory Committee)	Other, please specify (Reports to the partners and senior management team)	Assessing climate-related risks and opportunities	Risks and opportunities related to our investing activities	More frequently than quarterly

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	<p>The performance of our investment strategy (with c.60% invested in climate solutions) is central to the performance of the overall business. WHEB partners, as well as the other employees, are directly incentivised to support the long term performance of the strategy and support the WHEB mission.</p> <p>All the partners have a substantial proportion of their personal wealth invested in the fund, ensuring that our interests are aligned with those of our clients.</p> <p>In addition to this, WHEB has implemented a new Deferred Equity Bonus scheme which will see the whole team gradually build an equity interest in WHEB Asset Management LLP over time. These factors create a longer term set of incentives more closely aligned with those of our clients.</p> <p>In addition, team members have individual targets linked to key climate objectives including identifying and investing in companies with a strongly positive impact on climate and through fund-raising and engagement with investee businesses.</p>

## C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Board/Executive board	Monetary reward	Portfolio/fund alignment to climate-related objectives Other (please specify) (Long-term social, demographic and environmental investment focus)	We are organised as an owner-managed partnership. In addition to this, WHEB has implemented a new Deferred Equity Bonus scheme which will see the whole team gradually build an equity interest in WHEB Asset Management LLP over time. These factors create a longer term set of incentives more closely aligned with those of our clients.  Climate objectives are included in incentives structures for different parts of the team. Business Development are incentivised to identify and build relationships with clients who want to invest in strategies like ours that has a focus on climate solutions.
Investment analyst	Monetary reward	Portfolio/fund alignment to climate-related objectives Other (please specify) (Long-term social, demographic and environmental investment focus)	On the investment team, analysts are incentivised to identify and invest in companies with a strong positive climate impact. Furthermore, stewardship is fully integrated into the team incentive plan. Each investment analyst has specific engagement objectives included in their annual appraisal including covering specific climate objectives.
All employees	Monetary reward	Other (please specify) (Long-term social, demographic and environmental investment focus)	Other parts of the business including operations are also incentivised in other ways for example in the collection and preparation of impact data including on carbon emissions.

## C-FS1.4

(C-FS1.4) Does your organization offer its employees an employment-based retirement scheme that incorporates ESG criteria, including climate change?

	Employment-based retirement scheme that incorporates ESG criteria, including climate change	Describe how funds within the retirement scheme are selected and how your organization ensures that ESG criteria are incorporated	Provide reasons for not incorporating ESG criteria into your organization's employment-based retirement scheme and your plans for the future
Row 1	Yes, as the default investment option for all plans offered	<p>We carried out a review of the Group Personal Pension market in December 2021/January 2022, this was conducted by an independent consultant. The purpose of the review was to review our current workplace pension scheme with Royal London to ensure it remains competitive and to also factor in the ESG credentials, targets and monitoring of Royal London and other providers in the wider market. The ESG stance of the provider and underlying funds was crucial to our decision-making process. For example, we looked at Zero carbon targets of the provider and the default fund; credible interim targets and how these are monitored; positive impact investing; and the level of disinvestment from fossil fuels.</p> <p>The outcome of this review was to remain with Royal London, for several reasons including their financial stability and low charging structure for our employees. In addition, Royal London incorporate ESG criteria and screening into all areas of the investment process. The default fund (Governed Portfolios) includes this ESG investment screening process as standard at no additional cost.</p> <p>Royal London has a wide range of other funds should WHEB employees wish to change their default investment, including access to six risk rated sustainable funds. We investigated the possibility of having one of the sustainable funds as the default for WHEB employees, however the current default fund has lifestyle rebalancing built into it as standard. As people approach retirement the fund reduces the equity exposure and de-risks the holding. The responsibility of the makeup of this default fund currently rests with Royal London, which provides less risk for WHEB and its employees.</p> <p>Royal London has a well-defined ESG policy and has committed to net zero for all investments by 2050, and a 50% reduction in emissions by 2030. They are a founding signatory of The Institutional Investors Group Net Zero Commitment and they are engaging with the companies they invest in to ask them to do the same.</p> <p>Employees also have the option to opt out of the Royal London pension scheme and choose their own Self Invested Personal Pension, including the opportunity to invest in the WHEB Sustainability fund.</p> <p>We are running a Q&amp;A session in July for all employees with the independent consultant who conducted the review. The focus of this is to ensure that employees are aware of the sustainable funds, and to highlight other options that are available to them.</p>	<Not Applicable>

## C2. Risks and opportunities

### C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

### C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	When referring to climate change, we believe the short term is defined by the next 3 years
Medium-term	3	5	When referring to climate change, we believe the medium term is defined by 3 to 5 years time
Long-term	5	100	When referring to climate change, we believe the long term is defined by anything over 5 years

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

As a small business with a small number of investment strategies, we would consider 'substantive' or strategic impact to involve any impact that limits our ability to execute on our business plan. This might involve an immediate financial impact through the loss of clients but could equally involve longer-term impacts on our position in the market through for example a reputational affecting our standing as an impact investor.

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations  
Upstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

#### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

#### Description of process

As the entire business is focused on sustainable and impact investing, the whole team and especially the three partners and the investment team, are responsible for implementing the strategy's objective and ESG considerations in which climate is a significant factor. Seb Beloe, Head of Research and Partner, oversees the ESG analysis, engagement, and voting, all of which have a strong focus on climate-related risks and opportunities.

Under the firm's Net-Zero Carbon policy covering operational emissions, the Senior Management Team also oversee contract negotiations with suppliers to include a requirement to measure and report greenhouse gas (GHG) emissions wherever possible. This policy states that, over time, our contractual commitments will require a progressive reduction in GHG emissions from suppliers in-line with accepted science.

At a policy level, the Senior Management Team are proactive members of organisations seeking to leverage the voice of institutional investors and asset owners to make meaningful change through stronger policy. These organisations include: the Institutional Investors Group on Climate Change (IIGCC), which we have been a leading contributor to as part of the Paris Aligned Investment Initiative; the British Standards Institute (BSI), where we have served as a member of the Technical committees for the development of specifications on sustainable finance; the Future Fit foundation, whose advisory board Seb Beloe sits on and which is creating tools for companies and investors to better understand how their businesses can thrive in a transition to a more sustainable future; the Net Zero Carbon 10 initiative, which allows fund managers to better align their investment policies to the requirement for carbon-neutrality, rather than just emissions reduction; and, the Net Zero Asset Manager's Initiative, which aims to support investing aligned with net zero emissions by 2050 or sooner.

## C2.2a

### (C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	Regulation has become increasingly relevant as different jurisdictions aim to define impact funds. With the launch of SFDR and the EU Taxonomy, WHEB has a significantly higher regulatory burden. WHEB closely monitors, responds to and assesses the relevant regulation.
Emerging regulation	Relevant, always included	Similarly to current regulation, WHEB monitors all emerging regulation, for example the UK SDR will be applicable to WHEB as an impact fund. As a business WHEB explicitly seeks to shape the wider financial system to support and enable more positive outcomes. We do this through our engagement downstream with regulators, policymakers and standard setters.
Technology	Relevant, sometimes included	WHEB's investment strategy focuses on nine impact investment themes, ranging from social to environmental. Technology plays a large part in the majority of these themes, therefore the WHEB Investment Team discuss and analyze regularly how technological improvements are likely to support the transition to a low carbon economy.
Legal	Relevant, sometimes included	The WHEB investment team and partners follow with interest any climate-related litigation claims as they are often relevant for stock-level discussions and can impact portfolio decisions.
Market	Relevant, always included	This is a core focus of our investment team as they consider development that have a bearing on the performance of climate-related investee businesses. We also consider market developments in the overall investment market including specifically for climate, sustainability and impact funds.
Reputation	Relevant, sometimes included	Any damage to our reputation and brand could be hugely significant for the ongoing success of the business. As an impact fund, we are acutely focused on filtering out any potential investment that could cause reputational risk to us.
Acute physical	Relevant, sometimes included	Extreme weather events, and the frequency of these events, are relevant in a number of ways. At a portfolio level, extreme weather events may impact certain portfolio companies through the physical risk to offices and other buildings. Additionally, some portfolio companies are focused on adapting to a world where these weather events are more frequent, providing an opportunity from acute physical risks. As such, the WHEB Investment Team will spend time discussing and monitoring acute physical risks. These risks are relevant, but less immediately so on our operations as we have a single office based in Central London.
Chronic physical	Relevant, sometimes included	Sustained higher temperatures leading to chronic physical risk is relevant to WHEB as an organization, as well as at a portfolio level. Physical risks could impact portfolio companies' offices and buildings. Similarly to acute physical risk, WHEB's investment strategy also focuses in part on adapting to these chronic risks.

**(C-FS2.2b) Do you assess your portfolio's exposure to climate-related risks and opportunities?**

	We assess the portfolio's exposure	Explain why your portfolio's exposure is not assessed and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

**C-FS2.2c**

**(C-FS2.2c) Describe how you assess your portfolio's exposure to climate-related risks and opportunities.**

	Type of risk management process	Proportion of portfolio covered by risk management process	Type of assessment	Time horizon(s) covered	Tools and methods used	Provide the rationale for implementing this process to assess your portfolio's exposure to climate-related risks and opportunities
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Integrated into multi-disciplinary company-wide risk management process		Qualitative and quantitative	Short-term Medium-term Long-term	Internal tools/methods	<p>As an active and responsible financial market participant, WHEB has the opportunity, and responsibility, to help ensure that financial markets are cognizant of, and responsive to critical systemic risks.</p> <p>Indeed, the WHEB strategy was established as a response to global megatrends such as resource scarcity, climate change, ageing and growing populations and their associated risks. It is our conviction that these trends will persist for decades and it is our view that we are in the early stages of a fundamental transition to a zero carbon and more sustainable global economy.</p> <p>This transition itself is creating risks that, for some sectors, are existential threats. For others transition risk is better described as a transition opportunity, as the global economy orientates towards companies providing low and zero carbon solutions.</p> <p>The thematic nature of WHEB's investment process means that the strategy is entirely absent from areas of the economy which are most susceptible to this transition risk, such as fossil fuel production or power generation, cement, steel and bulk chemicals. It is also structurally focused on those parts of the economy that we believe are well placed to both enable and benefit from the transition, such as renewable energy, energy efficiency in buildings and manufacturing, sustainable transport and water management.</p> <p>It also means that the strategy embeds a &lt;1.5°C scenario and mitigation actions taken by regulators will, we believe, have strong positive impacts on our portfolio. This is an explicit objective that is core to WHEB's investment strategy, within which stewardship is fully integrated. Our scenario testing and long portfolio track record suggest that the portfolio does show resilience in times of crisis.</p> <p>Over the past year we have developed a bespoke tool to underpin a systematic approach to codifying impact across different themes and end markets. Known as WHEB's 'Impact Engine', this is now a core part of our investment process. The tool is used to collect and organize impact data across five dimensions and leads to an overall impact 'intensity' rating. The Impact Engine draws on the work of the Impact Management Project and the Future Fit Foundation, both of which we participate in and contribute to.</p>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

**C-FS2.2d**

**(C-FS2.2d) Does your organization consider climate-related information about your clients/investees as part of your due diligence and/or risk assessment process?**

	We consider climate-related information	Explain why you do not consider climate-related information and your plans to address this in the future
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

