WHEB Asset Management - Climate Change 2023

C0. Introduction

C0.1

(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 and impact investing. 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”. We are a team of 21 members with a total strategy assets under management (AUM) as of 31st Dec 2022 of £1,365,337,640.04.

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, in 2022 WHEB implemented a new Deferred Equity Bonus scheme where the whole team gradually build an equity interest in WHEB Asset Management LLP over time. As an Article 9 fund, this is an incentive for the team to receive benefits for the management of climate change issues, amongst other ESG issues. These factors create a longer term set of incentives that more closely aligned with those of our clients and we have been actively engaging with our supply chain to mitigate GHG emissions. During 2022, we added five new team members and in the past three years WHEB has become a predominantly female organisation, women currently comprise 25% of the Senior Management Team and 80% of our independent Investment Advisory Committee.

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 2022, 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 fifth 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

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date
January 1 2022

End date
December 31 2022

Indicate if you are providing emissions data for past reporting years
Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for
1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for
1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for
1 year

C0.3

(C0.3) Select the countries/areas in which you operate.
United Kingdom of Great Britain and Northern Ireland

C0.4

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

C0.5

(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

(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 or committee	Responsibilities for climate-related issues
Chief Risk Officer (CRO)	The Chief Risk Officer (CRO)/Managing Partner has spent over 25 years at the forefront of the sustainable investment industry and is responsible for assessing and managing climate-related risks and opportunities. 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. 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.
Board Chair	The WHEB Chair heads up the WHEB Investment Advisory Committee. The IAC meet every four months to review and discuss: a. the definition and structure of the investible universe of stocks, and any additions thereto; b. the stocks in, and integrity of, the portfolio, and any additions thereto; c. overall fund strategy, portfolio risk and macro outlook; d. significant external factors and issues relevant to the fund(s); and e. future fund investment strategies.
Other, please specify (Fund Manager)	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.
Other, please specify (Head of Research)	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 and is also part of expert committees for the BSi and sits on the advisory council of the Future-Fit Foundation.
Other, please specify (Independent Advisory Committee)	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. The WHEB Investment Advisory Committee meet every four months to review and discuss: a. the definition and structure of the investible universe of stocks, and any additions thereto; b. the stocks in, and integrity of, the portfolio, and any additions thereto; c. overall fund strategy, portfolio risk and macro outlook; d. significant external factors and issues relevant to the fund(s); and e. future fund investment strategies. The role is to review the composition and integrity of WHEB's investment portfolios. During 2022 the committee reviewed 12 new companies for the global strategy. During the year WHEB also launched a European strategy which included sixteen new investments. Each of these companies were reviewed by the committee which concluded that all were consistent with the policies and philosophy of the underlying strategies. Summary minutes of these meetings are publicly available from WHEB's website at whebgroup.com/reporting-impact-investment/advisory committee-minutes. In addition, our independent Investment Advisory Committee scrutinises our voting and engagement activities. The committee also reviews WHEB's annual Impact Report and includes a statement outlining their findings and overall view of the report.

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

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	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Overseeing value chain engagement Reviewing and guiding the risk management process	Climate-related risks and opportunities to our investment activities The impact of our own operations on the climate The impact of our investing activities on the climate	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. 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. 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. 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. This includes responding to the UK's regulatory proposals for Sustainability Disclosure Requirements (SDR) and following developments in the EU Taxonomy. WHEB is focused on helping to build the foundations for the wider market. For a small business, we exert considerable resources engaging with regulators and policymakers as well as standard setters and other market participants. A case in point is our work with the Global Impact Investing Network (GIIN) to help shape guidance for impact investing in listed equities. Specifically, we have been significantly involved in the work done by the Global Impact Investing Network (GIIN) to develop guidance on impact in listed equities. Over the course of 2021-2022 WHEB participated in fortnightly meetings of the core working group to review drafts and recommend amendments and updates. WHEB also facilitated sessions with the wider working group on conference calls and at the GIIN Annual Conference as well as participating in outreach to journalists on behalf of the working group. WHEB's contribution was singled out for praise by the GIIN - 'Listed equities are a key asset class in scaling sustainability solutions. WHEB has been a valued contributor to our work developing our approach to impact investing in listed equities.

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	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. Specifically, our Head of Research has degrees in Environmental Science (including climate science) and Environmental Technology and is a Chartered Environmentalist. Additionally, the members of our Investment Advisory Committee are all chosen based on sustainability credentials.	<Not Applicable>	<Not Applicable>

C1.2

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

Position or committee
Risk committee

Climate-related responsibilities of this position
Assessing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing activities
Risks and opportunities related to our own operations

Reporting line
Other, please specify (Reports to the partners and senior management team)

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
Investment team activities including risk analysis are overseen by the Investment and Risk Committee. This committee meets monthly and includes both WHEB's Chief Risk Officer (CRO) and the company's non-executive Chair.

Position or committee
Other, please specify (Chief Risk Officer (CRO)/Managing Partner)

Climate-related responsibilities of this position
Providing climate-related employee incentives
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing activities
Risks and opportunities related to our own operations

Reporting line
Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line
More frequently than quarterly

Please explain
The Chief Risk Officer (CRO)/Managing Partner has spent over 25 years at the forefront of the sustainable investment industry and is responsible for assessing and managing climate-related risks and opportunities.

Position or committee
Other, please specify (Independent Investment Advisory Committee)

Climate-related responsibilities of this position
Integrating climate-related issues into the strategy
Assessing climate-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing activities
Risks and opportunities related to our own operations

Reporting line
Other, please specify (Reports to the partners and senior management team)

Frequency of reporting to the board on climate-related issues via this reporting line
Quarterly

Please explain
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.

The WHEB Investment Advisory Committee meet every four months to review and discuss:
a. the definition and structure of the investible universe of stocks, and any additions thereto;
b. the stocks in, and integrity of, the portfolio, and any additions thereto;
c. overall fund strategy, portfolio risk and macro outlook;
d. significant external factors and issues relevant to the fund(s); and
e. future fund investment strategies.

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	The performance of our investment strategy (with c. 60% invested in climate solutions) is key to the performance of the overall business. WHEB partners, and other employees, are directly incentivised to support the long term performance of the strategy and WHEB mission. All partners have a substantial proportion of their personal wealth invested in the fund, hence our interests are aligned with our clients, creating a longer term set of incentives. Team members have individual targets linked to climate objectives, identifying and investing in companies with a strongly positive climate impact and through fund-raising and engagement with investees. The deferred equity plan set up in 2022, uses a proportion of annual profits to make awards across the WHEB team to align employee interests with the strategy.

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
Board/Executive board

Type of incentive
Monetary reward

Incentive(s)
Profit share

Performance indicator(s)
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with investee companies on climate-related issues
Increased alignment of portfolio/fund to climate-related objectives
Other (please specify) (Portfolio/fund alignment to climate-related objectives, Long-term social, demographic and environmental investment focus)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
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.
The performance of our investment strategy (with c. 60% invested in climate solutions) is key to the performance of the overall business. WHEB partners, and other employees, are directly incentivised to support the long term performance of the strategy and WHEB mission. All partners have a substantial proportion of their personal wealth invested in the fund, hence our interests are aligned with our clients, creating a longer term set of incentives.

Entitled to incentive
Investment analyst

Type of incentive
Monetary reward

Incentive(s)
Bonus - % of salary
Profit share

Performance indicator(s)
Increased share of revenue from low-carbon products or services in product or service portfolio
Increased engagement with investee companies on climate-related issues
Increased alignment of portfolio/fund to climate-related objectives
Other (please specify) (Portfolio/fund alignment to climate-related objectives, Long-term social, demographic and environmental investment focus)

Incentive plan(s) this incentive is linked to
Both Short-Term and Long-Term Incentive Plan

Further details of incentive(s)
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.
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.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan
The performance and positive impact of the strategy is directly linked to investment analyst incentive rewards. Hence, by investing in those companies with a strong impact thesis with a focus on sustainability, and strong financials, the strategy performance and the analysts' bonus will be aligned.

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	We carried out a review of the Group Personal Pension market in Dec 2021/Jan 2022, conducted by an independent consultant. The purpose of the review was to assess our current workplace pension scheme with Royal London to ensure it remains competitive and to 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. 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. Moreover, 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. 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. 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. 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. We run a Q&A session in July 2022 for all employees with the independent consultant who conducted the review to ensure that employees are aware of the sustainable funds, and to highlight other options that are available to them. We received positive feedback for the pension fund.	<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 limited number of investment strategies and approximately £1.4bn in assets (as of 31st Dec 2022), we would consider 'substantive' or 'strategic' impact to involve any impact that limits our ability to execute on our business plan and investment strategy. This can materialise as an immediate financial impact through the loss of clients (a 20% decrease in clients) due to underperformance. It could equally materialise as longer-term impacts on our position in the market through a reputational risk that would directly affect our positioning as an impact investor. This reputational harm could subsequently a lead to client loss but is unlikely considering our stringent investment process.

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.

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.

Our 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 oversees 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. Moreover, the Senior Management Team assesses and manages operational emissions, such employee commuting and business travel.

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, our Head of Research and Partner 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 Global Impact Investing Network (GIIN) to help shape guidance for impact investing in listed equities (WHEB has been a core member of the working group defining guidance for impact investing in listed equities); the Net Zero Asset Managers initiative (NZAMi) where in 2020, WHEB became a founding signatory, which aims to support investing aligned with net zero emissions by 2050 or sooner. Our CDP response was also part of our commitments to NZAMi. Our close proximity to these organisations and initiatives enhance our understanding assessment and management of climate risk.

Moreover, WHEB's Independent Advisory Committee meets three times per year to assess whether our investment strategy aligns with sustainability and climate mitigation principles, hence the frequency of assessment is more than once a year. The time horizons covered, as per our investment strategy, focus on the long-term (i.e. more than 5 years to 100 years), but must also consider short- and medium- terms horizons in the next 1 to 5 years (we have intermediately targets to 2025 and 2028 explained in the targets section) when discussing risks related to emissions from our operations and from our supply chain.