**C-FS2.2e**

**(C-FS2.2e) Indicate the climate-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision-making.**

**Portfolio**

Investing (asset manager)

**Type of climate-related information considered**

- Emissions data
- Energy usage data
- Emissions reduction targets
- Climate transition plans
- TCFD disclosures
- Other, please specify (Impact of products and services provided on the climate)

**Process through which information is obtained**

- Directly from the client/investee
- From an intermediary or business partner
- Data provider
- Public data sources

**Industry sector(s) covered by due diligence and/or risk assessment process**

- Capital Goods
- Transportation
- Automobiles & Components
- Consumer Services
- Health Care Equipment & Services
- Pharmaceuticals, Biotechnology & Life Sciences
- Technology Hardware & Equipment
- Semiconductors & Semiconductor Equipment

**State how this climate-related information influences your decision-making**

WHEB draws its roots from deep within the ethical, socially responsible and impact investing movement. We have a single investment strategy that focuses on investing in listed companies around the world that are providing solutions to the world's great sustainability challenges. Our purpose as a business is encapsulated in our mission which is 'to advance sustainability and create prosperity through positive impact investments'. Assessing the contribution that investee companies make in addressing key social and environmental challenges is a critical element of WHEB's investment process. The strategy focused on nine investment themes. Five of these are environmental. In these themes we consider what contribution their products and services are making to reducing downstream GHG emissions and/or helping communities adapt to climate change. This is done first by assessing the proportion of revenues that are linked with these positive outcomes. We have set a threshold of having at least 50% of their revenues or profits coming from these areas. In practice, most holdings in the fund are 100% exposed to the themes, and the weighted average across the fund is over 80% exposure. We then analyse the precise contribution these companies make to GHG mitigation/ adaptation by collecting data on how much GHG emissions are reduced and how this compares with competing technologies. This is a core part of our investment process and is central to our investment thesis on these companies. We capture and report this information which includes both scope 3 (product in use) data as well as avoided carbon data. We also consider operational climate rated data for these companies as well as other companies in our four social themes. Here we look at scope 1 and 2 emissions as well as transition strategies, net-zero carbon targets and commitments and wider strategies on GHG emission reductions.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Investing (Asset manager) portfolio

**Risk type & Primary climate-related risk driver**

Acute physical	Drought
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**Primary potential financial impact**

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

**Climate risk type mapped to traditional financial services industry risk classification**

Insurance risk

**Company-specific description**

Approximately 12% of WHEB's portfolio has property, plant and equipment exposed to droughts.

**Time horizon**

Unknown

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

353309473

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

This figure was provided to us based on research done by Impact Cubed. The figure represents the absolute value of property, plant and equipment exposed to the specified physical risk

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Unknown cost of response to risk

**Comment**

Approximately 12% of WHEB's portfolio has property, plant and equipment exposed to droughts. This equates to an absolute GBP figure of 353,309,473

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Investing (Asset manager) portfolio

**Risk type & Primary climate-related risk driver**

Acute physical	Flood (coastal, fluvial, pluvial, groundwater)
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**Primary potential financial impact**

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

**Climate risk type mapped to traditional financial services industry risk classification**

Insurance risk

**Company-specific description**

Approximately 15% of WHEB's portfolio has property, plant and equipment exposed to flooding.

**Time horizon**

Unknown

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

407790279

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

This figure was provided to us based on research done by Impact Cubed. The figure represents the absolute value of property, plant and equipment exposed to the specified physical risk

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Unknown cost of response to risk

**Comment**

Approximately 15% of WHEB's portfolio has property, plant and equipment exposed to flooding. This equates to an absolute GBP figure of 407,790,278

**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Investing (Asset manager) portfolio

**Risk type & Primary climate-related risk driver**



Acute physical	Cyclone, hurricane, typhoon
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**Primary potential financial impact**

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

**Climate risk type mapped to traditional financial services industry risk classification**

Insurance risk

**Company-specific description**

Approximately 8% of WHEB's portfolio has property, plant and equipment exposed to cyclones.

**Time horizon**

Unknown

**Likelihood**

More likely than not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

217613232

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

This figure was provided to us based on research done by Impact Cubed. The figure represents the absolute value of property, plant and equipment exposed to the specified physical risk

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Unknown cost of response to risk

**Comment**

Approximately 8% of WHEB's portfolio has property, plant and equipment exposed to flooding. This equates to an absolute GBP figure of 217,613,232

**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Investing (Asset manager) portfolio

**Risk type & Primary climate-related risk driver**

Chronic physical	Changing temperature (air, freshwater, marine water)
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**Primary potential financial impact**

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

**Climate risk type mapped to traditional financial services industry risk classification**

Insurance risk

**Company-specific description**

Approximately 0.2% of WHEB's portfolio has property, plant and equipment exposed to sea level rises.

**Time horizon**

Unknown

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

4386997

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

This figure was provided to us based on research done by Impact Cubed. The figure represents the absolute value of property, plant and equipment exposed to the specified physical risk

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Unknown cost of response to risk

**Comment**

Approximately 0.2% of WHEB's portfolio has property, plant and equipment exposed to sea level rises. This equates to an absolute GBP figure of 4,386,997

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**C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

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**C2.4a****(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Investing (Asset manager) portfolio

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

WHEB's investment philosophy is founded on a belief that the global economy is in the early stages of a transition to a zero carbon and more sustainable economy. We believe that businesses that enable this transition through the products and services that they supply will also benefit from the transition as they will see growing demand for their products and services.

Of WHEB's nine investment themes, five are focused on environmental issues (Resource Efficiency, Cleaner Energy, Environmental Services, Sustainable Transport, and Water Management). In each case we are looking for companies whose products or services are helping to reduce or eliminate carbon emissions by transitioning to an alternative technology. It is our view, that we will see an acceleration in the shift to lower carbon businesses and industries in the coming years as critical technologies such as renewable energy and electric vehicles reach commercially attractive price points and as governments, regulators and consumers shift to support these new technologies and business models. We also invest in companies that supply products and services that help communities to adapt to climate change.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Since this affects approximately 60% of WHEB's investments (all investments within the five environmental themes) we are unable to provide an exact figure. However, as an example, WHEB's investment strategy Compound Annual Growth rate since 2012 has been 9.5%, compared to 3.8% CAGR for the MSCI World index.

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

From its inception, WHEB's investment strategy was designed to avoid the transition risks associated with climate change. Therefore there is no additional cost to realize the opportunities created from transitioning to a low-carbon economy. As the entire business is focused on sustainable and impact investing, the whole team and especially the three partners and the investment team, are responsible for implementing the strategy's objective and ESG considerations in which climate is a significant factor. Seb Beloe, Head of Research and Partner, oversees the ESG analysis, engagement, and voting, all of which have a strong focus on climate-related risks and opportunities.

**Comment**

Our investment strategy is focused on these companies providing solutions to climate change as well as other critical social and environmental challenges.

C3. Business Strategy

C3.1

**(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?**

**Row 1**

**Transition plan**

Yes, we have a transition plan which aligns with a 1.5°C world

**Publicly available transition plan**

Yes

**Mechanism by which feedback is collected from shareholders on your transition plan**

We have a different feedback mechanism in place

**Description of feedback mechanism**

As a privately held business, we report on our strategies and plans to our shareholders at regular meetings and provide an opportunity for them to feedback to us.

**Frequency of feedback collection**

More frequently than annually

**Attach any relevant documents which detail your transition plan (optional)**

202004 NZC Policy - Operational emissions.pdf  
 202102 NZC Policy - Portfolio emissions.pdf

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

<Not Applicable>

**Explain why climate-related risks and opportunities have not influenced your strategy**

<Not Applicable>

C3.2

**(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?**

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

**(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.**

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices		
<table border="1"> <tr> <td>Transition scenarios</td> <td>Bespoke transition scenario</td> </tr> </table>	Transition scenarios	Bespoke transition scenario	Company-wide	1.5°C	Transition risk is primarily limited to risks associated with an increasing cost of carbon (technology risk more than compensated for by our focus on companies providing solutions to climate change).
Transition scenarios	Bespoke transition scenario				
<table border="1"> <tr> <td>Physical climate scenarios</td> <td>Bespoke physical scenario</td> </tr> </table>	Physical climate scenarios	Bespoke physical scenario	Portfolio	1.5°C	Through a third-party we assess the portfolio companies' risk levels to floods, droughts, heatwaves, cyclones, sea level rises, and wildfires. These are assessed in terms of number of facilities, percentage of economic value and total economic value.
Physical climate scenarios	Bespoke physical scenario				

C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

WHEB's investment strategy is predicated on the assumption that the global economy shifts progressively to achieve net zero carbon emissions by 2050 at the latest. Our scenario modelling focuses primarily at the stock-level to understand risks associated with a slower transition to net zero carbon for individual stocks. In parallel, we also believe that if mitigation action is slow or insufficient, there will need to be greater investment in climate adaptation. We also consider climate scenarios to assess the extent to which the strategy should gain exposure to climate adaptation.

**Results of the climate-related scenario analysis with respect to the focal questions**

More aggressive policies are beneficial to stocks in the portfolio, increasing demand for products and services they sell. We believe that our investment strategy is well positioned for any scenario in which the global economy moves to aggressively decarbonise. Companies whose activities support our nine investment themes are likely to benefit under a range of climate scenarios. Our principle risk is that the global economy fails to invest aggressively enough in transition.

**C3.3**

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	WHEB's investment strategy is based on a belief that companies that create economic value by providing solutions to critical sustainability challenges will be market winners over the long-term. Our assertion is that as the world becomes more sustainable, these stocks are likely to outperform. Assessing the contribution that investee companies make in addressing key social and environmental challenges is a critical element of WHEB's investment process. WHEB only invests in companies that sell products and services that directly address one or more of nine key social or environmental issues. We also want to be supportive shareholders, remaining invested for the duration of the sustainability-led growth, and not increasing the cost of capital by frequent trading.
Supply chain and/or value chain	Yes	During 2020 we started engaging with every service provider where we spend more than £10,000 annually, to encourage them to implement progressive policies and practices on ESG, particularly covering their approach to managing their own carbon footprint and setting net zero carbon targets. We track all net-zero carbon commitments and review progress against targets.
Investment in R&D	Yes	A number of WHEB's investment themes will be impacted by investment in research and development. In particular, research and development within the Health theme is likely to expand the investment opportunities available. Similarly, in the environmental themes as more energy efficiency products are developed, or more technical progress is made, then the investable companies will be likely to shift.
Operations	Yes	<p>WHEB has recognised that the world faces a climate emergency which requires the world's governments, businesses and civil society to massively accelerate and scale efforts to mitigate greenhouse gas (GHG) emissions to avoid further climate change. WHEB commits to be Net Zero carbon business by 2025 at the latest. As an office-based financial services firm, WHEB has no Scope 1 emissions and since 2018 we have effectively eliminated our scope 2 emissions by sourcing the electricity used in our London-based offices from renewable sources.</p> <p>As part of our efforts to accelerate action across other aspects of our business we have committed to setting an annual carbon budget to cover other sources of carbon emissions associated with our business operations. This includes the most relevant scope 3 emissions associated with purchased goods and services, business travel, employee commuting, and waste disposal. We will report annually on our progress in ensuring that these scope 3 emissions are kept within this budget.</p> <p>For those emissions that we can not eliminate, we will, on an annual basis, purchase carbon offsets that at least cover these residual emissions. We will ensure that these offsets meet the highest standard and are independently certified.</p>

**C3.4**

**(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Assets	<p>The WHEB investment strategy seeks companies whose products and services enable and therefore, benefit from, the transition to a zero carbon more sustainable economy. In doing so, it is structurally absent from sectors which are most at risk of a permanent loss of capital.</p> <p>We seek to add value by identifying critical challenges that are facing the global population over the next few decades. We then derive a range of themes, consisting of companies that are providing solutions to these challenges as the global economy shifts, through necessity, to a more sustainable footing. Within each theme, we identify the leading companies and carry out deep financial, as well as ESG analysis, adding further value through our stock selection.</p> <p>In addition, when we analyse companies, we consider potential negative impacts associated with their products and services as well as their operations. We only invest in companies where we are clear on the overall positive impact of the business.</p> <p>As a result of this approach, we have never invested in any company with activities substantially related to the provision of fossil-fuel exploration or production nor of fossil fuel power generation. We also assess companies for upstream and downstream exposure to fossil fuels and factor this into our overall investment view. This explicitly includes any risk associated with asset stranding due to climate change transition or adaptation.</p>

**C3.5**

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's transition to a 1.5°C world?**

Yes

**C3.5a**

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**(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's transition to a 1.5°C world.**

**Financial Metric**

Revenue

**Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)**

100

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)**

100

**Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)**

100

**Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world**

WHEB's investment strategy is entirely focused on the transition to a low carbon and sustainable economy. As such, if there is no transition then WHEB has no product. Our investment team focuses on identifying the opportunities arising from the transition, and the sales team focuses on selling this product, with the operations team providing support.

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**C-FS3.6**

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**(C-FS3.6) Does the policy framework for your portfolio activities include climate-related requirements for clients/investees, and/or exclusion policies?**

Yes, our framework includes both policies with client/investee requirements and exclusion policies

**C-FS3.6a**

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**(C-FS3.6a) Provide details of the policies which include climate-related requirements that clients/investees need to meet.**

**Portfolio**

Investing (Asset manager)

**Type of policy**

Policy related to other products and services  
Engagement policy  
Sustainable/Responsible Investment Policy

**Portfolio coverage of policy**

100

**Policy availability**

Publicly available

**Attach documents relevant to your policy**

202102 NZC Policy - Portfolio emissions.pdf  
20211012 NZAM Target Disclosure WHEB Asset Management.docx  
20210209 RI Policy.pdf  
20220429 WHEB Asset Management Stewardship Report January - December 2021.pdf

**Criteria required of clients/investees**

Disclosure of Scope 1 emissions  
Disclosure of Scope 2 emissions  
Set a science-based emissions reduction target  
Set an emissions reduction target  
Be on track to achieving a science-based emissions reduction target  
Develop a climate transition plan  
Other, please specify (Company must supply products and services that support sustainability throughout the economy,.)

**Value chain stages of client/investee covered by criteria**

Direct operations and supply chain

**Timeframe for compliance with policy criteria**

Complying with criteria is a pre-requisite for business

**Industry sectors covered by the policy**

Energy  
Materials  
Capital Goods  
Transportation  
Automobiles & Components  
Health Care Equipment & Services  
Pharmaceuticals, Biotechnology & Life Sciences  
Software & Services  
Technology Hardware & Equipment  
Semiconductors & Semiconductor Equipment  
Telecommunication Services

**Exceptions to policy based on**

<Not Applicable>

**Explain how criteria coverage and/or exceptions have been determined**

WHEB's climate related requirements for investee companies are below:

By 2025 at least 50% of investee companies should be committed to achieving NZC emissions by 2050 and demonstrating alignment through their ambition, targets, emission performance, disclosure, strategy and capital allocation.

Additionally, >30% of the portfolio to be invested in companies offering climate solutions (and expected to be EU taxonomy eligible).

By 2030 portfolio companies should have achieved an absolute carbon reduction that is consistent with the 50% global reduction in carbon emissions considered necessary to achieve global NZC emissions by 2050.

Additionally, >30% of the portfolio to be invested in companies offering climate solutions (and expected to be EU taxonomy eligible).

By 2050, 100% of investee companies should have achieved NZC emissions.

Additionally, >30% of the portfolio to be invested in companies offering climate solutions (and expected to be EU taxonomy eligible).

We will engage with portfolio companies in order to achieve the above. Where engagement is not successful we reserve the right to divest from these holdings.

The targets cover scope 1 and 2 emissions from portfolio businesses. We include scope 3 emissions depending on the materiality of scope 3 emissions to the company in question.

Additionally, the core objective of WHEB's investment strategy is to invest in companies that are enabling the transition to a zero carbon and more sustainable world. We do this by investing in companies that supply products and services that help to reduce carbon emissions and support sustainability throughout the economy, assessed by whether at least 50% of the revenues are aligned with our investment themes.

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**C-FS3.6b**

**(C-FS3.6b) Provide details of your exclusion policies related to industries and/or activities exposed or contributing to climate-related risks.**

**Portfolio**

Investing (Asset manager)

**Type of exclusion policy**

All fossil fuels

All Coal

All oil & gas

**Year of exclusion implementation**

2006

**Timeframe for complete phase-out**

Already phased out

**Application**

New business/investment for new projects

New business/investment for existing projects

Existing business/investment for existing projects

**Country/Region the exclusion policy applies to**

United Kingdom of Great Britain and Northern Ireland

United States of America

Asia, Australasia

Europe

**Description**

WHEB, as an impact investor, has never invested in any company that produces fossil fuels, oil or coal.

**C-FS3.7**

**(C-FS3.7) Does your organization include climate-related requirements in your selection process and engagement with external asset managers?**

	Climate-related requirements included in selection process and engagement with external asset managers	Primary reason for not including climate-related requirements in selection process and engagement with external asset managers	Explain why climate-related requirements are not included in selection process and engagement with external asset managers and your plans for the future
Row 1	Not applicable, because we do not have externally managed assets	Other, please specify (Not applicable)	Not applicable

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

Portfolio target

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**

Category 6: Business travel

**Base year**

2019

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

15

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

15

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

<Not Applicable>

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

<Not Applicable>

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2025

**Targeted reduction from base year (%)**

50

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

7.5

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

0.94

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

0.94

**% of target achieved relative to base year [auto-calculated]**

187.466666666667

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

WHEB, as an office-based, financial services business, does not have any scope 1 emissions. Our scope 2 emissions cover the electricity usage in our rented office space. In 2019 we only calculated the scope 3 emissions associated with business travel. Further categories in scope 3 are covered in later targets.

**Plan for achieving target, and progress made to the end of the reporting year**

For scope 2, while we currently purchase REGOs, we believe that this is not a valid reduction technique, however as we rent our office space, it is not easy to switch providers. We are engaging with our landlords to try and switch for an energy provider that produces their own renewable energy.

For business travel, perhaps the only benefit for the global lockdown during the pandemic was the reliance on video conferencing software, instead of business travel. There is still a business requirement for travel at WHEB, however we aim to minimise this as much as possible, with restrictions on journeys made by plane.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

**Target reference number**

Abs 2

**Year target was set**

2021

**Target coverage**

Company-wide

**Scope(s)**

Scope 2

Scope 3

**Scope 2 accounting method**

Location-based

**Scope 3 category(ies)**

Category 1: Purchased goods and services

Category 5: Waste generated in operations

Category 7: Employee commuting

**Base year**

2021



**Base year Scope 1 emissions covered by target (metric tons CO2e)**

<Not Applicable>

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

4.07

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

31.93

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

31.93

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

<Not Applicable>

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

97

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

97

**Target year**

2025

**Targeted reduction from base year (%)**

50

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**

15.965

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**

<Not Applicable>

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

4.07

**Scope 3 emissions in reporting year covered by target (metric tons CO2e)**

31.93

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

31.93

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

This target covers the above categories of scope 3, of which we only began calculating emissions in 2021. We exclude any supplier for which the average spend is less than £10,000 a year, which equates to 11% of our annual spend.

**Plan for achieving target, and progress made to the end of the reporting year**

We engage with suppliers in order to encourage and educate them to reduce their own emissions. Similarly, we are educating and encouraging WHEB employees to reduce waste, use low-carbon travel, and use renewable energy when working from home in order to further reduce WHEB's scope 3 emissions.

**List the emissions reduction initiatives which contributed most to achieving this target**

<Not Applicable>

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C-FS4.1d

**(C-FS4.1d) Provide details of the climate-related targets for your portfolio.**

**Target reference number**

Por1

**Year target was set**

2019

**Portfolio**

Investing (Asset manager)

**Product type/Asset class/Line of business**

Listed equity

**Sectors covered by the target**

All sectors

**Portfolio coverage of target**

100

**Target type**

Portfolio coverage

**Target type: Absolute or intensity**

<Not Applicable>

**Scopes included in temperature alignment**

<Not Applicable>

**Metric (or target numerator if intensity)**

Other, please specify (% of portfolio setting a net-zero carbon target )

**Target denominator**

<Not Applicable>

**Base year**

2020

**Figure in base year**

17

**Percentage of portfolio emissions covered by the target**

100

**Interim target year**

2025

**Figure in interim target year**

50

**Target year**

2030

**Figure in target year**

100

**Figure in reporting year**

44

**% of target achieved relative to base year [auto-calculated]**

32.5301204819277

**Aggregation weighting used**

Weighted average temperature score (WATS)

**Proportion of portfolio emissions calculated in the reporting year based on asset level data**

<Not Applicable>

**Proportion of the temperature score calculated in the reporting year based on company targets**

<Not Applicable>

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science-based target initiative in the next two years

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

In 2020 WHEB launched an engagement strategy aimed at securing commitment from investee companies to achieve NZC emissions by 2050 at the latest. At the end of 2020, approximately 17% of the emissions from portfolio companies had set NZC targets by 2050 at the latest. By the end of 2021 this figure had increased to 44%. Our objective is that by 2030, all investee companies will have committed to achieving NZC emissions by 2050. We have also set an interim target that by 2025, at least 50% of emissions produced by investee companies will be subject to such a commitment.

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Net-zero target(s)

C4.2c

**(C4.2c) Provide details of your net-zero target(s).**

**Target reference number**

NZ1

**Target coverage**

Site/facility

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

**Target year for achieving net zero**

2025

**Is this a science-based target?**

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next 2 years

**Please explain target coverage and identify any exclusions**

This target includes all business activities and operations. This does not include scope 3, category 15 (investments) which are covered by other emission reduction targets.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

We currently use Gold Standard offsetting projects to for any unavoidable emissions. However, we would seek to use more permanent carbon removal as it becomes more widely available.

**Planned actions to mitigate emissions beyond your value chain (optional)**

We currently have no planned actions to mitigate emissions beyond the value-chain.

C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	3
Implementation commenced*	0	0
Implemented*	2	5
Not to be implemented	0	0

C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Company policy or behavioral change	Waste management
-------------------------------------	------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

1

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 5: Waste generated in operations

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

>30 years

**Comment**

We have set internal goals for our recycling rate to try and encourage employees to recycle more waste.