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	As an impact fund, WHEB is aligned with the current climate regulations. 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 and hence closely monitors, responds to and assesses the relevant regulation and any changes through our risk management process, defined by the Chief Risk Officer and reviewed by the Senior Management Team.
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. In 2022, we assessed the alignment of our portfolio with the EU Taxonomy and we are currently engaging significantly with the FCA on SDR and it's current limitations. The SDR is intended to be the main regulatory tool in the UK to substantiate sustainability claims and disclosures against minimum safeguards, an important first step to enact the UK's Greening Finance Roadmap. At the same time, we continually aim to monitor and assess the incoming regulatory changes to mitigate any reputational risk.
Technology	Relevant, always 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. We aim to focus on technologies that have a positive impact in mitigating climate change and that are scalable. Under WHEB's investment themes that are focused on reducing GHG emissions, the investment team assesses technologies that accelerate transition to net zero and protecting the climate (Cleaner Energy, Sustainable Transport, Resource Efficiency, Environmental Services, Water Management). Lastly, regarding our operations, we prioritised for decarbonisation technologies and energy efficiency as WHEB's employees have been switching to green electricity tariffs for their home energy and/or replacing gas boilers with air source heat pumps.
Legal	Relevant, always included	Legal obligations regarding climate are central to WHEB as an impact fund and they impose a risk to the business. 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. Failure to comply with such obligations would negatively affect the fund, hence the Senior Management Team continually monitor for legal risks.
Market	Relevant, always included	This is a core focus of WHEB's investment team as they consider developments that have a bearing on the performance of climate-related investee businesses (c. 60% of WHEB's investments provide solutions to climate change). We also consider market developments in the overall investment market including specifically for climate, sustainability and impact funds. As we transition to a low-carbon economy, we argue that our investee companies that address climate change (c. 60% of the strategy) are likely to benefit under a range of climate scenarios. Our principle market risk is that the global economy fails to invest aggressively enough in decarbonisation solutions and in net-zero transition, resulting in underperformance and a risk of losing clients.
Reputation	Relevant, always included	Any damage to our reputation and brand as an impact fund 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, always included	Sudden and extreme weather events directly affect our supply chain and the investee companies. As the frequency of acute weather events (droughts, floods, cyclones, heatwaves) is increasing, given the current rates of global warming due to anthropogenic greenhouse gas emissions, acute physical risk is becoming more prominent. Specifically, at a portfolio level, extreme weather events may impact certain portfolio companies through the direct physical risk to offices and other buildings in the supply chain and through exposure of the supply chain to extreme temperatures or flooding. 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 assesses and monitors acute physical risks. Therefore, these risks are relevant at a portfolio level, but less immediately so on our operations as we have a single office based in Central London.
Chronic physical	Relevant, always included	Sustained higher temperatures and sea-level rise lead to chronic physical risk are relevant to WHEB at a portfolio level. Physical risks could impact portfolio companies' offices and buildings as the assets are directly at risk. The investee companies can also be affected in the long-term through the impact of such chronic risks on the supply chains and logistics. Similarly to acute physical risk, WHEB's investment strategy also focuses in part on adapting to these chronic risks, hence in a transitioning world to low-carbon, investee companies will be more resilient in terms of stock price and will benefit from the transition and adaptation.

C-FS2.2b

(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	100	Qualitative and quantitative	Short-term Medium-term Long-term	Internal tools/methods	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. 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. 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. 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. It also means that the strategy embeds a <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 and benefits from a steep transition towards decarbonisation. As an impact investor, WHEB has developed a systematic approach to assessing the impact 'intensity' of different products and services. This bespoke tool, which we call the 'Impact Engine' , which is now a core part of our investment process and provides us with a basis on which to compare the positive impact of companies doing very different things, from developing life-saving cancer therapies to supplying solar modules and wind turbines. By enabling a systematic approach to comparing companies, the Impact Engine enables the Impact Investment Team to make structured decisions about which companies to include in our investment portfolios, taking into account risk, return and impact. 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. The methodology is available at our website https://www.whebgroup.com/investing-for-impact/our-portfolio. The Impact Engine assesses the impact 'intensity' of products and services across three dimensions. Each dimension is assessed based on two subsidiary questions. Detailed guidance has been developed by WHEB to help the investment team make repeatable and systematic assessments across a vast array of different products and services.
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.
Our strategy (c.60% invested in climate solutions) focuses on nine investment themes, five are environmental. We consider the contribution portfolio companies' products and services are making to reducing downstream GHG emissions and/or helping communities adapt to climate change, thus contributing to climate resilience. This is done first by assessing the proportion of revenues that are linked with these positive outcomes, with a set a threshold of having at least 50% of their revenues or profits coming from these areas. In practice, most fund holdings 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, central to our investment thesis on these companies. We capture and report this information which includes both scope 3 data. Most products and services will also have some negative impacts that need to be actively mitigated. We believe that reporting negative impacts associated with the strategy creates accountability for negative externalities which contribute to systemic risks, and encourages reductions over time. In our impact analysis, we capture information on the key negative impacts associated with products and services supplied by investee companies, which can be seen in 'Our Portfolio' company profiles on our website) as well as avoided carbon data.
We also consider operational climate rated data for the companies of our five environmental/climate themes, as well as for other companies in our four social themes. Here we look at scope 1&2 emissions as well as decarbonisation plans, 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 1

Where in the value chain does the risk driver occur?
Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Market	Other, please specify (Slow transition to a low-carbon economy by 2050)

Primary potential financial impact
Reduced profitability of investment portfolios

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

Company-specific description
The thematic structure of our strategy means that we are entirely absent from parts of the economy such as fossil fuel exploration and production that are most at risk from a transition to a NZC economy.

WHEB builds its investment strategy on the belief that it is well positioned for any scenario in which the global economy moves to aggressively decarbonise. Most of our investees companies are likely to benefit from such transition, due to the nature of our thematic strategy. Our principle risk is that the global economy fails to transition aggressively enough.

However, if the transition in the short-term future is slow and an abrupt decarbonisation is necessary later on, then again our investee companies will benefit. This would constitute the 'Inevitable Policy Response'.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
Medium-high

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
Unable to estimate the financial impact of the market risk.

Cost of response to risk

Description of response and explanation of cost calculation
Unable to estimate the cost of response to the market risk.

Comment
WHEB's investment strategy is based on a transition to low-carbon by 2050, where our investee companies will benefit. Hence, in the scenario of a very slow transition it would pose a market risk to our strategy. However, in case of an abrupt decarbonisation (due to the planetary boundaries that we are reaching) will result in an 'Inevitable Policy Response', where our investee companies will benefit due to the increased need for their products and services.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Investing (Asset manager) portfolio

Risk type & Primary climate-related risk driver

Reputation	Negative press coverage related to support of projects or activities with negative impacts on the climate (e.g. GHG emissions, deforestation, water stress)

Primary potential financial impact
Decreased access to capital

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

Company-specific description
Any damage to our reputation and brand as an impact fund could be hugely significant for the ongoing success of the business and could result in a loss of clients. As an impact fund, we are acutely focused on filtering out any potential investment that could cause reputational risk to us, hence we have never invested in any fossil fuel companies. All our potential investments are subject to stringent analysis and assessment, including on positive and negative impact on the climate, before they are considered for investment. We are extremely cautious with the reputation of our investee companies.

Time horizon
Long-term

Likelihood
Unlikely

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
Unable to estimate the financial impact of the reputational risk.

Cost of response to risk

Description of response and explanation of cost calculation

Unable to estimate the cost of response to the reputational risk.

Comment
Given our thematic investment approach to environmental and social solutions and our complete divestment from fossil-fuel companies, our exposure to reputational risk is minimal. The thematic structure of our strategy means that we are entirely absent from parts of the economy such as fossil fuel exploration and production, along with cement and steel that are most at risk from a transition to a NZC economy.

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

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, hence providing co-benefits and contributing to Sustainable Development Goals (e.g. SDG6 Clean Water & Sanitation, SDG7 Affordable and Clean Energy, SDG9 Industry, Innovation & Infrastructure, SDG11 Sustainable Cities & Communities and SDG12 Responsible Consumption & Production, SDG15 Life on Land, SDG13 Climate Action)

Time horizon
Short-term

Likelihood
Very likely

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)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

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 10.5%, compared to 4.9% CAGR for the MSCI World index.

Cost to realize opportunity

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. The 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. Climate change is an integral part of discussions of the investment team 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. We believe that the transition to a low-carbon economy offers opportunities to our investee companies as demand for their products and services increases.

Comment

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

Identifier
Opp2

Where in the value chain does the opportunity occur?
Investing (Asset manager) portfolio

Opportunity type
Markets

Primary climate-related opportunity driver
Increased demand for funds that invest in companies that have positive environmental credentials

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
As more investors look to align their spending habits with their own views on climate change, we expect the demand for our impact funds to increase. Typically, the younger generations are more aware of the need to transition to a low carbon economy, and as these younger people begin to have more disposable income to invest, or are able to make investment decisions on behalf of others, we are likely to see a larger shift towards ESG and impact funds.

Time horizon
Short-term

Likelihood
Very likely

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

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation
By educating more of the public about the need for the economy to shift and limit climate change to a 1.5degree scenario, we should expect the shift away from fossil fuel investment and towards climate solutions to emerge.

Comment

C3. Business Strategy

C3.1

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

Row 1

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

Publicly available climate transition plan
Yes

Mechanism by which feedback is collected from shareholders on your climate 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 in our quarterly reports and provide an opportunity for shareholders to feedback to us.

Frequency of feedback collection
More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)
20230424 NZC Policy - Operational emissions FINAL.pdf
20230424 NZC Policy - Portfolio emissions FINAL.pdf

Explain why your organization does not have a climate 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
Transition scenarios	Bespoke transition scenario	Company-wide	1.5ºC	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).
Physical climate scenarios	Bespoke physical scenario	Portfolio	1.5ºC	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.

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 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 (e.g. in 2100). In parallel, we also believe that if mitigation action is slow or insufficient, there will need to be greater investment in climate adaptation, as the economy will need to adapt to climate impacts. We also consider climate scenarios to assess the extent to which the strategy should gain more exposure to climate adaptation.

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

Based on our sensitivity analysis scenarios, 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, given the regulatory and climate pressures. Companies whose activities support our nine investment themes are likely to benefit under a range of climate scenarios, especially those directly linked to the environmental themes that build climate resilience.

Our principle risk is that the global economy fails to invest aggressively enough in transition, hence the slow transition does not favour our investee companies in the years to come. However, there is also the notion that a slow transition in the next few years will result in an abrupt decarbonisation given the pressure impose on climate systems and the planetary boundaries. If the case of an abrupt transition is realised and we follow an 'Inevitable Policy Response' scenario, then again our investee companies will benefit due to the increased demand for their products and services.

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, hence we aim to be long-term holders of our portfolio companies.
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 regularly.
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 and the costs of renewables (e.g. solar) are decreasing owing to economies of scale, or more technical progress is made, then the investable companies will be likely to shift.
Operations	Yes	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 GHG emissions to avoid further climate change. 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 report annually on our progress. We remain committed to having our NZC target validated by the SBTi and report here on our CO2e emissions of 2022. We have no Scope 1 emissions and since 2018 we have effectively eliminated our scope 2 emissions by sourcing the electricity used in our office from renewable sources by purchasing REGOs. Scope 3 emissions represent the vast majority of our emissions. Since 2021 we have returned to hybrid working, and this is partly responsible for the decline in emissions associated with remote working. The majority of the decline is, however, attributable to a number of employees switching to green electricity tariffs for their home energy and/or replacing gas boilers with air source heat pumps. Business travel jumped significantly in 2022 as the economy reopened for business meetings. Our NZC policy stipulates that business travel of less than 6 hours be made by train. For operational emissions, we remain committed to net-zero carbon emissions by 2025 for scopes 1 and 2 and the relevant and material categories 1-14 of scope 3. Annually, we purchase carbon offsets that at least cover the residual emissions that we cannot eliminate. We ensure that these offsets meet the highest standard and are independently provided by Supercritical Tech Ltd and verified by Gold or PuroStandards Registry. In 2022, we focus on nature-based solutions and have purchased 44 tonnes offset via tree planting, and 1 tonne offset using tech-based solutions (biochar), a total of 45 tonnes CO2e. Moreover, we have collaborated recently with other finance and investment B Corps to research investing in a local offsetting project. Options include restoration of peatland and intensive farming land.