**Initiative category & Initiative type**

Company policy or behavioral change	Change in purchasing practices
-------------------------------------	--------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

4

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 3 category 6: Business travel

**Voluntary/Mandatory**

Mandatory

**Annual monetary savings (unit currency – as specified in C0.4)**

0

**Investment required (unit currency – as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

>30 years

**Comment**

We have implemented a travel policy whereby employees are required to travel by train for any journey that can be taken in 6 hours

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for other emissions reduction activities	In order to ensure that we limit the GHG impact of our business travel, employees are required to use train travel for any journey taking less than 6 hours except in exceptional circumstances. Where short-haul flights are used, an internal carbon levy of £100 per flight is charged that is then invested in the company's corporate social responsibility (CSR) activities.
Internal incentives/recognition programs	To encourage staff to make sustainable travel choices, WHEB offer paid travel time, subject to certain criteria. It is important to note that this is not additional annual leave, but additional time to undertake travel in a more sustainable way.  Qualifying journeys  <ul style="list-style-type: none"> <li>• Travel by land or sea that has a significantly reduced environmental impact compared to journeys to the same destination by plane.</li> <li>• Does not include passenger petrol or diesel car journeys, nor does it include journeys with campervans or caravans.</li> <li>• It does not include holidays which are journeys themselves, e.g. long-distance cycle rides, cruises or walks</li> <li>• Only overland or sea travel for the purposes of reaching or returning from the destination country qualifies (this policy would not grant paid journey time for a coach taken from Mexico City to Guatemala with a flight having been taken to Mexico City.)</li> <li>• This policy excludes travel within mainland Great Britain but includes travel to Northern Ireland and British islands.</li> <li>• Journeys that are already quicker, or comparable in length compared to flying are excluded (eg London to Paris on the Eurostar)</li> <li>• Travelling days are limited to two per year per employee</li> </ul>

## C-FS4.5

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**(C-FS4.5) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of climate change?**

Yes

## C-FS4.5a

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**(C-FS4.5a) Provide details of your existing products and services that enable clients to mitigate and/or adapt to climate change, including any taxonomy used to classify the products(s).**

**Product type/Asset class/Line of business**

Investing	Listed Equity
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**Taxonomy or methodology used to classify product**

The EU Taxonomy for environmentally sustainable economic activities

**Description of product**

The WHEB Environmental themes all seek to provide solutions to sustainability challenges. By nature, the companies invested in will be helping to enable a low carbon economy.

WHEB has made a preliminary assessment of the proportion of our investment portfolio that is likely to be aligned with the EU Taxonomy. Across the entire portfolio we estimate that between 12% and 36% of investments are likely to be taxonomy aligned. This represents 24-72% of total investments in our environmental themes. We would expect this number to increase as further environmental objectives are addressed in 2023, and as companies report their own assessments.

N.B. by investing in listed equities our clients are associated with the positive impact that is delivered by our portfolio companies, but it is not directly attributable to them.

**Product enables clients to mitigate and/or adapt to climate change**

Mitigation  
Adaptation

**Portfolio value (unit currency – as specified in C0.4)**

917402425

**% of total portfolio value**

57

**Type of activity financed/insured or provided**

Low-emission transport  
Renewable energy  
Fortified buildings  
Sustainable agriculture

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## C5. Emissions methodology

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### C5.1

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**(C5.1) Is this your first year of reporting emissions data to CDP?**

Yes

### C5.2

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**(C5.2) Provide your base year and base year emissions.**

**Scope 1**

**Base year start**

January 1 2019

**Base year end**

December 31 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

As an office-based, financial institution, WHEB has no scope 1 emissions

---

**Scope 2 (location-based)**

**Base year start**

January 1 2019

**Base year end**

December 31 2019

**Base year emissions (metric tons CO2e)**

4.07

**Comment**

WHEB has one rented office, of which the energy provider is SSE. REGOs are purchased covering the electricity use, however we are also engaging with our landlord to switch to a provider who produces their own renewable electricity.

**Scope 2 (market-based)**

**Base year start**

January 1 2019

**Base year end**

December 31 2019

**Base year emissions (metric tons CO2e)**

0

**Comment**

WHEB has one rented office, of which the energy provider is SSE. REGOs are purchased covering the electricity use, however we are also engaging with our landlord to switch to a provider who produces their own renewable electricity.

**Scope 3 category 1: Purchased goods and services**

**Base year start**

January 1 2020

**Base year end**

December 31 2020

**Base year emissions (metric tons CO2e)**

11.23

**Comment**

Based on all suppliers for which the annual spend was greater than £10,000. Anything below this was deemed to be immaterial. 44% of suppliers reported emissions data. The remaining 56% were estimated using proxies.

**Scope 3 category 2: Capital goods**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

0

**Comment**

Not applicable to WHEB

**Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 4: Upstream transportation and distribution**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 5: Waste generated in operations**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

0.022

**Comment**

Data was only collected once WHEB employees returned to work (all of Q4), this was then extrapolated to estimate for the whole year.

**Scope 3 category 6: Business travel**

**Base year start**

January 1 2019

**Base year end**

December 31 2019

**Base year emissions (metric tons CO2e)**

15.72

**Comment**

All rail and flight business travel in 2019

**Scope 3 category 7: Employee commuting**

**Base year start**

January 1 2021

**Base year end**

December 31 2021

**Base year emissions (metric tons CO2e)**

21.86

**Comment**

Employee commuting in 2021, including incremental working from home emissions

**Scope 3 category 8: Upstream leased assets**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 9: Downstream transportation and distribution**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 10: Processing of sold products**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 11: Use of sold products**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 12: End of life treatment of sold products**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 13: Downstream leased assets**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 14: Franchises**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3 category 15: Investments**

**Base year start**

January 1 2019

**Base year end**

December 31 2019

**Base year emissions (metric tons CO2e)**

150146.336

**Comment**

WHEB's financed emissions

**Scope 3: Other (upstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

**Scope 3: Other (downstream)**

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

Not applicable to WHEB

C5.3

---

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

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C6.1

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

0

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

As an office-based, financial institution, we have no scope 1 emissions

C6.2

---



**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

We report both location based, as well as market based.

C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

4.07

**Scope 2, market-based (if applicable)**

0

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

WHEB has one rented office, of which the energy provider is SSE. REGOs are purchased covering the electricity use, however we are also engaging with our landlord to switch to a provider who produces their own renewable electricity.

C6.4

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

C6.5

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

10.05

**Emissions calculation methodology**

Supplier-specific method

Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

30

**Please explain**

As it stands (12th May 2022), 11 of our 37 suppliers have reported emissions data for 2021. We know that more will be reporting later in the year. Those that haven't yet reported have been estimated using proxies.

**Capital goods**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No relevant emissions from the purchase of products. All accounted for category 1

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No extraction, production or transportation of fuel or energy

## Upstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Emissions in reporting year (metric tons CO2e)

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

No significant transportation of products bought

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

0.022

### Emissions calculation methodology

Site-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.25

### Please explain

Data was collected for the 3 months in 2021 that WHEB employees were in the office. This was extrapolated to cover the entire year.

## Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

0.94

### Emissions calculation methodology

Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

All business travel is logged and emissions calculated using an online calculator, based on method of transport and distance travelled.

## Employee commuting

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO2e)

21.86

### Emissions calculation methodology

Distance-based method  
Site-specific method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Employee commuting estimates were based on answers employees gave during a survey, focusing on how far was travelled and the method of transport . Additionally, the incremental emissions from employees working from home were estimated using standard assumptions as well as employee survey responses.

**Upstream leased assets****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No other leased assets

**Downstream transportation and distribution****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No transportation or distribution of products sold

**Processing of sold products****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No processing of sold products required

**Use of sold products****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No "use-phase" emissions associated with the service provided by WHEB

**End of life treatment of sold products****Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No end-of-life treatment for the service WHEB provides

**Downstream leased assets**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No downstream leased assets

**Franchises**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

No franchises

**Other (upstream)**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Not applicable

**Other (downstream)**

**Evaluation status**

Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Not applicable

C6.10

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(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

**Intensity figure**

8.14e-7

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

4.07

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

5006835

**Scope 2 figure used**

Location-based

**% change from previous year**

0

**Direction of change**

No change

**Reason for change**

First full year of reporting scope 2 data.

C7. Emissions breakdowns

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	No
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired electricity	<Not Applicable>	19.19	0	19.19
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	19.19	0	19.19

## C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

**Country/area**

United Kingdom of Great Britain and Northern Ireland

**Consumption of electricity (MWh)**

19.19

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

19.19

**Is this consumption excluded from your RE100 commitment?**

<Not Applicable>

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**

Waste

**Metric value**

104

**Metric numerator**

kgs

**Metric denominator (intensity metric only)**

Not applicable

**% change from previous year**

0

**Direction of change**

No change

**Please explain**

During 2021 we estimate (based on Q4 figures) that we produced 48 kgs of landfill waste, and 55kgs of recyclable waste

## C10. Verification

### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No emissions data provided
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

### C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Emissions reduction activities	Review	The Carbon Trust review our data and calculation techniques for all carbon avoided, plus other positive impact metrics reported in our Impact report.

**C11. Carbon pricing**

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**C11.2**

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

Yes

**C11.2a**

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**(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.**

**Credit origination or credit purchase**

Credit purchase

**Project type**

Energy efficiency: households

**Project identification**

The credit purchases we made was less than 100 tonnes, and therefore the projects available to us was Climate care's "impact mix portfolio".

1. Gyapa efficient cookstoves, Ghana: Supporting local entrepreneurs to manufacture and distribute safer and more efficient cookstoves to households in Ghana.
2. Orb solar, India: Orb Energy makes solar technology more widely available in rural and semi-urban areas
3. Bondhu Chula clean cookstoves, Bangladesh: The project employs a network of local shops as their distribution and supply chain units. 5,000 of these micro-entrepreneurs have received training and now produce and sell these stoves on a commercial basis.
4. Global Renewables: Providing communities with clean energy. These wind, solar and hydropower installations generate renewable electricity which feeds into the grid, displacing fossil fuel generation and improving connections for rural communities.

**Verified to which standard**

Gold Standard

**Number of credits (metric tonnes CO2e)**

36

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

36

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

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**C11.3**

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**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

**C12. Engagement**

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**C12.1**

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**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our investees

**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Run an engagement campaign to educate suppliers about climate change  
Provide training, support, and best practices on how to make credible renewable energy usage claims  
Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms  
Climate change performance is featured in supplier awards scheme

**% of suppliers by number**

28

**% total procurement spend (direct and indirect)**

89

**% of supplier-related Scope 3 emissions as reported in C6.5**

100

**Rationale for the coverage of your engagement**

We engaged with all suppliers for which the annual spend was greater than £10,000. This covered 28% of all of our suppliers, and 89% of the total spend in 2021.

**Impact of engagement, including measures of success**

In the first year of engagement (2020) 40% of suppliers actively tracked their scope 1 and 2 emissions and have carbon reduction targets. A further 26% of the suppliers in 2020 were in the process of committing to carbon reduction targets. Currently 33% of suppliers have reported emissions data for 2021, however we expect this figure to increase throughout the year as calculations are completed.

However, there have been some disappointing results from some suppliers, with one reporting a 46% decrease in scope 2 emissions through the pandemic, without accounting for the huge increase in emissions from employees working from home. This is unlikely to reflect real world emissions reductions.

**Comment**

WHEB will continue to engage with suppliers each year. This is useful in a number of ways. Firstly, to calculate WHEB's own scope 3 category 1 emissions. Secondly, to understand which is our suppliers are laggards when it comes to calculating emissions, and therefore, to possibly discontinue the relationship if they do not make progress.

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**C-FS12.1c**

**(C-FS12.1c) Give details of your climate-related engagement strategy with your investees.**

**Type of engagement**

Engagement & incentivization (changing investee behavior)

**Details of engagement**

Exercise active ownership  
Support climate-related shareholder resolutions  
Support climate-related issues in proxy voting  
Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner  
Initiate and support dialogue with investee boards to set Paris-aligned strategies  
Encourage better climate-related disclosure practices among investees  
Encourage investees to set a science-based emissions reduction target

**% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**

79

**Investing (Asset managers) portfolio coverage**

79

**Investing (Asset owners) portfolio coverage**

<Not Applicable>

**Rationale for the coverage of your engagement**

Engagement targeted at investees currently not meeting climate-related policy requirements

**Impact of engagement, including measures of success**

We routinely assess the effectiveness of all our company engagement activity as part of our quarterly reporting. We also publish this information annually in our impact report.

Proactive engagement tends to be centered around an issue that affects a significant proportion of the portfolio and is seen as a material issue for the company in question. The selection of topics is done by each investment analyst based on their review of the companies they monitor in consultation with the Head of Research, Seb Beloe. Proactive engagement objectives may also be set based on analysis of the strategy's performance against 14 well-established measures of ESG performance against the strategy benchmark (MSCI World).

We rate the success of each company engagement as either 'successful' when the company agrees to amend its approach, 'partially successful' when the company acknowledges the issue but does not commit to change and 'unsuccessful' when the company either does not respond to us or refuses to amend its practices.

In 2020, we saw an increase in the proportion of successful engagements and a decline in those that were unsuccessful. While, anecdotally, we knew of several examples where changes had been made by companies following WHEB engagement, we believed that the increasing profile of ESG issues across the whole market to have been the primary cause of company management responsiveness to these issues.

During 2021 we would have hoped to see a continued improvement in effectiveness however, that was not the case, which was disappointing for WHEB. Overall, slightly more than 10% of WHEB's engagement was successful, 56% was partially successful, 23% was unsuccessful, and 11% ongoing.

---

**Type of engagement**

Engagement & incentivization (changing investee behavior)



**Details of engagement**

Implement a stewardship and engagement strategy, with a clear escalation and voting policy, that is consistent with our ambition for all assets under management to achieve net zero emissions by 2050 or sooner

Initiate and support dialogue with investee boards to set Paris-aligned strategies

Encourage better climate-related disclosure practices among investees

Encourage investees to set a science-based emissions reduction target

**% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**

30.86

**Investing (Asset managers) portfolio coverage**

26.39

**Investing (Asset owners) portfolio coverage**

<Not Applicable>

**Rationale for the coverage of your engagement**

Engagement targeted at investees currently not meeting climate-related policy requirements

**Impact of engagement, including measures of success**

One example of our net-zero carbon target engagement is with Daikin (although we engaged with 11 companies on this in 2021). With Daikin, we have been working with the CA100+ initiative since Q2 2020 to encourage the company to set out a commitment to achieve net zero carbon emissions by 2050.

While we have engaged bilaterally with the company through conference calls with senior executives, we are also keen to leverage the influence of other larger shareholders in the company. Daikin has been identified by the CA100+ network as a candidate for engagement. The company limits direct engagement to two large institutional shareholders (CalSTRS and Mitsubishi UFJ Financial Group). Consequently, we have previously liaised directly with CalSTRS to share our perspective on the company and to encourage a more ambitious engagement strategy on behalf of the CA100+ network.

During Q2 2020, Daikin announced that it aims to achieve net zero carbon emissions by 2050, suggesting that the engagement had been successful. In 2021, we have continued to work with CA100+ investors to secure additional detail and milestones for Daikin's net zero carbon strategy. As of September 2021, Daikin had published a net-zero carbon strategy aiming to achieve NZC emissions by 2050. That Daikin set a net zero carbon target for 2050 was a very important first step. Following investor intervention, the company published its strategy for achieving its target however, we were unhappy with a number of aspects of the strategy. As a result, this continues to be a subject of engagement with Daikin via CA100+.

**Type of engagement**

Information collection (Understanding investee behavior)

**Details of engagement**

Include climate-related criteria in investee selection / management mechanism

Climate-related criteria is integrated into investee evaluation processes

Collect climate-related and carbon emissions information from new investee companies as part of initial due diligence

Collect climate-related and carbon emissions information at least annually from long-term investees

**% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b**

31.58

**Investing (Asset managers) portfolio coverage**

31.66

**Investing (Asset owners) portfolio coverage**

<Not Applicable>

**Rationale for the coverage of your engagement**

Other, please specify (Engagement targeted at those companies we believe have sub-standard data available)

**Impact of engagement, including measures of success**

WHEB engaged with 15 companies regarding climate-related reporting and data. One example of this was engagement was with A.O. Smith regarding their CSR reporting.

Seb Beloe, WHEB's Head of Research and partner, requested a call on the new CSR report that A.O. Smith had published. In particular, WHEB wanted clarification on a number of points including:

- The proportion of products sold that show energy efficiency compared to the average
- Figures on what proportion of products get recycled
- Ambition to seek ISO14001 certification of North American facilities
- NZC targets for absolute emissions (rather than just reduction targets for emissions intensity)
- Inclusion of scope 3 in emissions targets
- A discussion of any hazardous chemicals used in the manufacturing process
- Executive remuneration and how this links with sustainability performance and objectives

Following the call, WHEB classified this engagement as partially successful. AO Smith clarified a number of points, including: the standards for energy efficiency; the proportion of products recycled; ISO14001 certification; roadmap for setting more stringent net-zero targets.

**C-FS12.2****(C-FS12.2) Does your organization exercise voting rights as a shareholder on climate-related issues?**

	Exercise voting rights as a shareholder on climate-related issues	Primary reason for not exercising voting rights as a shareholder on climate-related issues	Explain why you do not exercise voting rights on climate-related issues
Row 1	Yes	<Not Applicable>	<Not Applicable>

## C-FS12.2a

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### (C-FS12.2a) Provide details of your shareholder voting record on climate-related issues.

**Method used to exercise your voting rights as a shareholder**

Exercise voting rights directly

**How do you ensure your shareholder voting rights are exercised in line with your overall climate strategy?**

<Not Applicable>

**Percentage of voting disclosed across portfolio**

100

**Climate-related issues supported in shareholder resolutions**

Climate transition plans

Climate-related disclosures

Emissions reduction targets

Board oversight of climate-related issues

Other, please specify (History of major environmental damage or major incidents)

**Do you publicly disclose the rationale behind your voting on climate-related issues?**

Yes, for all

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## C12.3

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### (C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

**Row 1****Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

Yes

**Attach commitment or position statement(s)**

Stewardship Code attached

20220429 WHEB Asset Management Stewardship Report January - December 2021.pdf

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

Our public policy advocacy is led by one of our Partners who sits on the Senior Management Team. WHEB is only a member of organisations that adopt public policy positions that are strongly supportive of aggressive action on climate change and aligned with the Paris Agreement

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

## C12.3a

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**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Focus of policy, law, or regulation that may impact the climate**

Adaptation and/or resilience to climate change

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

UK SDR

**Policy, law, or regulation geographic coverage**

National

**Country/region the policy, law, or regulation applies to**

United Kingdom of Great Britain and Northern Ireland

**Your organization's position on the policy, law, or regulation**

Support with major exceptions

**Description of engagement with policy makers**

Letter and response to FCA

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

SDR and investment label regulations should be aligned with existing and related regimes. In this case, WHEB believes that it makes sense to align the scope of the SDR and investment labelling regulations with the Taskforce on Climate-related Financial Disclosures (TCFD) regime. We would also support a requirement that overseas funds marketed into the UK should be captured by the regulations as well.

We are not sure that the other two 'Transitioning' and 'Aligned' categories provide a clear delineation. In our view, a 'transitioning' fund cannot be described as sustainable and should be classified as a 'responsible' investment with 'aligned' remaining in the 'sustainable' category. As currently formulated, a 'transitioning' fund would contain businesses that are committed to transitioning, but which are currently unsustainable (including oil, gas and coal companies). In addition, it is clear that these categories address a broader range of issues than just climate change. The obvious starting point for this broader category is the UN's Sustainable Development Goals. These are already widely used in the industry, but are also problematic because they were not specifically written for investors.

A different approach would be to have separate classification systems for each of the core elements in sustainable investing. These could include 'stewardship', negative exclusions, positive screening and intentional positive impact. A fund could include more than one of these core elements with each being assessed independently. We also believe that additionality is not a helpful test of whether an investment has impact.

We do not think that prescribing generic lists of indicators to be reported against is useful to investment managers or to clients. The Principle Adverse Indicators in the EU's SFDR regime requires reporting against a set of indicators which, in many cases, are largely irrelevant to the product in question. Instead, the FCA should adopt a set of principles that require managers to disclose their approach to assessing sustainability in their investment process.

It is important that companies are obliged to go through a similar process in order to generate the information that managers are then able to use to meet their own obligations. The sequencing of these disclosure requirements is critical. There is no point obliging investment managers to disclose information that is not yet provided at the underlying investee company or asset level.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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**Focus of policy, law, or regulation that may impact the climate**

Climate-related targets

International trade agreement

Mandatory climate-related reporting

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

**Policy, law, or regulation geographic coverage**

Please select

**Country/region the policy, law, or regulation applies to**

<Not Applicable>

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Description of engagement with policy makers**

We are a member of the institutional investors group on climate change and have been a signatory to a series of letters sent to governments over recent years. These letters have addressed a range of policy objectives including more ambitious timelines and targets for greenhouse gas reductions, stricter reporting standards and stronger international cooperation in support of the Paris Agreement, among other things.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

<Not Applicable>

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

Yes, we have evaluated, and it is aligned

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C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

20220623 WHEB Annual Impact Report 2021.pdf

**Page/Section reference**

All

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

**Comment**

WHEB's annual Impact reports summarise portfolio impact and ESG analysis, carbon emissions and the SDGs, stewardship activity (including bilateral and collaborative engagement and voting) and WHEB's approach to sustainability over the calendar year.