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	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. 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, due diligence as well as climate resilience and ESG analysis, adding further value through our stock selection. As an impact investor, WHEB has developed a systematic approach to assessing the impact 'intensity' of different products and services. This bespoke tool, which we call the 'Impact Engine', is now a core part of our investment process and provides us with a basis on which to compare the positive impact of companies doing very different things, from developing life-saving cancer therapies to supplying solar modules and wind turbines. By enabling a systematic approach to comparing companies, the Impact Engine enables the Impact Investment Team to make structured decisions about which companies to include in our investment portfolios, taking into account risk, return and impact. The Impact Engine assesses the impact 'intensity' of products and services across three dimensions. Each dimension is assessed based on two subsidiary questions. Detailed guidance has been developed by WHEB to help the analyst team make repeatable and systematic assessments across a vast array of different products and services. 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. The methodology is available at our website https://www.whebgroup.com/investing-for-impact/our-portfolio as we aim for transparency. 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. It is rare for companies to have developed clear management plans and targets on negative impacts associated with their products and services. The only exception is reporting of greenhouse gas (GHG) emissions associated with product use. There are two main types of negative impacts that we consider: product-in-use impacts and end-of-life impacts. - Product-in-use impacts: Across the portfolio there are a variety of negative impacts associated with the use of products and services provided by companies held in the strategy. One issue that we have focused on in 2022 has been the manufacture of hazardous chemicals by portfolio companies. We are working with these companies to encourage them to reduce the number of hazardous chemicals they use and the number of applications they are used in. - End-of-life impacts: Given the focus on electrical equipment, a related challenge is the need to address electrical waste at the end of a product's life. This is a topic that we raise with portfolio companies and which represents an area of increasing focus for our engagement. 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.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Yes, we identify alignment with both our climate transition plan and a sustainable finance taxonomy	At the company level only

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization's climate transition.

Financial Metric
Revenue/Turnover

Type of alignment being reported for this financial metric
Alignment with our climate transition plan

Taxonomy under which information is being reported
<Not Applicable>

Objective under which alignment is being reported
<Not Applicable>

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)
8900000

Percentage share of selected financial metric aligned in the reporting year (%)
100

Percentage share of selected financial metric planned to align in 2025 (%)
100

Percentage share of selected financial metric planned to align in 2030 (%)
100

Describe the methodology used to identify spending/revenue that is aligned
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. Hence 100% of our revenues is aligned with the transition to a low carbon, sustainable economy.

Financial Metric
Revenue/Turnover

Type of alignment being reported for this financial metric
Alignment with a sustainable finance taxonomy

Taxonomy under which information is being reported
EU Taxonomy for Sustainable Activities

Objective under which alignment is being reported
Climate change mitigation

Amount of selected financial metric that is aligned in the reporting year (unit currency as selected in C0.4)

Percentage share of selected financial metric aligned in the reporting year (%)
8.34

Percentage share of selected financial metric planned to align in 2025 (%)

Percentage share of selected financial metric planned to align in 2030 (%)

Describe the methodology used to identify spending/revenue that is aligned
We recently measured alignment of our strategy with EU Taxonomy and 8.34% of the strategy as a whole is aligned with the EU Taxonomy.

C3.5c

(C3.5c) Provide any additional contextual and/or verification/assurance information relevant to your organization's taxonomy alignment.

WHEB's taxonomy alignment figures are provided by a third-party, Net Purpose, showing that 8.34% of WHEB's strategy is aligned. However, WHEB has also undertaken our own analysis to estimate our alignment to the EU Taxonomy, and to verify the alignment provided by Net Purpose. We found that, due to our more in-depth knowledge of our portfolio companies, our alignment was higher than the alignment that Net Purpose advised, but this was not by a material amount.

Net Purpose use FactSet as their source to obtain turnover data from portfolio companies.

C-FS3.6

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

	Policy framework for portfolio activities that include climate-related requirements for clients/investees, and/or exclusion policies	Explain why the policy framework for your portfolio activities do not include climate-related requirements for clients/investees, and/or exclusion policies
Row 1	Yes, our framework includes both policies with climate-related client/investee requirements and climate-related exclusion policies	<Not Applicable>

C-FS3.6a

(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
JC0577_WHEB_Impact Report 2022_Singles_Digital_AW.pdf
20230424 NZC Policy - Portfolio emissions FINAL.pdf
20211012NZAMTargetDisclosureWHEBAssetManagement.docx
20230323-responsible-investment-policy.pdf
2022 WHEB Asset Management Stewardship Code Report Final.pdf

Criteria required of clients/investees
Disclosure of Scope 1 emissions
Disclosure of Scope 2 emissions
Disclosure of Scope 3 emissions
Disclosure of product-related 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
Develop pathways to net-zero by 2050 or sooner
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
Consumer Services
Household & Personal Products
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 required, criteria coverage and/or exceptions have been determined
WHEB's climate related requirements for investee companies are below:
In 2022, we aimed that 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.
In 2022, 3 years earlier than originally expected, we achieved our original target of having more than 50% of portfolio companies committed to NZC by 2050. Consequently, we have set a new target to have 85% of portfolio emissions covered by a NZC target by 2025 and 100% by 2028.
Additionally, >30% of the portfolio to be invested in companies offering climate solutions (and expected to be EU taxonomy eligible), currently c.60% of WHEB's investments are within the 5 environmental themes offering climate solutions.

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

We are actively engaging 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 & 2 emissions from portfolio businesses, these are the ‘financed emissions’ associated with WHEB’s specific level of investment in the investee.
We include scope 3 emissions depending on the materiality of scope 3 emissions to the company in question.

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 their revenues are aligned with our investment themes, contributing to positive impact

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/Area/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. This has been an exclusion criterion since the foundation of the fund.

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

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

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
15

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total 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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)
100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total 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 (%)
90

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
1.5

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, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
17.5

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
17.5

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
17.5

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
-18.5185185185185

Target status in reporting year
Underway

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.

The legacy impact of COVID has supported the reduction in our business travel, as it did for most companies. Business travel jumped significantly in 2022 as the economy reopened for business meetings, as lockdowns across the world eased. Although we recognize that COVID-levels of travelling were the exception, we aim to reduce our business travel to when it is necessary and we prefer train travel to flying.

Plan for achieving target, and progress made to the end of the reporting year
Our NZC policy stipulates that business travel of less than six hours be made by train. During 2022, 18 journeys were taken by rail in preference to flying, saving over 3,500kms of flying.

We rely on video conferencing software, instead of business travel. Train travel is the chosen transport mode wherever possible for WHEB and always for journeys that take less than 6 hours on the train. Indeed, one dedicated member of the team spent 20 hours travelling back from Copenhagen to London via several trains.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Abs 2

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

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, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)
11.23

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)
0.022

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)
21.86

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)
33.31

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
37.38

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, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)
100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)
100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)
100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)
<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)
<Not Applicable>

Base year total 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 (%)
90

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
3.738

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)
1.52

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
17.84

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
0.02

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
8.05

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
25.92

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
27.44

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
29.5464003329172

Target status in reporting year
Underway

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. In 2021, we also measured Category 1: Purchased Goods and Services, Category 5: Waste Generated in Operations and Category 7: Employee Commuting.

This target excludes any supplier for which the average spend is less than £10,000 a year.

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 have been engaging with our landlords to try and switch for an energy provider that produces their own renewable energy. This year, the contract with out current supplier ends in July (2023) and we are aiming to switch to a renewable energy provider.

Moreover, we are happy to report a decrease in scope 2 emissions, given behavioural changes and more efficient products being used, better usage, as well as more accurate meter readings.

We engage with suppliers in order to encourage and educate them to reduce their own emissions. More on engagement achievements and outcomes is explained in the section for supplier engagement strategy.

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. Since, last year, we have seen a reduction in employee commuting emissions and we are happy to report this as a behavioural change for employees' working from home habits.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

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

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 and publishing net-zero carbon targets and/or absolute emission reduction targets)

Target denominator
<Not Applicable>

Base year
2020

Figure in base year
17

Percentage of portfolio emissions covered by the target
100

Monetary metric for portfolio coverage (unit currency as reported in C0.4)
Invested value

Percentage of portfolio covered by the target, using a monetary metric

Frequency of target reviews
Annually

Interim target year
2025

Figure in interim target year
85

Target year
2028

Figure in target year
100

Figure in reporting year
54

% of target achieved relative to base year [auto-calculated]
44.578313253012

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 2022, three years earlier than originally expected, we achieved our original target of having more than 50% of portfolio companies committed to NZC by 2050. Consequently, we have set a new target to have 85% of portfolio emissions covered by a NZC target by 2025 and 100% by 2028.

C4.2

(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
Abs2

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 two years

Please explain target coverage and identify any exclusions
We aim to be net-zero in scopes 1, 2 and material categories 1-14 of scope 3. 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
For WHEB's operational emissions, we remain committed to net-zero carbon emissions by 2025 for scopes 1 and 2 and the relevant and material categories 1-14 of scope 3. WHEB's approach to offsetting previously has been to use carbon avoided projects that have been verified to Gold or VCS Standards. However, we recognise the need to use nature and technology-based carbon reduction projects alongside carbon avoidance. From 2022 we are creating a portfolio of projects, including both nature- and technology-based carbon removal projects, all of which will be verified to Gold or Puro standards. We will only offset those residual emissions that cannot be reduced further or eliminated. By supporting a diverse range of initiatives through this portfolio-based approach, we can attempt to maximise both the environmental and social benefits associated with the projects.

In 2022, we purchased carbon offsets that at least cover the residual emissions that we can not eliminate from business activities & operations. We ensure that these offsets meet the highest standard and are independently provide by Supercritical Tech Ltd and verified to Gold or Puro Standards Registry. So far, we focus on nature-based solutions and have purchased 44 tonnes offset via tree planting, and 1 tonne offset using tech-based solutions (biochar), a total of 45 tonnes CO2e. Moreover, we have collaborated recently with other finance and investment B Corps to invest in a local offsetting project. Options include restoration of peatland and intensive farming land.

Planned actions to mitigate emissions beyond your value chain (optional)
In 2022, we purchased carbon offsets that at least cover the residual emissions that we can not eliminate from business activities & operations. We ensure that these offsets meet the highest standard and are independently provide by Supercritical Tech Ltd and verified to Gold or Puro Standards Registry. So far, we focus on nature-based solutions and have purchased 44 tonnes offset via tree planting, and 1 tonne offset using tech-based solutions (biochar), a total of 45 tonnes CO2e. Moreover, we have collaborated recently with other finance and investment B Corps to invest in a local offsetting project. Options include restoration of peatland and intensive farming land.

Target reference number
NZ2

Target coverage
Investing (Asset manager)

Absolute/intensity emission target(s) linked to this net-zero target
Por1

Target year for achieving net zero
2030

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

Please explain target coverage and identify any exclusions
7.6% portfolio company level absolute reductions year-on-year by 2030

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
No

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

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

Target reference number
NZ3

Target coverage
Investing (Asset manager)

Absolute/intensity emission target(s) linked to this net-zero target
Por1

Target year for achieving net zero
2030

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

Please explain target coverage and identify any exclusions
50% reduction in portfolio company emissions by 2030

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
No

Planned milestones and/or near-term investments for neutralization at target year
<Not Applicable>

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

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*	1	1
Implementation commenced*	0	0
Implemented*	2	14.4
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

Transportation	Employee commuting

Estimated annual CO2e savings (metric tonnes CO2e)
14

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 7: Employee commuting

Voluntary/Mandatory
Voluntary

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

Investment required (unit currency – as specified in C0.4)
0

Payback period
Please select

Estimated lifetime of the initiative
>30 years

Comment
We reduced our employee commuting via providing flexibility in work-from-home and by incentivising the employees to walk or cycle to the office, this number changed from 21.86 metric tonnes CO2e in 2021 to to 8.05 metric tonnes CO2ein 2022.

Initiative category & Initiative type

Transportation	Business travel policy

Estimated annual CO2e savings (metric tonnes CO2e)
0.4

Scope(s) or Scope 3 category(ies) where emissions savings occur
Scope 3 category 6: Business travel

Voluntary/Mandatory
Voluntary

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

Investment required (unit currency – as specified in C0.4)
0

Payback period
Please select

Estimated lifetime of the initiative
>30 years

Comment
Our NZC policy stipulates that business travel of less than six hours be made by train. During 2022, 18 journeys were taken by rail in preference to flying, saving over 3,500kms of flying, which is equivalent to 0.4 metric tonnes CO2e.

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 • Travel by land or sea that has a significantly reduced environmental impact compared to journeys to the same destination by plane. • Does not include passenger petrol or diesel car journeys, nor does it include journeys with campervans or caravans. • It does not include holidays which are journeys themselves, e.g. long-distance cycle rides, cruises or walks • 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.) • This policy excludes travel within mainland Great Britain but includes travel to Northern Ireland and British islands. • Journeys that are already quicker, or comparable in length compared to flying are excluded (eg London to Paris on the Eurostar) • Travelling days are limited to two per year per employee
Employee engagement	In order to incentivise employees to walk or cycle to the office, we provide shower towels and lockers for personal items. We have achieved educating the employees (more efficient products being used, better usage, as well as more accurate meter readings). Moreover, we are currently assessing the initiative to engage the whole building in reducing food waste, hence reducing waste that goes to landfills and avoiding carbon emissions. Employees are encouraged to use green tariffs and install heat pumps at home.

C-FS4.5

(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

(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

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 aligned its portfolio with the EU Taxonomy and, 8.34% of our portfolio is aligned with the EU Taxonomy. WHEB's taxonomy alignment figures are provided by a third-party, Net Purpose. However, WHEB has also undertaken our own analysis to estimate our alignment to the EU Taxonomy, and to verify the alignment provided by Net Purpose. We found that, due to our more in-depth knowledge of our portfolio companies, our alignment was higher than the alignment that Net Purpose advised, but this was not material.

We would expect WHEB's alignment 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)

113869159.18

% of total portfolio value

8.34

Type of activity financed/insured or provided

Green buildings and equipment
Low-emission transport
Renewable energy
Fortified buildings
Sustainable agriculture

Product type/Asset class/Line of business

Investing	Listed Equity

Taxonomy or methodology used to classify product

Internally classified

Description of product

The internally classified methodology includes all of the WHEB Environmental Themes (the 5 environmental investing themes out of the total 9, that being; Cleaner Energy, Sustainable Transport, Resource Efficiency, Environmental Services and Water Management) which corresponds to 61.09% of the AUM.

As an impact investor, WHEB has developed a systematic approach to assessing the impact 'intensity' of different products and services. This bespoke tool, which we call the 'Impact Engine', is now a core part of our investment process and provides us with a basis on which to compare the positive impact of companies doing very different things, from developing life-saving cancer therapies to supplying solar modules and wind turbines. By enabling a systematic approach to comparing companies, the Impact Engine enables the Impact Investment Team to make structured decisions about which companies to include in our investment portfolios, taking into account risk, return and impact.

The Impact Engine assesses the impact 'intensity' of products and services across three dimensions. Each dimension is assessed based on two subsidiary questions. Detailed guidance has been developed by WHEB to help the analyst team make repeatable and systematic assessments across a vast array of different products and services.

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. The methodology is available at our website https://www.whebgroup.com/investing-for-impact/our-portfolio as we aim for transparency.
Basically, the tool quantifies impact to create an Impact map based on the below;
- (How vulnerable is the beneficiary?) x (How critical is the outcome to the beneficiary?) x (How large is the impact compared to the baseline?) x (How widely applicable is the product?) x(How central is the product impact in the outcome?) x (How unique is the product contribution?).

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.

Product enables clients to mitigate and/or adapt to climate change
Mitigation
Adaptation

Portfolio value (unit currency – as specified in C0.4)
834084764.3

% of total portfolio value
61.09

Type of activity financed/insured or provided
Low-emission transport
Renewable energy
Fortified buildings
Sustainable agriculture

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?
No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?
No

Name of organization(s) acquired, divested from, or merged with
<Not Applicable>

Details of structural change(s), including completion dates
<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(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. There is a slow progress with the landlord, but we are assessing new providers in July, as the current contract comes to end in July and we are hoping for provider of renewable energy.

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 (we have not calculated this category in 2019).

Scope 3 category 2: Capital goods

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB, as there are no capital goods.

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

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as there are not fuel-and-energy-related activities (not included in Scope 1 or 2).

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as there is no upstream transportation and distribution

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 (we have not calculated this category in 2019, so we are using 2021 data).

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 (we have not calculated this category in 2019, so we are using 2021 data).

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as we do not have upstream leased assets.

Scope 3 category 9: Downstream transportation and distribution

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as we do not have downstream transportation and distribution.

Scope 3 category 10: Processing of sold products

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as we do not processes sold goods.

Scope 3 category 11: Use of sold products

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB, there is no use of sold products.

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

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as there is no end of life treatment.

Scope 3 category 13: Downstream leased assets

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as there are no downstream leased assets.

Scope 3 category 14: Franchises

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB as we have no franchises.

Scope 3: Other (upstream)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB, as there are no other upstream emissions.

Scope 3: Other (downstream)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
0

Comment
Not applicable to WHEB, as there are no other downstreamemissions.

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
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

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
January 1 2022

End date
December 31 2022

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

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
0

Start date
January 1 2021

End date
December 31 2021

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
WHEB's Scope 2 emissions are solely related to electricity use in our London office. We report both location-based, as well as market-based Scope 2 figures. According to the GHG Protocol, WHEB’s market-based emissions are 0. WHEB purchases Renewable Energy Guarantees of Origin (REGO). The aim of REGOs is to ensure that the energy consumed by WHEB is provided from renewable sources. However, in practice, energy companies can purchase REGOs from renewable energy producers but source the energy delivered to homes and businesses from elsewhere. According to the GHG Protocol, WHEB’s market-based emissions are 0. Since our energy provider, SSE, cannot prove that the energy provided to us is sourced from renewable sources, we choose to report our location-based scope 2 emissions of 1.52 tonnes CO2e.

C6.3

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

Reporting year

Scope 2, location-based
1.52

Scope 2, market-based (if applicable)
0

Start date
January 1 2022

End date
December 31 2022

Comment
WHEB has one rented office in London, the energy provider is SSE. WHEB purchases Renewable Energy Guarantees of Origin (REGO). The aim of REGOs is to ensure that the energy consumed by WHEB is provided from renewable sources. However, in practice, energy companies can purchase REGOs from renewable energy producers but source the energy delivered to homes and businesses from elsewhere. According to the GHG Protocol, WHEB’s market-based emissions are 0. Since our energy provider, SSE, cannot prove that the energy provided to us is sourced from renewable sources, we choose to report our location-based scope 2 emissions of 1.52 tonnes CO2e. We are engaging with the landlord and as the current contract comes to end in July, we are assessing providers of renewable energy.

Past year 1

Scope 2, location-based
4.07

Scope 2, market-based (if applicable)
0

Start date
January 1 2021

End date
December 31 2021

Comment
We managed to decrease the emissions associated with purchased energy from 4.07 to 1.52 tonnes CO2e (~63% decrease).

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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)
17.84

Emissions calculation methodology
Supplier-specific method
Spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
38

Please explain
As it stands (June 15th 2023), 38% of our suppliers have reported emissions data for 2022 and most of the rest will be reporting later in the year. We have used proxies to estimate the emissions for the rest.

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 in 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 transportation of products bought at WHEB, hence not relevant.

Waste generated in operations

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
0.02

Emissions calculation methodology
Site-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Data of waste generated in the office was collected for two weeks in every month and was then averaged for the whole year 2022. For example, for a given month of February, the waste generated was weighted every day for 2 weeks, this was the case for every month and then the average was calculated across all months in 2022.

Business travel

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
17.5

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)
8.05

Emissions calculation methodology
Distance-based method
Site-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Employee commuting estimates were based on answers employees gave during a survey, focusing on distance 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 and were added to make the total of employee commuting emissions.

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 for WHEB, hence not relevant.

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, hence not relevant.

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 emissions associated with the service provided by WHEB.

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 at WHEB, hence not relevant.

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 for WHEB as we do not have any other downstream activities.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date
January 1 2021

End date
December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)
10.05

Scope 3: Capital goods (metric tons CO2e)
0

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)
0

Scope 3: Upstream transportation and distribution (metric tons CO2e)
0

Scope 3: Waste generated in operations (metric tons CO2e)
0.022

Scope 3: Business travel (metric tons CO2e)
0.94

Scope 3: Employee commuting (metric tons CO2e)
21.86

Scope 3: Upstream leased assets (metric tons CO2e)
0

Scope 3: Downstream transportation and distribution (metric tons CO2e)
0

Scope 3: Processing of sold products (metric tons CO2e)
0

Scope 3: Use of sold products (metric tons CO2e)
0

Scope 3: End of life treatment of sold products (metric tons CO2e)
0

Scope 3: Downstream leased assets (metric tons CO2e)
0

Scope 3: Franchises (metric tons CO2e)
0

Scope 3: Investments (metric tons CO2e)
<Not Applicable>

Scope 3: Other (upstream) (metric tons CO2e)
0

Scope 3: Other (downstream) (metric tons CO2e)
0

Comment
Business travel jumped significantly in 2022 as the economy reopened for business meetings. Our NZC policy stipulates that business travel of less than six hours be made by train. During 2022, 18 journeys were taken by rail in preference to flying, saving over 3,500kms of flying. However, we are incentivising our employees to reduce employee commuting.