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**C-FS12.5**

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**(C-FS12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.**

Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
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	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	<p>CDP Signatory</p> <p>Climate Action 100+</p> <p>Institutional Investors Group on Climate Change (IIGCC)</p> <p>Net Zero Asset Managers initiative</p> <p>Principle for Responsible Investment (PRI)</p> <p>Science-Based Targets Initiative for Financial Institutions (SBTI-FI)</p> <p>Task Force on Climate-related Financial Disclosures (TCFD)</p> <p>Other, please specify (B Corp, UKSIF, EUROSIF)</p>	<p>B Corps</p> <p>B Corps are for-profit companies certified by the non-profit B Lab as meeting rigorous standards of social and environmental performance, accountability, and transparency. WHEB Asset Management is a Certified B Corporation and George Latham, Managing Partner, is a B Corp Ambassador</p> <p>United Nations Principles for Responsible Investment (UNPRI)</p> <p>An international network of investors working together to put the Principles for Responsible Investment into practice. WHEB is a signatory.</p> <p>Institutional Investors Group on Climate Change (IIGCC)</p> <p>A forum for collaboration on climate change for European investors. WHEB is a signatory and member of the Policy Group and has been an active participant in formulating the Paris Aligned Investment Initiative.</p> <p>UK Sustainable Investment and Finance Association (UKSIF)</p> <p>A membership association for sustainable and responsible financial services. WHEB is a member and is regularly involved with events and initiatives including for example in helping to develop responses to the UK Government's sustainable finance proposals (e.g. the Sustainability Disclosure Requirements).</p> <p>European SRI Association (EUROSIF)</p> <p>A pan-European network and think-tank whose mission is to develop sustainability through European financial markets. WHEB is a signatory and has been awarded the EUROSIF Transparency logo for the past ten years.</p> <p>FRC Stewardship Code</p> <p>Aims to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. WHEB is a signatory to the UK Stewardship Code.</p> <p>Net Zero Carbon 10/20</p> <p>An initiative focusing on delivering absolute carbon reductions at the fund level. WHEB is a founding signatory and participates in events aimed at promoting the standard. 2019</p> <p>Chemical Footprint Project</p> <p>NGO-led initiative focused on eliminating hazardous chemicals from global supply chains WHEB is a signatory and is involved in collaborative engagements with companies (e.g. First Solar).</p> <p>CA100+</p> <p>Collaborative engagement initiative focused on major carbon emitters WHEB is involved in collaborative engagement initiatives with companies (e.g. Daikin)</p> <p>Access to Medicines Foundation</p> <p>Initiative aimed at encouraging the pharmaceutical industry to address key corporate responsibility issues in their industry WHEB is a signatory and has worked as part of an investor collaboration to promote action by pharmaceutical and related businesses.</p> <p>Future Fit Business</p> <p>The Future Fit business benchmark is a strategic management tool for companies and investors to assess, measure and manage the impact of their activities Seb Beloe is a member of the Development Council</p> <p>Impact Management Project</p> <p>A forum for organisations to build consensus on how to measure, compare and report impacts on environmental and social issues WHEB is an active contributor</p> <p>The Big Exchange</p> <p>A pioneering new investment platform launched by Big Issue Invest WHEB is a founding partner, and Seb Beloe is a member of the impact advisory board.</p> <p>British Standards Institute (BSI)</p> <p>The UK's national standards body responsible for creating standards on sustainable finance among many other areas WHEB has been represented on a variety of technical committees developing specifications on sustainable finance with BSI.</p> <p>Global Impact Investing Network (GIIN)</p> <p>A not-for-profit network dedicated to increasing the scale and effectiveness of impact investing around the world WHEB is a member and part of the Working Group defining guidance for impact investing in Listed Equities</p> <p>Net Zero Asset Managers Initiative (NZAMI)</p> <p>An international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner WHEB is a founding signatory.</p> <p>Glasgow Financial Alliance for Net Zero (GFANZ) GFANZ is a global coalition of leading financial institutions committed to accelerating the decarbonization of the economy. WHEB is a member through our work with the NZAMI</p>

## C14. Portfolio Impact

### C-FS14.0

(C-FS14.0) For each portfolio activity, state the value of your financing and insurance of carbon-related assets in the reporting year.

**Investing in all carbon-related assets (Asset manager)**

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

0

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

0

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

**Investing in coal (Asset manager)**

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

0

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

0

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

**Investing in oil and gas (Asset manager)**

Are you able to report a value for the carbon-related assets?

Yes

Value of the carbon-related assets in your portfolio (unit currency – as specified in C0.4)

0

New loans advanced in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Total premium written in reporting year (unit currency – as specified in C0.4)

<Not Applicable>

Percentage of portfolio value comprised of carbon-related assets in reporting year

0

Primary reason for not providing a value for the financing and/or insurance to carbon-related assets

<Not Applicable>

Please explain why you are not providing a value for the financing and/or insurance to carbon-related assets and your plans for the future

<Not Applicable>

**C-FS14.1**

(C-FS14.1) Does your organization measure its portfolio impact on the climate?

	We conduct analysis on our portfolio's impact on the climate	Disclosure metric	Please explain why you do not measure the impact of your portfolio on the climate
Banking (Bank)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	Portfolio emissions Other carbon footprinting and/or exposure metrics (as defined by TCFD)	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-FS14.1a

**(C-FS14.1a) Provide details of your organization’s portfolio emissions in the reporting year.**

**Investing (Asset manager)**

**Portfolio emissions (metric unit tons CO2e) in the reporting year**

588383.36

**Portfolio coverage**

100

**Percentage calculated using data obtained from clients/investees**

64

**Emissions calculation methodology**

The Global GHG Accounting and Reporting Standard for the Financial Industry

**Please explain the details and assumptions used in your calculation**

This comprises of our portfolio companies' scope 1, 2 and 3 emissions.

Financed scope 1 emissions = 20,828.84 tonnes CO2e

Financed scope 2 emissions = 18,088.09 tonnes CO2e

Financed scope 3 emissions = 550,345.36 tonnes CO2e

C-FS14.1b

**(C-FS14.1b) Provide details of the other carbon footprinting and/or exposure metrics used to track the impact of your portfolio on the climate.**

**Portfolio**

Investing (asset manager)

**Portfolio metric**

Weighted average carbon intensity (tCO2e/Million revenue)

**Metric value in the reporting year**

86.62

**Portfolio coverage**

100

**Percentage calculated using data obtained from clients/investees**

43

**Calculation methodology**

A portfolio’s exposure to carbon-intensive companies expressed in tonnes CO2e (carbon dioxide equivalent) / £M revenue. This is in line with the TCFD’s definition.

**Portfolio**

Investing (asset manager)

**Portfolio metric**

Avoided emissions financed (tCO2e)

**Metric value in the reporting year**

385411

**Portfolio coverage**

37.7

**Percentage calculated using data obtained from clients/investees**

53.37

**Calculation methodology**

Methodology differed for each relevant portfolio company, based on product baselines. The Carbon Trust reviewed the data and calculations and provided assurance that there was a high level of data quality. Of the 37.7% of relevant companies, 53% reported an avoided emissions figure.

The total financed by WHEB was based on percentage ownership of EVIC.

C-FS14.2

**(C-FS14.2) Are you able to provide a breakdown of your organization’s portfolio impact?**

	Portfolio breakdown	Please explain why you do not provide a breakdown of your portfolio impact
Row 1	Yes, by scope	<Not Applicable>

C-FS14.2d

**(C-FS14.2d) Break down your organization's portfolio impact by scope.**

Portfolio	Clients'/investees' scope	Portfolio emissions (metric tons CO2e)
Investing (Asset manager)	Scope 1	20828.84
Investing (Asset manager)	Scope 2 (location-based)	18088.09
Investing (Asset manager)	Scope 3	550345.36

**C-FS14.3**

**(C-FS14.3) Did your organization take any actions in the reporting year to align your portfolio with a 1.5°C world?**

	Actions taken to align our portfolio with a 1.5°C world	Please explain why you have not taken any action to align your portfolio with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

**C-FS14.3a**

**(C-FS14.3a) Does your organization assess if your clients/investees' business strategies are aligned with a 1.5°C world?**

	Assessment of alignment of clients/investees' strategies with a 1.5°C world	Please explain why you are not assessing if your clients/investees' business strategies are aligned with a 1.5°C world
Banking (Bank)	<Not Applicable>	<Not Applicable>
Investing (Asset manager)	Yes, for all	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<Not Applicable>

**C15. Biodiversity**

**C15.1**

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	Biodiversity is a topic that we have undertaken explicit analysis of in order to understand where investment risk or opportunity lies. This was prompted by our independent investment advisory committee that has a formal governance function over our investment strategy.	Risks and opportunities to our investment activities

**C15.2**

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Other, please specify (The WHEB portfolio has few businesses that have significant negative biodiversity impacts. Where we have identified such risk, we have been engaging to encourage portfolio companies to actively mitigate this risk.)	<Not Applicable>

**C15.3**

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	Yes, we assess impacts on biodiversity in our downstream value chain only	Investing portfolio (Asset manager)



C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Other, please specify (Mostly focused on management systems (eg FSC standards))

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Impacts on biodiversity Biodiversity strategy	<a href="https://www.whebgroup.com/wheb-insights/whebs-approach-to-biodiversity/">https://www.whebgroup.com/wheb-insights/whebs-approach-to-biodiversity/</a> <a href="https://www.whebgroup.com/media/2022/03/202110-Summary-minutes-final.pdf">https://www.whebgroup.com/media/2022/03/202110-Summary-minutes-final.pdf</a> 20211013 Biodiversitydiscussion document.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Head of Research and Partner	Board/Executive board

FW-FS Forests and Water Security (FS only)

FW-FS1.1

(FW-FS1.1) Is there board-level oversight of forests- and/or water-related issues within your organization?

	Board-level oversight of this issue area	Explain why your organization does not have board-level oversight of this issue area and any plans to address this in the future
Forests	No, and we do not plan to in the next two years	There is no specific board oversight of forest-related issues, however as an impact investor we focus on investing in listed companies around the world that are providing solutions to the world's great sustainability challenges. Our purpose as a business is encapsulated in our mission which is 'to advance sustainability and create prosperity through positive impact investments'. Therefore it is extremely unlikely that we would invest in any company that has a significant negative impact on forests.
Water	No, and we do not plan to in the next two years	There is no specific board oversight of water-related issues, however as an impact investor we focus on investing in listed companies around the world that are providing solutions to the world's great sustainability challenges. Our purpose as a business is encapsulated in our mission which is 'to advance sustainability and create prosperity through positive impact investments'. Therefore it is unlikely we would invest in any company that has a significant negative impact on water related issues.

FW-FS1.1c

**(FW-FS1.1c) Does your organization have at least one board member with competence on forests- and/or water-related issues?**

**Forests**

**Board member(s) have competence on this issue area**

Not assessed

**Criteria used to assess competence of board member(s) on this issue area**

<Not Applicable>

**Primary reason for no board-level competence on this issue area**

Important but not an immediate priority

**Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future**

WHEB's Investment Advisory Committee provides independent scrutiny of the investment team's activities. This committee is composed of independent experts in the field of sustainable investing, therefore while we do not specifically assess forest or water related competence, it is likely that they will based on their sustainability knowledge.

**Water**

**Board member(s) have competence on this issue area**

Not assessed

**Criteria used to assess competence of board member(s) on this issue area**

<Not Applicable>

**Primary reason for no board-level competence on this issue area**

Important but not an immediate priority

**Explain why your organization does not have at least one board member with competence on this issue area and any plans to address this in the future**

WHEB's Investment Advisory Committee provides independent scrutiny of the investment team's activities. This committee is composed of independent experts in the field of sustainable investing, therefore while we do not specifically assess forest or water related competence, it is likely that they will based on their sustainability knowledge.

**FW-FS1.2**

**(FW-FS1.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests- and/or water-related issues.**

**Name of the position(s) and/or committee(s)**

There is no management level responsibility for forests- and/or water-related issues

**Reporting line**

<Not Applicable>

**Issue area(s)**

<Not Applicable>

**Responsibility**

<Not Applicable>

**Coverage of responsibility**

<Not Applicable>

**Frequency of reporting to the board on forests- and/or water-related issues**

<Not Applicable>

**FW-FS2.1**

**(FW-FS2.1) Do you assess your portfolio's exposure to forests- and/or water-related risks and opportunities?**

	We assess our portfolio's exposure to this issue area	Explain why your portfolio's exposure is not assessed for this issue area and any plans to address this in the future
Banking - Forests exposure	<Not Applicable>	<Not Applicable>
Banking – Water exposure	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests exposure	Yes	<Not Applicable>
Investing (Asset manager) – Water exposure	Yes	<Not Applicable>
Investing (Asset owner) – Forests exposure	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests exposure	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water exposure	<Not Applicable>	<Not Applicable>

**FW-FS2.1a**

**(FW-FS2.1a) Describe how you assess your portfolio's exposure to forests- and/or water-related risks and opportunities.**

**Portfolio**

Investing (Asset manager)

**Exposure to**

Forests-related risks and opportunities

**Type of risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Proportion of portfolio covered by risk management process**

100

**Type of assessment**

Qualitative and quantitative

**Time horizon(s) covered**

Medium-term

**Tools and methods used**

Internal tools/methods

**Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities**

Our thematic structure means that we have very little exposure to forests. However where we do have exposure for example through timber plantations used in recycled cardboard and in the supply chain for a meal kit company, we undertake bespoke analysis of company policies, management systems and reporting.

**Portfolio**

Investing (Asset manager)

**Exposure to**

Water-related risks and opportunities

**Type of risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Proportion of portfolio covered by risk management process**

100

**Type of assessment**

Qualitative and quantitative

**Time horizon(s) covered**

Medium-term

**Tools and methods used**

Internal tools/methods

**Provide the rationale for implementing this process to assess your portfolio's exposure to forests- and/or water-related risks and opportunities**

We consider water risks and opportunities at two levels. Firstly we have a specific water management theme in which we invest in companies providing solutions to water pollution and water scarcity. This includes businesses that develop technologies cleaning and recycling water as well as businesses that provide water utility services. Secondly we also consider water management within companies own operations. This forms part of the systematic analysis that we conduct on all our investee businesses. If companies are found to have poor performance on water management then we will either not invest or seek to engage with the company to encourage improved performance.

**FW-FS2.2**

**(FW-FS2.2) Does your organization consider forests- and/or water-related information about clients/investees as part of its due diligence and/or risk assessment process?**

	We consider forests- and/or water-related information	Explain why information related to this issue area is not considered and any plans to address this in the future
Banking – Forests-related information	<Not Applicable>	<Not Applicable>
Banking – Water-related information	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests-related information	Yes	<Not Applicable>
Investing (Asset manager) – Water-related information	Yes	<Not Applicable>
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>

**FW-FS2.2a**

**(FW-FS2.2a) Indicate the forests- and/or water-related information your organization considers about clients/investees as part of your due diligence and/or risk assessment process, and how this influences decision making.**

**Portfolio**

Investing (Asset manager)

**Information related to**

Forests

**Type of information considered**

Scope and content of forests policy  
Commitment to eliminate deforestation/conversion of other natural ecosystems

**Process through which information is obtained**

Directly from the client/investee  
Data provider  
Public data sources

**Industry sector(s) covered by due diligence and/or risk assessment process**

Materials  
Automobiles & Components  
Consumer Services  
Household & Personal Products  
Health Care Equipment & Services  
Pharmaceuticals, Biotechnology & Life Sciences  
Software & Services  
Technology Hardware & Equipment  
Semiconductors & Semiconductor Equipment  
Telecommunication Services

**State how these forests- and/or water-related information influences your decision making**

WHEB has selected nine investment themes which we use to focus our attention on companies that provide solutions to sustainability challenges and therefore have the potential to significantly grow their earnings. They include four social (Education, Health, Safety and Well-being) and five environmental themes (Cleaner Energy, Environmental Services, Resource Efficiency, Water Management and Sustainable Transport). We are only interested in companies that have genuine exposure to these themes and set a threshold of having at least 50% of their revenues or profits coming from these areas. In practise, most holdings in the fund are 100% exposed to the themes, and the weighted average across the fund is over 80% exposure. We capture evidence to support our decisions on whether companies fit our themes or not and assess the intensity of their positive impact, and share this publicly with our investors. If a company does not meet this threshold, it will not be selected for the universe, and hence the portfolio. Consequently, any company that significantly negatively affects forest and water would not be selected for the universe.

**FW-FS2.3**

**(FW-FS2.3) Have you identified any inherent forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

	Risks identified for this issue area	Primary reason why your organization has not identified any substantive risks for this issue area	Explain why your organization has not identified any substantive risks for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

**FW-FS2.3a**

**(FW-FS2.3a) Provide details of forests- and/or water-related risks in your portfolio with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk1

**Portfolio where risk driver occurs**

Investing (Asset manager) portfolio

**Issue area risk relates to**

Forests

**Risk type & Primary risk driver**

Acute physical	Heat wave
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**Primary potential financial impact**

Increased insurance claims liability

**Risk type mapped to traditional financial services industry risk classification**

Insurance risk

**Company-specific description**

Based on physical risk analysis provided to us for our portfolio, it has been assessed that 0.06% of our portfolio companies' facilities are at risk from wildfires

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

86992259

**Potential financial impact figure - minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Based on physical risk analysis provided to us for our portfolio, it has been assessed that 6% of our portfolio companies' facilities are at risk from wildfires.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Cost of response to risk is unknown

**Comment**

Based on physical risk analysis provided to us for our portfolio, it has been assessed that 6% of our portfolio companies' facilities are at risk from wildfires.

**Identifier**

Risk2

**Portfolio where risk driver occurs**

Investing (Asset manager) portfolio

**Issue area risk relates to**

Water

**Risk type & Primary risk driver**

Acute physical	Flood (coastal, fluvial pluvial, groundwater)
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**Primary potential financial impact**

Increased insurance claims liability

**Risk type mapped to traditional financial services industry risk classification**

Insurance risk

**Company-specific description**

Based on physical risk analysis provided to us for our portfolio, it has been assessed that 9% of our portfolio companies' facilities are at risk from flooding.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

407790278.88

**Potential financial impact figure - minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

Based on physical risk analysis provided to us for our portfolio, it has been assessed that 9% of our portfolio companies' facilities are at risk from flooding.

**Cost of response to risk**

0

**Description of response and explanation of cost calculation**

Cost of response to risk is unknown

**Comment**

Based on physical risk analysis provided to us for our portfolio, it has been assessed that 9% of our portfolio companies' facilities are at risk from flooding.

**(FW-FS2.4) Have you identified any inherent forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business?**

	Opportunities identified for this issue area	Primary reason why your organization has not identified any substantive opportunities for this issue area	Explain why your organization has not identified any substantive opportunities for this issue area
Forests	Yes	<Not Applicable>	<Not Applicable>
Water	Yes	<Not Applicable>	<Not Applicable>

**FW-FS2.4a**

**(FW-FS2.4a) Provide details of forests- and/or water-related opportunities in your portfolio with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Portfolio where opportunity occurs**

Investing (Asset manager) portfolio

**Issue area opportunity relates to**

Forests

**Opportunity type & Primary opportunity driver**

Products and services	Development and/or expansion of financing products and solutions supporting sustainable forest risk commodity supply chains
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**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company- specific description**

Smurfit Kappa Group Plc collects, manufactures and sells recycled cardboard. Smurfit Kappa is the largest producer of recycled cardboard products in Europe with clients in food, beverages, household consumables and industrial markets. As one of the world's largest recyclers of cardboard packaging, Smurfit Kappa directly supports the circular economy goals in SDG 12.

The use of recycled cardboard reduces the use of virgin paper which would add pressure to timber resources. Where Smurfit Kappa uses virgin material this is all FSC or PEFC certified.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Unknown financial impact figure

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

WHEB has been a long term investor in Smurfit Kappa since 2013

**Comment**

Smurfit Kappa Group Plc collects, manufactures and sells recycled cardboard. Smurfit Kappa is the largest producer of recycled cardboard products in Europe with clients in food, beverages, household consumables and industrial markets. As one of the world's largest recyclers of cardboard packaging, Smurfit Kappa directly supports the circular economy goals in SDG 12. The use of recycled cardboard reduces the use of virgin paper which would add pressure to timber resources. Where Smurfit Kappa uses virgin material this is all FSC or PEFC certified.

**Identifier**

Opp2

**Portfolio where opportunity occurs**

Investing (Asset manager) portfolio

**Issue area opportunity relates to**

Water

**Opportunity type & Primary opportunity driver**

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company- specific description**

Advanced Drainage Systems is a leading provider of stormwater management systems in the US. It is the leading manufacturer of high performance thermoplastic corrugated pipe, providing a comprehensive suite of water management products and superior drainage solutions for use in the underground construction and infrastructure marketplace. The company's products are generally lighter, more durable, more cost effective and easier to install than comparable alternatives made with traditional materials. In extreme weather events, its solutions help reduce water runoff, improve water quality and preserve water in the communities.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Unknown financial impact figure

**Cost to realize opportunity**

0

**Strategy to realize opportunity and explanation of cost calculation**

WHEB has been an investor in Advanced Drainage Systems since 2019

**Comment**

Advanced Drainage Systems is a leading provider of stormwater management systems in the US. It is the leading manufacturer of high performance thermoplastic corrugated pipe, providing a comprehensive suite of water management products and superior drainage solutions for use in the underground construction and infrastructure marketplace. The company's products are generally lighter, more durable, more cost effective and easier to install than comparable alternatives made with traditional materials. In extreme weather events, its solutions help reduce water runoff, improve water quality and preserve water in the communities.

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FW-FS3.1

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**(FW-FS3.1) Do you take forests- and/or water-related risks and opportunities into consideration in your organization's strategy and/or financial planning?**

**Forests**

**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

Yes, we take these risks and opportunities into consideration in the organization's strategy

**Description of influence on organization's strategy including own commitments**

WHEB has selected nine investment themes which we use to focus our attention on companies that provide solutions to sustainability challenges and therefore have the potential to significantly grow their earnings. They include four social (Education, Health, Safety and Well-being) and five environmental themes (Cleaner Energy, Environmental Services, Resource Efficiency, Water Management and Sustainable Transport).

We are only interested in companies that have genuine exposure to these themes and set a threshold of having at least 50% of their revenues or profits coming from these areas. In practise, most holdings in the fund are 100% exposed to the themes, and the weighted average across the fund is over 80% exposure. We capture evidence to support our decisions on whether companies fit our themes or not and assess the intensity of their positive impact.

**Financial planning elements that have been influenced**

<Not Applicable>

**Description of influence on financial planning**

<Not Applicable>

**Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning**

As an impact investor, it is implicit that WHEB will not invest in companies negatively affecting forest/water related issues, therefore it is not necessary to specifically reference forest and water issues in our financial planning.

**Water**

**Risks and opportunities related to this issue area taken into consideration in strategy and/or financial planning**

Yes, we take these risks and opportunities into consideration in the organization's strategy

**Description of influence on organization's strategy including own commitments**

WHEB has selected nine investment themes which we use to focus our attention on companies that provide solutions to sustainability challenges and therefore have the potential to significantly grow their earnings. They include four social (Education, Health, Safety and Well-being) and five environmental themes (Cleaner Energy, Environmental Services, Resource Efficiency, Water Management and Sustainable Transport).

We are only interested in companies that have genuine exposure to these themes and set a threshold of having at least 50% of their revenues or profits coming from these areas. In practise, most holdings in the fund are 100% exposed to the themes, and the weighted average across the fund is over 80% exposure. We capture evidence to support our decisions on whether companies fit our themes or not and assess the intensity of their positive impact.

**Financial planning elements that have been influenced**

<Not Applicable>

**Description of influence on financial planning**

<Not Applicable>

**Explain why forests- and/or water-related risks and opportunities have not influenced your strategy and/or financial planning**

As an impact investor, it is implicit that WHEB will not invest in companies negatively affecting forest/water related issues, therefore it is not necessary to specifically reference forest and water issues in our financial planning.