C6.10

(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
1.71e-7

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
1.52

Metric denominator
unit total revenue

Metric denominator: Unit total
8900000

Scope 2 figure used
Location-based

% change from previous year
79

Direction of change
Decreased

Reason(s) for change
Other emissions reduction activities
Other, please specify (More efficient products being used, better usage, as well as more accurate meter readings)

Please explain
We have no Scope 1 emissions and our Scope 2 emissions are solely related to electricity use in our London office. According to the GHG Protocol, WHEB's market-based emissions are 0. WHEB purchases Renewable Energy Guarantees of Origin (REGO). The aim of REGOs is to ensure that the energy consumed by WHEB is provided from renewable sources. However, in practice, energy companies can purchase REGOs from renewable energy producers but source the energy delivered to homes and businesses from elsewhere. According to the GHG Protocol, WHEB's market-based emissions are 0. Since our energy provider, SSE, cannot prove that the energy provided to us is sourced from renewable sources, we choose to report our location-based scope 2 emissions of 1.52 tonnes CO2e (~63% absolute decrease and 79% intensity decrease). We managed to decrease the emissions associated with purchased energy from 4.07 to 1.52 tonnes CO2e, this has been achieved via behavioural changes (more efficient products being used, better usage, as well as more accurate meter readings).

C7. Emissions breakdowns

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?
Not relevant as we do not have any subsidiaries

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?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities	2.55	Decreased	63	We implemented behavioural changes for a more efficient use of energy and we reduced the purchased energy in our rented office. We decreased scope 2 emissions from 4.07 to 1.52 metric tonnes CO2e, this corresponds to 63% decrease.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

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

More than 5% but less than or equal to 10%

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>	7.85	0	7.85
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>	7.85	0	7.85

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area
United Kingdom of Great Britain and Northern Ireland

Consumption of purchased electricity (MWh)
7.85

Consumption of self-generated electricity (MWh)
0

Is this electricity consumption excluded from your RE100 commitment?
<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)
0

Consumption of self-generated heat, steam, and cooling (MWh)
0

Total non-fuel energy consumption (MWh) [Auto-calculated]
7.85

C9. Additional metrics

C9.1

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

Description
Waste

Metric value
83.5

Metric numerator
kgs

Metric denominator (intensity metric only)
Not applicable

% change from previous year
19.7

Direction of change
Decreased

Please explain
Data of waste generated in the office was collected for two weeks in every month and was then averaged for the whole year 2022. For example, for a given month of February, the waste generated was weighted every day for 2 weeks, this was the case for every month and then the average was calculated across all months in 2022.

During 2022, we estimate that we produced 52.47 kgs of Landfill (kitchen bin + 5 office bins), 28.81 kgs of Recycling (kitchen) and 2.23 kgs of Paper recycling waste, a total of 83.5 kgs compared to 104 kgs in 2021. This is a result of incentivising the employees to reduce their overall waste, print less, use their own cups, reduce packaging and reduce disposable cutlery, while recycling more.

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
C14. Portfolio impact	Emissions reduction activities	Provided by Impact Cubed	Provided by a third-party (Impact Cubed). Impact Cubed provide all the estimates for the WHEB portfolios' scopes 1, 2 and 3 emissions, as well as intensity figures. 202303-impact-measurement-methodology.pdf Carbon Trust statement.PNG
C6. Emissions data	Alignment with a sustainable finance taxonomy	Provided by Net Purpose	Provided by a third-party (Net Purpose). Net Purpose estimates the relevant funds' alignment to the EU Taxonomy for WHEB.
C9. Additional metrics	Other, please specify (Avoided emissions)	Provided by Net Purpose	Provided by a third-party (Net Purpose). Through a rigorous screening process, Net Purpose identifies companies and products and services that are scientifically proven to positively contribute to the SDGs. The Net Purpose Research Team develops a theory of change for each product and service and calculates revenue, outputs, outcomes and impact for each product and service, using a combination of company reported data and scientific life-cycle assessment.

C11. Carbon pricing

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Project type
Reforestation

Type of mitigation activity
Carbon removal

Project description
Nature-based solutions and have purchased 44 tonnes offset via tree planting.
Afforestation, tree planting and forest restoration are nature-based solutions that can store atmospheric carbon, if practices well. However, there is limited land to for forest, given agricultural expansion and food producing crops and there is reversal risk from fires and from climate change itself or the trees can be harvested. Hence, it is challenging to make sure that the credit is valid as trees must be measured and confirmed.
Supercritical categorises tree planting as of durability of 40+ years and generates afforestation carbon removal credits, or Verified Emissions Reductions (VERs), through the Gold Standard registry. This is a high quality reforestation project with teak tree plantations on land previously used for cattle grazing and are managed by the landowners in Nicaragu.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
44

Purpose of cancellation
Other, please specify (Net Zero Asset Managers initiative)

Are you able to report the vintage of the credits at cancellation?
No

Vintage of credits at cancellation
<Not Applicable>

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
Gold Standard

Method(s) the program uses to assess additionality for this project
Investment analysis
Other, please specify (Additionality tools and technology assessment)

Approach(es) by which the selected program requires this project to address reversal risk
Monitoring and compensation

Potential sources of leakage the selected program requires this project to have assessed
Ecological leakage

Provide details of other issues the selected program requires projects to address
The programme should make sure that the right type of trees is planted. Give the cooling effect of albedo, planting the wrong type of tree or planting trees in the wrong location could outweigh the cooling effect of albedo and result in increased global warming, when compared to the carbon sequestration potential of the planted trees. Moreover, the programme should ensure that the tree growth is measured and maintained to ensure carbon credit credibility.

Comment
For WHEB's operational emissions, we remain committed to net-zero carbon emissions by 2025 for scopes 1 and 2 and the relevant and material categories 1-14 of scope 3. By supporting a diverse range of initiatives through this portfolio-based approach, we can attempt to maximise both the environmental and social benefits associated with the offsetting projects.

Annually, we purchased carbon offsets that at least cover the residual emissions that we cannot eliminate from business activities & operations. We ensure that these offsets meet the highest standard and are independently provide by Supercritical Tech Ltd and verified to Gold Standard Registry and/or Puro Standard Registry. In 2022, we focus on nature-based solutions and have purchased 44 tonnes offset via tree planting, and 1 tonne offset using tech-based solutions (biochar), a total of 45 tonnes CO2e. Moreover, we have collaborated recently with other finance and investment B Corps to invest in a local offsetting project. Options include restoration of peatland and intensive farming land.

Afforestation, tree planting and forest restoration are nature-based solutions that can store atmospheric carbon, if practices well. However, there is limited land for forest, given agricultural expansion and food producing crops and there is reversal risk from fires and from climate change itself or the trees can be harvested. Hence, it is challenging to make sure that the credit is valid as trees must be measured and confirmed.

Supercritical categorises tree planting as of durability of 40+ years and generates afforestation carbon removal credits, or Verified Emissions Reductions (VERs), through the Gold Standard registry. This is a high-quality reforestation project with teak tree plantations on land previously used for cattle grazing and are managed by the landowners in Nicaragu.

Project type
Biochar

Type of mitigation activity
Carbon removal

Project description
1 tonne offset using tech-based solutions via biochar carbon removal (BCR).

BCR involves the production of biochar, a charcoal-like material rich in carbon, produced by heating residual biomass during pyrolysis. Then, biochar can be applied in soils (as amendment in agriculture and horticulture) or durable materials (e.g. cement, tar). As the feedstock to produce biochar is typically waste biomass, the carbon dioxide sequestered by the plants used for the biochar production is hence stored for long periods, creating a carbon sink.

Based on Supercritical standards, biochar credits have medium durability (100-1000 years). At 100 years the amount of carbon stored by 1 credit will be 1 tonne of CO_2.

Biochar brings strong co-benefits to soils(yield improvements and reduced use of fertilisers) and food production has an enormous environmental impact. Biochar could help reducing food system impacts, as well as store carbon for very long time horizons. However, these co-benefits, including additional removal and emission avoidance, that come with biochar application, none of them are used in the calculation of the carbon removal credit - meaning the co benefits come as 'extra' on top of the core biochar carbon removal.

Credits canceled by your organization from this project in the reporting year (metric tons CO2e)
1

Purpose of cancellation
Other, please specify (Net Zero Asset Managers initiative)

Are you able to report the vintage of the credits at cancellation?
No

Vintage of credits at cancellation
<Not Applicable>

Were these credits issued to or purchased by your organization?
Purchased

Credits issued by which carbon-crediting program
Other private carbon crediting program, please specify (Puro Standard Registry and Supercritical)

Method(s) the program uses to assess additionality for this project
Investment analysis
Market penetration assessment
Other, please specify (Additionality tools and technology assessment)

Approach(es) by which the selected program requires this project to address reversal risk
No risk of reversal

Potential sources of leakage the selected program requires this project to have assessed
Activity-shifting
Other, please specify

Provide details of other issues the selected program requires projects to address
The programme should make sure that there is no double counting carbon removal from biochar given its co-benefits in soil applications or in other applications (like in durable materials).

Biochar credits have medium durability (100-1000 years). At 100 years the amount of carbon stored by 1 credit will be 1 tonne of CO_2.
Biochar is charcoal-like material rich in carbon, produced by heating biomass during pyrolysis and it can be used as soil amendment in agriculture and horticulture. The feedstock to produce biochar is typically waste biomass.

Biochar brings strong co-benefits to soils (yield improvements and reduced use of fertilisers) and food production has an enormous environmental impact. Biochar could help reducing food system impacts, as well as store carbon for very long time horizons. However, these co-benefits, including additional removal and emission avoidance that come with biochar application, are used in the calculation of the carbon removal credit, as per the provider, Supercritical - meaning the co-benefits come as 'extra' on top of the core biochar carbon removal.

Comment
For WHEB's operational emissions, we remain committed to net-zero carbon emissions by 2025 for scopes 1 and 2 and the relevant and material categories 1-14 of scope 3. By supporting a diverse range of initiatives through this portfolio-based approach, we can attempt to maximise both the environmental and social benefits associated with the removal projects.