**FW-FS3.2**

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**(FW-FS3.2) Has your organization conducted any scenario analysis to identify forests- and/or water-related outcomes?**

**Forests**

**Scenario analysis conducted to identify outcomes for this issue area**

Yes, we have conducted scenario analysis, but we have not identified any outcomes for this issue area

**Type of scenario analysis used**

Climate-related

**Parameters, assumptions, analytical choices**

<Not Applicable>

**Description of outcomes for this issue area**

<Not Applicable>

**Explain how the outcomes identified using scenario analysis have influenced your strategy**

<Not Applicable>

**Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future**

<Not Applicable>

**Water**

**Scenario analysis conducted to identify outcomes for this issue area**

Yes, we have conducted scenario analysis, but we have not identified any outcomes for this issue area

**Type of scenario analysis used**

Climate-related

**Parameters, assumptions, analytical choices**

<Not Applicable>

**Description of outcomes for this issue area**

<Not Applicable>

**Explain how the outcomes identified using scenario analysis have influenced your strategy**

<Not Applicable>

**Explain why your organization has not conducted scenario analysis for this issue area and any plans to address this in the future**

<Not Applicable>

**FW-FS3.3**

**(FW-FS3.3) Do any of your existing products and services enable clients to mitigate deforestation and/or water insecurity?**

	Existing products and services that enable clients to mitigate deforestation and/or water insecurity	Explain why your organization does not offer products and services which enable clients to mitigate deforestation and/or water insecurity and any plans to address this in the future
Forests	Yes	<Not Applicable>
Water	Yes	<Not Applicable>

**FW-FS3.3a**

**(FW-FS3.3a) Provide details of your existing products and services that enable clients to mitigate deforestation and/or water insecurity.**

**Product type**

Listed Equity

**Taxonomy or methodology used to classify product(s)**

The EU Taxonomy for environmentally sustainable economic activities

**Description of product(s)**

The WHEB Environmental themes all seek to provide solutions to sustainability challenges. By nature, the companies invested in will be helping to enable a low carbon economy.

WHEB has made a preliminary assessment of the proportion of our investment portfolio that is likely to be aligned with the EU Taxonomy. Across the entire portfolio we estimate that between 12% and 36% of investments are likely to be taxonomy aligned. This represents 24-72% of total investments in our environmental themes. We would expect this number to increase as further environmental objectives are addressed in 2023, and as companies report their own assessments.

Specifically to Forest and Water related issues, we have identified that Smurfit Kappa and Advanced Drainage Systems are both partially aligned with the EU Taxonomy.

**Product enables clients to mitigate**

Deforestation  
Water insecurity

**Type of activity financed, invested in or insured**

Water treatment infrastructure  
Wastewater treatment infrastructure

**Portfolio value (unit currency – as specified in C0.4)**

53112772

**% of total portfolio value**

3.3

**FW-FS3.4**

**(FW-FS3.4) Does the policy framework for the portfolio activities of your organization include forests- and/or water-related requirements that clients/investees need to meet?**

	Policy framework includes this issue area	Explain why your organization does not include this issue area in the policy framework and any plans to address this in the future
Forests	No, and we do not plan to include this issue area in the next two years	As an impact investor, it is implicit that WHEB will not invest in companies negatively affecting forest/water related issues, therefore it is not necessary to specifically reference forest and water issues as a policy
Water	No, and we do not plan to include this issue area in the next two years	As an impact investor, it is implicit that WHEB will not invest in companies negatively affecting forest/water related issues, therefore it is not necessary to specifically reference forest and water issues as a policy

**FW-FS4.1**

**(FW-FS4.1) Do you engage with your clients/investees on forests- and/or water-related issues?**

	We engage with clients/investees on this issue area	Explain why you do not engage with your clients/investees on the issue area and any plans to address this in the future
Clients – Forests	No, and we do not plan to in the next two years	While we engage with our investors regularly on a number of topics, there is no specific engagement plan for water related issu
Clients – Water	No, and we do not plan to in the next two years	While we engage with our investors regularly on a number of topics, there is no specific engagement plan for water related issues
Investees – Forests	Yes	<Not Applicable>
Investees – Water	Yes	<Not Applicable>

**FW-FS4.1b**

**(FW-FS4.1b) Give details of your forests- and/or water-related engagement strategy with your investees.**

**Issue area this engagement relates to**

Forests

**Type of engagement**

Engagement & incentivization (changing investee behavior)

**Details of engagement**

Encourage better forests-related disclosure practices

Encourage investees to obtain third-party certifications to verify positive impacts on forests

Encourage investees to engage with suppliers to improve their capacity to comply with the company's forests-related policies

Avoid or divest from companies continuing to fail to meet forests-related expectations

Avoid or divest from companies that pose an unacceptable level of forests-related risks

**Investing (asset manager) portfolio coverage of engagement**

2.09

**Investing (asset owner) portfolio coverage of engagement**

<Not Applicable>

**Rationale for the coverage of your engagement**

Engagement targeted at investees with increased forest-related risks

**Impact of engagement, including measures of success**

WHEB engages directly with Smurfit Kappa via company meetings and emails regarding biodiversity and forest-related issues. Smurfit Kappa is well versed in the compliance aspect of forest certification and chain of custody processes, however we believe they are not showing a willingness to innovate in this area. We asked Smurfit Kappa whether they are seeking to take a more proactive role in this area.

Smurfit Kappa responded by directing us to their partnership with WWF to restore, expand and protect forests and ecosystems. We consider this engagement to be partially successful as, while we think the partnership is beneficial, we need to see measured progress against this.

**FW-FS4.2**

**(FW-FS4.2) Does your organization exercise its voting rights as a shareholder on forests- and/or water-related issues?**

	We exercise voting rights as a shareholder on this issue area	Issues supported in shareholder resolutions	Give details of the impact your voting has had on this issue area	Explain why your organization does not exercise voting rights on this issue area and any plans to address this in the future
Forests	No, and we do not plan to in the next two years	<Not Applicable>	<Not Applicable>	Where future votes encompass forest related issues, we will vote in a way that minimizes any negative impact.
Water	No, and we do not plan to in the next two years	<Not Applicable>	<Not Applicable>	Where future votes encompass water related issues, we will vote in a way that minimizes any negative impact.

**FW-FS4.4**

**(FW-FS4.4) Does your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may impact forests and/or water security?**

	Direct or indirect engagement that could influence policy, law, or regulation that may impact this issue area	Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area	Explain why you do not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact this issue area
Forests	Yes, we engage directly with policy makers Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact this issue area	<Not Applicable>	<Not Applicable>
Water	Yes, we engage directly with policy makers Yes, we engage indirectly by funding other organizations whose activities may influence policy, law, or regulation that may significantly impact this issue area	<Not Applicable>	<Not Applicable>

**FW-FS4.4a**

**(FW-FS4.4a) On what policy, law, or regulation that may impact forests and/or water security have you been engaging directly with policy makers in the reporting year?**

**Issue area(s)**

Water

**Focus of policy, law or regulation that may impact this issue area**

Circular economy  
Responsible water withdrawal and/or consumption  
Sustainable finance

**Specify the policy, law or regulation on which your organization is engaging with policymaker**

UK SDR

**Policy, law or regulation coverage**

National

**Country/region the policy, law or regulation applies to**

United Kingdom of Great Britain and Northern Ireland

**Your organization's position on the policy, law or regulation**

Support with minor exceptions

**Description of engagement with policymakers**

Letters to FCA

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

SDR and investment label regulations should be aligned with existing and related regimes. In this case, WHEB believes that it makes sense to align the scope of the SDR and investment labelling regulations with the Taskforce on Climate-related Financial Disclosures (TCFD) regime. We would also support a requirement that overseas funds marketed into the UK should be captured by the regulations as well.

We are not sure that the other two 'Transitioning' and 'Aligned' categories provide a clear delineation. In our view, a 'transitioning' fund cannot be described as sustainable and should be classified as a 'responsible' investment with 'aligned' remaining in the 'sustainable' category. As currently formulated, a 'transitioning' fund would contain businesses that are committed to transitioning, but which are currently unsustainable (including oil, gas and coal companies). In addition, it is clear that these categories address a broader range of issues than just climate change. The obvious starting point for this broader category is the UN's Sustainable Development Goals. These are already widely used in the industry, but are also problematic because they were not specifically written for investors.

A different approach would be to have separate classification systems for each of the core elements in sustainable investing. These could include 'stewardship', negative exclusions, positive screening and intentional positive impact. A fund could include more than one of these core elements with each being assessed independently. We also believe that additionality is not a helpful test of whether an investment has impact.

We do not think that prescribing generic lists of indicators to be reported against is useful to investment managers or to clients. The Principle Adverse Indicators in the EU's SFDR regime requires reporting against a set of indicators which, in many cases, are largely irrelevant to the product in question. Instead, the FCA should adopt a set of principles that require managers to disclose their approach to assessing sustainability in their investment process.

It is important that companies are obliged to go through a similar process in order to generate the information that managers are then able to use to meet their own obligations. The sequencing of these disclosure requirements is critical. There is no point obliging investment managers to disclose information that is not yet provided at the underlying investee company or asset level.

**Have you evaluated whether your organization's engagement is aligned with the Sustainable Development Goals?**

Yes, we have evaluated, and it is aligned

**FW-FS5.1**

**(FW-FS5.1) Does your organization measure its portfolio impact on forests and/or water security?**

	We measure our portfolio impact on this issue area	Explain how your organization measures its portfolio impact on this issue area, including any metrics used to quantify impact	Primary reason for not measuring portfolio impact on this issue area	Explain why your organization does not measure its portfolio impact on this issue area and any plans to change this in the future
Banking – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Banking – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Forests	Yes	WHEB's share of paper recycled by Smurft Kappa in 2021 was 16,677 tonnes,.	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	Yes	WHEB measured the amount of water treated in 2021 by portfolio companies as 27.5bn litres, as well as 730m litres of water avoided	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Forests	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Impact on Water	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS5.2

**(FW-FS5.2) Does your organization provide finance or insurance to companies operating in any stages of the following forest risk commodity supply chains, and are you able to report on the amount of finance/insurance provided?**

	Finance or insurance provided to companies operating in the supply chain for this commodity	Amount of finance/insurance provided will be reported	Explain why your organization is unable to report on the amount of finance/insurance provided for this commodity
Lending to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Lending to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the timber products supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the palm oil products supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cattle products supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the soy supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the rubber supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the cocoa supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset manager) to companies operating in the coffee supply chain	No	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (asset owner) to companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the timber products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the palm oil products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cattle products supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the soy supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the rubber supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the cocoa supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insuring companies operating in the coffee supply chain	<Not Applicable>	<Not Applicable>	<Not Applicable>

FW-FS6.1

(FW-FS6.1) Have you published information about your organization's response to forests- and/or water-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

**Publication**

In a voluntary sustainability report

**Status**

Complete

**Attach the document**

20220623 WHEB Annual Impact Report 2021.pdf

**Page/Section reference**

All

**Content elements**

Governance

Strategy

Risks and opportunities

Response to forests- and/or water-related risks and opportunities

**Comment**

WHEB's annual impact report contains information on all climate-related risks and opportunities

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Submit your response

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**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please confirm below**

I have read and accept the applicable Terms