Annually, we purchased carbon offsets that at least cover the residual emissions that we cannot eliminate from business activities & operations. We ensure that these offsets meet the highest standard and are independently provide by Supercritical Tech Ltd and verified to Gold Standard Registry and/or Puro Standard Registry. In 2022, we focus on nature-based solutions and have purchased 44 tonnes offset via tree planting, and 1 tonne offset using tech-based solutions (biochar), a total of 45 tonnes CO2e. Moreover, we have collaborated recently with other finance and investment B Corps to invest in a local offsetting project. Options include restoration of peatland and intensive farming land.

C11.3

(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

C12.1

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

Yes, our suppliers
Yes, our investees

C12.1a

(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
46

% total procurement spend (direct and indirect)
21

% of supplier-related Scope 3 emissions as reported in C6.5
100

Rationale for the coverage of your engagement
WHEB engages with those suppliers that are not carbon neutral or do not have set net-zero targets, are of significant size, and the annual spend was greater than £10,000. Of all our suppliers, we engaged with 46% of them as we found that many were lacking in carbon reduction commitments. We excluded small companies (less than £5mil turnover), as well as those who are carbon neutral.
In 2022, this 46% of engaged suppliers corresponds to 21% of total procurement spend (direct and indirect) which is lower than last year's of 89%, due to more of our suppliers (especially the high emitting suppliers and those that account for most of our spending) reporting their emissions and setting NZC targets, hence they became less of a priority to engage with in 2022.

Impact of engagement, including measures of success
As of December 2022, 54% of our suppliers actively tracked their scope 1 and 2 emissions and have set carbon reduction targets (compared to 40% last year), or are excluded due to size (their impact is not material).

Comment
WHEB will continue to engage with suppliers every year to incentivise emissions reductions. In this way, WHEB's Scope 3 emissions will decrease and we will also be able to understand which suppliers do not take climate action and hence we will be able to discontinue the relationship if they do not make progress.

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
Engagement with 20 investees with a focus on highest emitters or those responsible for 65% of emission in portfolio (either Direct, Collective, or via Asset Manager)
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
43.89

Investing (Asset managers) portfolio coverage
52.74

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

The Head of Research heads up our stewardship and engagement activities and is responsible for ensuring that our engagement is impactful. This is assessed through a bottom-up analysis of the success of engagement with our investees. We also apply a qualitative review of our engagement in policy and standard setting initiatives.
We assess the effectiveness of all our company engagement activity every quarter and we publish the information in our Annual Impact & Stewardship reports. We believe that our governance structures and processes are effective in directing our engagement activity in 2022.
We identify an issue as being material to a company and we determine an appropriate engagement objective. Objectives are often ambitious and target improvements in company strategy or governance that may take multiple years to achieve. We have introduced a policy to review progress against the engagement objective 3 to 6 months after the topic has been raised with the target.
So far, we rated the success of the engagement as 'successful' (the company agrees to amend its approach), 'partially successful' (the company acknowledges the issue but does not commit to change) and 'unsuccessful' (the company either does not respond to us or refuses to amend its practice)s.
In 2021, we noticed a decline in successful engagements and a sharp increase in partially successful engagements. In 2022, there was a slightly more equal balance of outcomes; 27% =successful, 32% =partially successful and 35% =unsuccessful (remaining 6% ongoing at year-end).
We now believe this recording system lacks sufficient detail to draw conclusions about effectiveness against objectives. We introduced 'objective milestones', which acknowledge the key stages of progress in a long-term engagement for a company's strategy or governance. We believe these milestones provide a better framework for tracking engagement progress, which, along with upgraded IT systems for monitoring engagements, should improve our future ability to identify and report on engagement progress and outcomes. We began reporting objective milestones in case studies (Stewardship report).
One example of successful engagement case during 2022 was MSA Safety. We encouraged the company to set NZC target and we were delighted to see a positive response.

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
45.37

Investing (Asset managers) portfolio coverage
19.36

Investing (Asset owners) portfolio coverage
<Not Applicable>

Rationale for the coverage of your engagement
Other, please specify (Engagement with companies we believe that have limited data available)

Impact of engagement, including measures of success
An example of an engagement in 2022 was our call with Ecolab. In mid-May we hosted a call on behalf of an investor group with Ecolab's Head of Sustainability. The company clearly acknowledged the need to move away from hazardous chemicals and had identified nonylphenol, a product used in their detergents, as a candidate to phase out. Ecolab has worked with other companies to identify alternative products such as enzymes to replace nonylphenol and has set a date of 2030 to complete the phase-out. The company has also been proactive in sharing more data – for example with the Chemical Footprint Project – and for pushing the phase-out agenda with other companies in the industry. However, little of this data is publicly available and we encouraged the company to be more proactive in sharing this information publicly. We also understand that the company uses 15 other substances that are classified as substances of very high concern (SVHCs). The company disputed this, and is in the process seeking clarification. WHEB continues to engage Ecolab on this issue and is now working with ChemSec via its Investor Health Initiative on Chemicals to inform and support our approach.

Following the call, WHEB classified this engagement as partially successful and ongoing. As noted above, we are at various stages of progress with each company and the two initiatives. The very nature of the requirements means that this continues to be a long-term engagement campaign for WHEB and the industry.

All details on company engagement are stored in our investment research database. Analysts capture key information from their engagements typically including the date, the issues discussed the name and title of investee company representatives and the type of engagement. This is linked to the specific company or companies that are the subject of the engagement. The database is updated in real time as new information on engagement is added and allows analysts to track their engagement and report on related outcomes.

Type of engagement
Innovation & collaboration (changing markets)

Details of engagement
Carry out collaborative engagements with other investors or institutions
Run a campaign to encourage innovation to reduce climate change impacts

% scope 3 emissions as reported in C-FS14.1a/C-FS14.1b
46.73

Investing (Asset managers) portfolio coverage
19.58

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
Collaborative engagement is an important tool for institutional investors to influence both portfolio companies and the financial system. Where asset managers/owners collaborate with other investors to engage an issuer to achieve a specific change, or work as part of a coalition of wider stakeholders to engage on a thematic issue, there can be advantages in doing so bilaterally, because:
 Investors may enjoy enhanced power, legitimacy, and urgency as their collective weight behind a unified message can be more difficult for company management to ignore. This is especially helpful as an escalation tactic where previous attempts to engage or effect change when firms are acting individually have been unsuccessful. We have found this to be a particularly effective approach when previously discussing net zero carbon targets with Intertek alongside another investor.
 Collective expertise and research can be shared and developed amongst group members, supporting knowledge and skills sharing, with wider-ranging effects beyond the scope of the engagement. For example, WHEB has benefited greatly from the expertise of ChemSec when engaging on hazardous chemicals in an initiative that has

effectively combined the NGO’s technical knowledge with the clout of a number of institutional investors.
Efficiency gains can be achieved where companies are collaborating but would have otherwise engaged the same company separately, therefore reducing duplication of work (for both investors and issuers) and potentially costs, as was the case when we engaged Aptiv on labour standards alongside another sustainability-focused investor.

Specifically for climate, WHEB has been engaging Daikin on the topic of carbon via the CA100+ for several years now. Through this initiative, we have seen success with the company setting a net zero carbon emissions target of 2050.

We collaborate with other investors to effect change in investee companies where we consider it appropriate, consistent with our investment policies and having considered potential legal and regulatory consequences (including conflicts of interest and insider information). This will typically take the form of a joint letter initially, followed up with a meeting or conference call. Collaboration is also an explicit part of our Escalation Policy for engagement. We typically involve other like-minded investors in our engagement activity where we have not been successful in our bilateral engagement with a company.

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

(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 strategy or transition plan?
<Not Applicable>

Percentage of voting disclosed across portfolio
100

Climate-related issues supported in shareholder resolutions
Climate transition plans
Climate-related disclosures
Aligning public policy position (lobbying)
Emissions reduction targets
Board oversight of climate-related issues
Other, please specify (Product impact)

Do you publicly disclose the rationale behind your voting on climate-related issues?
Yes, for all

C12.3

(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

External engagement activities that could directly or indirectly 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 2022 Report attached, Stewardship Policy attached.
20230515 Stewardship Policy.pdf
2022 WHEB Asset Management Stewardship Code Report Final.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan
Investment team activities including stewardship, voting and engagement activities are overseen by the Investment and Risk Committee . This committee meets monthly and includes both WHEB's Chief Risk Officer (CRO) and the company's non-executive Chair.
In addition, WHEB's independent Investment Advisory Committee also provides independent scrutiny of the Impact Investment Team's activities, including stewardship. This committee is composed of independent experts in the field of sustainable investing and meets every four months. The Investment Advisory Committee plays an advisory role and summary minutes of this meeting are published on WHEB's website.

Being a leading steward of our clients' capital is a core part of WHEB's proposition to our clients. It is embedded in how our Impact Investment Team is assessed and incentivised and is a regular part of investment and risk committee meetings and is a topic that we address with our independent advisory committee.
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. We believe that our governance structures and processes continued to be effective in directing our engagement activity in 2022. We engaged with or voted at the meetings of 50 of our portfolio companies in 2022.
It was our ambition in 2022 to do more and drive deeper engagement (which WHEB defines as being more than three interactions with company executives on the issue in question) with these companies. This has become possible with a larger Impact Investment Team. This has enabled us to increase the depth of the engagement that we conduct with portfolio companies. Because engagement is led by the Investment Team, it is contextualised and connected to the company's specific commercial objectives and strategy.

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

(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?

Specify the policy, law, or regulation on which your organization is engaging with policy makers
Practical example of our 'system-level' contribution at WHEB include work that we have done in supporting the development of new standards and guidance on sustainable finance for example, feeding into consultations on the FCA's Sustainability Disclosure Rules (SDR).

Moreover, we have provided bilateral and collective advocacy on the need for more ambitious public policy targets on climate change with the Institutional Investors Group on Climate Change (IIGCC) amongst others; and efforts to educate and inform investors on the potential for asset management to have a positive impact through frequent presentations at industry and client events and through our blog and wider publications.

In addition, we have also been significantly involved in the work done by the Global Impact Investing Network (GIIN) to develop guidance on impact in listed equities. Over the course of 2021-2022 WHEB participated in fortnightly meetings of the core working group to review drafts and recommend amendments and updates. Whilst not a 'regulation', the guidance, which was published in early 2023, has already been an influential and widely quoted document that has fed into regulatory and standard-setting processes all over the world.

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
International agreement related to climate change mitigation

Policy, law, or regulation geographic coverage
National

Country/area/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
Letters and responses to FCA

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation
The Head of Research is involved in providing feedback for the FCA's SDR. In October 2022, the FCA published proposals for a new fund labelling system for retail products to be launched in 2024 that would affect funds using certain terms in the names and marketing of their investment products. The objective is the FCA to make amendments to fund categorisation under the SDR, specifically with respect to what funds are eligible for the 'Sustainable Impact' label. More general support of the principle of FCA action in requiring more rigour in the use of key terminology in sustainable investing. We are concerned that these new labels are not appropriately scoped and that this will result in unintended consequences of reduced transparency and increased confusion for consumers.
WHEB engages with the FCA, peers, investor groups and associations, clients and other stakeholders in making these arguments. As a member of the Disclosure and Labels Advisory Group we have been able to talk directly to the FCA. We have also successfully worked with groups including the UK Sustainable Investment and Finance Association (UKSIF), the Impact Investing Institute, IIGCC and the GIIN to make these points through their submissions. Working more broadly with impact-focused clients including the Big Exchange and Worthstone, peers and suppliers, we aim to build a coalition of practitioners to provide a clear set of recommendations to the FCA.

This is ongoing, and there are amendments that we plan to propose in our response to the consultation paper, hence our recommendation will be published on our website once it has been finalised (https://www.whebgroup.com/our-thoughts/whebs-view-on-the-fcas-proposals-for-sustainable-disclosure-requirements-sdr)

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Although the labelling does not directly affect WHEB's climate transition plan, it will affect the broader industry and possibly how WHEB is able to market the funds.
Our disagreement is in the definition of the Sustainable Impact label. This is because the label does not adequately recognise the enterprise contribution of the investment product and instead focuses primarily on the contribution that the investor makes through their engagement with companies, or their influence on asset prices or on decisions to allocate capital to underserved markets.
We recognise the distinction between the enterprise contribution and the investor contribution and believe both are important. In our view, the current proposals will dramatically reduce the size and scale of the impact fund market in the UK and will create a label that will only be useable by illiquid, unlisted and often sub-market rate of return products. Consequently, this label will be largely irrelevant to the retail market.
Many strategies that currently define themselves as impact will likely be forced to use the 'Sustainable Focus' or 'Sustainable Improver' labels, conflating different types of strategies under a single label. The result will be reduced transparency and consumer choice and increased consumer confusion – the opposite of what the labels are intended to achieve.
Feedback into public policy, such as the SDR, is critical for ensuring that the correct incentives exist to generate returns and that consumers navigate sustainable markets effectively.

Specify the policy, law, or regulation on which your organization is engaging with policy makers
2022 Global Investor Statement to Governments on the Climate Crisis

Category of policy, law, or regulation that may impact the climate
Climate change mitigation

Focus area of policy, law, or regulation that may impact the climate
Climate-related targets
Climate transition plans
Emissions – CO2
Emissions – methane

Policy, law, or regulation geographic coverage
Global

Country/area/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
At the start of the year, investor groups remained very active in keeping pressure on governments to continue to adopt aggressive action to mitigate greenhouse gas emissions and adapt to anticipated climate change. This included co-signing the 2022 Investor Statement which is the largest collaborative policy statement from investors. In 2021 the statement was backed by over 730 investors representing $52 trillion. The new '2022 Global Investor Statement to Governments on the Climate Crisis' was released over the Summer as part of a programme of measures aimed at building momentum leading up to COP27 at the end of the year.
This statement asked for governments globally to enact ambitious policies to leverage private capital required to effectively address the climate crisis in line with limiting global temperature rise to 1.5°C (Paris Agreement). It also included new areas of focus compared to other years, including tackling methane pollution, climate adaptation and resilience and scaling climate finance for developing countries.

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 on this policy, law, or regulation is aligned with the goals of the Paris Agreement?
Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?
Although not a policy, law or regulation per se, the new '2022 Global Investor Statement to Governments on the Climate Crisis' will have a positive impact on policy making. We believe that governments and policy makers should take a more active position to mitigate climate change, hence this investor statement is aiming to accelerate governmental climate action and hence the transition to net zero that will benefit WHEB, as an impact fund that bases its investment strategy on a transition to low-carbon future by 2050.

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
JC0577_WHEB_Impact Report 2022_Singles_Digital_AW.pdf

Page/Section reference
Impact report: Section 3. Enterprise impact: How our investments contribute to sustainability (p.24 - 38)

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

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

WHEB's investments are made with the intention of delivering a positive social or environmental impact. For the past seven years we have sought to quantify the positive impact that is associated with each of our investments and with the strategy as a whole. In previous years we have collected this data ourselves and then had it reviewed by an independent consultant. This year we have instead chosen to source impact data through a third party, the Net Purpose Ltd (https://www.netpurpose.com/). Entirely independent of WHEB, this group collects and/or estimates the positive impact data associated with the products and services sold by companies held in WHEB's strategy.

C12.5

(C12.5) 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

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	CDP Signatory Climate Action 100+ Institutional Investors Group on Climate Change (IIGCC) Net Zero Asset Managers initiative Principle for Responsible Investment (PRI) Science-Based Targets Initiative for Financial Institutions (SBTi-FI) Task Force on Climate-related Financial Disclosures (TCFD) Other, please specify (B Corp, UKSIF, EUROSIF, Finance for biodiversity pledge, The Big Exchange)	B Corps 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 United Nations Principles for Responsible Investment (UNPRI) An international network of investors working together to put the Principles for Responsible Investment into practice. WHEB is a signatory. Institutional Investors Group on Climate Change (IIGCC) 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. UK Sustainable Investment and Finance Association (UKSIF) 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). European SRI Association (EUROSIF) 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. FRC Stewardship Code 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. Net Zero Carbon 10/20 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 Chemical Footprint Project 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). CA100+ Collaborative engagement initiative focused on major carbon emitters WHEB is involved in collaborative engagement initiatives with companies (e.g. Daikin) Access to Medicines Foundation 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. Future Fit Business 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 Impact Management Project 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 The Big Exchange 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. British Standards Institute (BSI) 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. Global Impact Investing Network (GIIN) 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 Net Zero Asset Managers Initiative (NZAMI) 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. 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 (new) The Finance for Biodiversity Pledge is a commitment from financial institutions to protect and restore biodiversity through their finance activities and investments. Financial institutions that have signed the Finance for Biodiversity Pledge can become members and join the working groups of the Finance for Biodiversity Foundation. We became a signatory in December 2022 and will become more involved with the initiative throughout 2023.

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>

Details of calculation
The thematic structure of our strategy means that we are entirely absent from parts of the economy such as fossil fuel exploration and production.

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>

Details of calculation
The thematic structure of our strategy means that we are entirely absent from parts of the economy such as fossil fuel exploration and production.

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>

Details of calculation
The thematic structure of our strategy means that we are entirely absent from parts of the economy such as fossil fuel exploration and production.

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
1021770

Portfolio coverage
100

Percentage calculated using data obtained from clients/investees
81.84

Emissions calculation methodology
The Global GHG Accounting and Reporting Standard for the Financial Industry

Please explain the details and assumptions used in your calculation
Our portfolio companies' emissions for Scope1, 2 and 3 are:
- Financed Scope 1 emissions = 22,820 tonnes CO2e
- Financed Scope 2 emissions = 17,860 tonnes CO2e
- Financed Scope 3 emissions = 981,090 tonnes CO2e

We use data provided by our investees and data provided by a third-party, Impact Cubed for our financed emissions of our portfolio (i.e. our portfolio companies' scope 1, 2 and 3 emissions).

Moreover, regarding the impact of our portfolio (i.e. the avoided emissions of our portfolio companies), for the past seven years we have sought to quantify the positive impact that is associated with each of our investments and with the strategy as a whole. In previous years we have collected this data ourselves and then had it reviewed by an independent consultant. In 2022, we have instead chosen to source impact data through a third party, Net Purpose (https://www.netpurpose.com/). Entirely independent of WHEB, this group collects and/or estimates the positive impact data associated with the products and services sold by companies held in WHEB's strategy.

We aggregate the annual positive impact of these products and services, and in 2022, owning £1m in WHEB's investment strategy was associated with; generating 314 MWh of renewable energy (equivalent to the annual energy use of 21 EU households) and avoiding 201 tonnes of CO2e emissions (equivalent to the energy use of 70 average EU residential homes for one year and saving £7,950 in avoided carbon costs) and waste recycled per £1m invested increased from 12 to 19 tonnes

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
71.43

Portfolio coverage
100

Percentage calculated using data obtained from clients/investees
0

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.
All the data was estimated (0% for data obtained from clients), Net Purpose use standardized models to calculate comparable avoided emissions across companies within the same sector, using the same baseline. The total financed by WHEB was based on percentage ownership of EVIC.

Portfolio
Investing (asset manager)

Portfolio metric
Avoided emissions financed (tCO2e)

Metric value in the reporting year
271000

Portfolio coverage
41.03

Percentage calculated using data obtained from clients/investees
0

Calculation methodology
This was in total 331,000 tCO2e in 2021 but there is a decrease to 271,00 tCO2e in 2022 due to the sale of Wabtec (Sustainable Transport). Hence, the CO2e avoided per £1m invested in hte fund fell from 231tCO2e in 2021to 201tCO2e.

All the data was estimated (0% for data obtained from clients), Net Purpose use standardized models to calculate comparable avoided emissions across companies within the same sector, using the same baseline. The total financed by WHEB was based on percentage ownership of EVIC.

C-FS14.1c

(C-FS14.1c) Disclose or restate your portfolio emissions for previous years.

Past year 1 for Investing (Asset manager)

Start date
January 1 2021

End date
December 31 2021

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
As per the last report:
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-FS14.2

(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	22820
Investing (Asset manager)	Scope 2 (location-based)	17860
Investing (Asset manager)	Scope 3	981090

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	Briefly explain the actions you have taken to align your portfolio with a 1.5-degree 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>	<Not Applicable>
Investing (Asset manager)	Yes	We are committed to have our targets verified by SBTi in 2023. We are increasing the aim of our target, with 85% of the financed emissions in the portfolio to be covered by a NZC target by 2025, and 100% by 2028 rather than the original aim for 100% by 2030. Impact Cubed provides the calculations for our portfolio emissions. In 2022 we have instead chosen to source impact data through a third party, Net Purpose (https://www.netpurpose.com/). Entirely independent of WHEB, this group collects and/or estimates the positive impact data associated with the products and services sold by companies held in WHEB's strategy.	<Not Applicable>
Investing (Asset owner)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting (Insurance company)	<Not Applicable>	<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 and nature loss is another critical issue and one that we recognise is important to many of our clients. 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. We signed the Finance for Biodiversity Pledge (a commitment of financial institutions to call on global leaders and to protect and restore biodiversity through their finance activities and investments) and we became members and joined the working groups of the Finance for Biodiversity Foundation. We became a signatory in December 2022 and will become more involved with the initiative throughout 2023. As the pledge is relatively new, we are unable to comment on its effectiveness as yet. The Finance for Biodiversity Pledge is a commitment of financial institutions to protect and restore biodiversity through their finance activities and investments. The Pledge consists of 5 steps financial institutions commit to take: 1. Collaborating and sharing knowledge; 2. Engaging with companies; 3. Assessing impact; 4. Setting targets; 5. Reporting publicly on the above before 2025 As financial institutions, they call on global leaders to agree on effective measures to reverse nature loss in this decade. The members are sharing knowledge and collaborating on topics such as impact assessment, engaging with companies, public policy advocacy, and target setting. An additional working group on positive impact will start in 2023. Apart from the Finance for Biodiversity Pledge, WHEB has undertaken a comprehensive review of the portfolio for areas of significant biodiversity risk. We have identified around 10% of portfolio companies where we believe biodiversity and nature loss is a material issue. We are now engaging with these businesses to encourage a more systematic approach to the management and reporting of biodiversity related risks and opportunities. We will report on our progress with these companies during 2023.	Risks and opportunities to our investment activities The impact of our investing activities on biodiversity

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 and publicly endorsed initiatives related to biodiversity	Other, please specify (WHEB constantly assesses the negative impact that portfolio companies might have on biodiversity and actively engages with a company to minimise such impact.)	CBD – Global Biodiversity Framework SDG F4B – Finance for Biodiversity

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment
Yes

Value chain stage(s) covered
Portfolio activity

Portfolio activity
Investing portfolio (Asset manager)

Tools and methods to assess impacts and/or dependencies on biodiversity
Other, please specify (Impact Engine, Sustainability Accounting Standards Board (SASB) Materiality Map to determine what ESG issus to assess (SASB have an ‘Ecological Impacts’ issue category))

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
WHEB’s investment strategy is focused on nine distinct environmental and social investment themes that target businesses that ‘enable and benefit from the transition to a zero carbon and more sustainable economy’. Supporting the conservation and recovery of biodiversity is an implicit objective within our investment strategy and is most directly relevant to a subset of our investment themes including in particular our ‘Environmental services’ theme which covers:
▪ Sustainable materials: includes a variety of low impact materials such as recycled cardboard, tencel (an alternative to cotton) biodegradable and compostable plastics and other materials with strong environmental credentials including lower impacts on biodiversity.
▪ Environmental consulting: includes consulting services that are explicitly aimed at helping to reduce negative environmental impacts (typic

In addition, some companies in our Well-being theme also have indirect impacts on biodiversity including principally in ‘Healthy living’ which includes healthy eating (for example through links with food production and agriculture). Similarly companies in our Water Management theme include companies involved in wastewater treatment and water provision which carry significant impacts on biodiversity.

When assessing whether to invest in a business we undertake a fundamental quality assessment that includes an assessment of material ESG issues, We use the Sustainability Accounting Standards Board (SASB) Materiality Map to determine what ESG issues to assess. SASB have an ‘Ecological Impacts’ issue category.

We also use Impact Engine as a tool to underpin a systematic approach to codifying impact across different themes and end markets. This tool was finalised and implemented in 2020 and now represents a core part of our investment process. It is used to collect and organise impact data across six dimensions and leads to an overall impact score. In this tool, we also assess quantitatively the impact that companies have on biodiversity to calculate the total impact of a company and assess risks and opportunities and decide on our investment strategy.
Specifically, the Impact Engine takes into consideration the impact that investee companies have on natural habitats, how large the impact is compared to the baseline and how widely applicable the product of the investee company is. On top, the tool considers how central the product impact is in the outcome and how unique is the product/contribution.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment
No, but we plan to within the next two years

Value chain stage(s) covered
<Not Applicable>

Portfolio activity
<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity
<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)
<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?
No

C15.5

(C15.5) 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	Education & awareness

C15.6

(C15.6) 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 (e.g. FSC standards), Sustainability Accounting Standards Board (SASB) Materiality Map to determine what ESG issus to assess. SASB have an ‘Ecological Impacts’ issue category.)

C15.7

(C15.7) 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 Influence on public policy and lobbying Biodiversity strategy	Governance - page 19 Vestas Wind Systems case study - pages 45, 46 Finance for Biodiversity Pledge - pages 60, 73 20221013Biodiversitydiscussiondocument.pdf 2022 WHEB Asset Management Stewardship Code Report Final.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	Partner and Head of Research	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. One of our nine investment themes is specifically focused on Environmental Services, taking into consideration forest and land-use. Specifically, we invest in companies aiming to increase circularity in material use, to develop more sustainable materials, to reduce pollution and to carry out environmental consulting and monitoring.
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. In contrast, one of our nine investment themes is regarding water management, our investee companies aim to increase the efficiency of water use and to treat and recycle waste water. In 2022, we managed to treat 3.8bn litres of water and we managed to save 1.5bn litres of water (Increased due to higher contribution from Xylem's smart meters. Per £1m invested, water saved increased from 550k litres in 2021 to 1.1m litres saved in 2022).

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 be based on their sustainability knowledge. As an impact fund focusing on nine investment themes, WHEB is considering Water Management and Environmental Services as main criteria in our investment strategy.

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. As an impact fund focusing on nine investment themes, WHEB is considering Water Management and Environmental Services as main criteria in our investment strategy. 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 be 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.

Position or committee
Other, please specify (Investment Advisory Committee)

Issue area(s)
Forests
Water

Forests- and/or water-related responsibilities of this position
Managing value chain engagement on forests- and/or water--related issues
Assessing forests- and/or water-related risks and opportunities
Managing forests- and/or water-related risks and opportunities

Coverage of responsibilities
Risks and opportunities related to our investing (asset management) activities

Reporting line
Other, please specify (Investment Advisory Committee)

Frequency of reporting to the board on forests- and/or water-related issues via this reporting line
Annually

Please explain
WHEB's Investment Advisory Committee provides independent scrutiny of the investment team's activities. As an impact fund focusing on nine investment themes, WHEB is considering Water Management and Environmental Services as main criteria in our investment strategy. 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 be based on their sustainability knowledge.

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.

Investing (Asset manager) – Forests exposure

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
Long-term

Tools and methods used
Other, please specify (Internal tools/methods and Impact Cubed data)

% of clients/investees (by number) exposed to substantive risk
25.3

% of clients/investees (by portfolio exposure) exposed to substantive risk
25.7

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

To assess the opportunity and the extend of the impact, we use an internal tool, the 'Impact Engine' that quantifies the impact based on the below;
Basically, the tool quantifies impact to create an Impact map based on the below;
- (How vulnerable is the beneficiary?) x (How critical is the outcome to the beneficiary?) x (How large is the impact compared to the baseline?) x (How widely applicable is the product?) x(How central is the product impact in the outcome?) x (How unique is the product contribution?)

To assess the risks related to forest exposure, we use a third-party provider, Impact Cubed that measures the portfolio's exposure to physical risks related to forests (wildfires, heatwaves, droughts).

Investing (Asset manager) – Water exposure

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
Long-term

Tools and methods used
Other, please specify (Internal tools/methods and Impact Cubed data)

% of clients/investees (by number) exposed to substantive risk
49.7

% of clients/investees (by portfolio exposure) exposed to substantive risk
50.9

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 threelevels.

Firstly, we have a specific water management theme in which we invest in companies providing solutions to water pollution and water scarcity, the impact is assessed using our Impact Engine tool which quantifies the impact of the investee compan
To assess the risks related to forest exposure, we use a third-party provider, Impact Cubed that measures the portfolio's exposure to physical risks related to forests (wildfires, heatwaves, droughts).y and plots it in a Impact map. This includes businesses that develop water treatment technologies for cleaning and recycling water as well as businesses that provide water utility services.

To assess the opportunity and the extend of the impact, we use an internal tool, the 'Impact Engine' that quantifies the impact.

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.

This was the case with our investee company Ecolab. Ecolab sells cleaning products and services to restaurants, hotels, hospitals, food and beverage producers and other businesses. The company has a particular focus on energy and water efficiency. Ecolab has developed a range of products and services that help to reduce, and in some cases even eliminate, the use of water in a wide range of industrial applications. In turn, this helps to lower costs through a reduction of energy and water impacts. In mid-May we hosted a call on behalf of the investor group with Ecolab's Head of Sustainability. The company clearly acknowledged the need to move away from hazardous chemicals and had identified nonylphenol, a product used in their detergents, as a candidate to phase out. Ecolab has worked with other companies to identify alternative products such as enzymes to replace nonylphenol and has set a date of 2030 to complete the phase-out. It has also been proactive in sharing more data – for example with the Chemical Footprint Project – and for pushing the phase-out agenda with other companies in the industry. However, little of this data is publicly available and we encouraged the company to be more proactive in sharing this information publicly. We also understand that the company uses 15 other substances that are classified as substances of very high concern (SVHCs). The company disputed this, and is in the process seeking clarification. WHEB continues to engage Ecolab on this issue and is now working with ChemSec via its Investor Health Initiative on Chemicals to inform and support our approach. This continues to be a long-term engagement campaign for WHEB and the industry and the outcome is still ongoing.

Lastly, to assess the risks related to water exposure, we use a third-party provider, Impact Cubed that measures the portfolio's exposure to physical risks related to waters (sea level rise, cyclones, hurricanes, heatwaves, droughts).

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.

	Type of information considered	Process through which information is obtained	Industry sector(s) covered by due diligence and/or risk assessment process	State how these forests- and/or water-related information influences your decision making
Banking – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Banking – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Forests-related information	Commitment to eliminate deforestation/conversion of other natural ecosystems	Directly from the client/investee Data provider Public data sources	Energy 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	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). Hence, forests consideration falls under the realm of multiple themes, such as; environmental services and resource efficiency as well as indirectly under social themes of well-being and health. 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 practice, 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 would not be selected for the universe.
Investing (Asset manager) – Water-related information	Scope and content of water policy Water withdrawal and/or consumption volumes Water discharge treatment data	Directly from the client/investee Public data sources	Energy 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	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). Hence, water is a key area of interest and consideration. 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 practice, 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 water would not be selected for the universe. To assess the opportunity and the extend of the impact on water, we use an internal tool, the 'Impact Engine' that quantifies the impact.
Investing (Asset owner) – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Investing (Asset owner) – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Forests-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Insurance underwriting – Water-related information	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

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
Water

Risk type & Primary risk driver

Acute physical	Drought

Primary potential financial impact
Reduced profitability of investment portfolios

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

Company-specific description
Based on physical risk analysis provided to us for our portfolio, approximately 17.2% of WHEB's portfolio has property, plant and equipment exposed to droughts (exposure in Argentina, Germany, South Korea, Japan, the UK and the US).

Time horizon
Long-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)
400214216.02

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

Description of response and explanation of cost calculation
Cost of response to risk is unknown

Comment
Approximately 17.2% of WHEB's portfolio has property, plant and equipment exposed to droughts. This equates to an absolute GBP figure of 400,214,216.02.

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)

Primary potential financial impact

Reduced profitability of investment portfolios

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

Company-specific description
Approximately 21% of WHEB's portfolio has property, plant and equipment exposed to flooding (exposure in Argentina, Germany, South Korea, Japan, the UK and the US).

Time horizon
Long-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)
474469579.38

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

Description of response and explanation of cost calculation
Cost of response to risk is unknown

Comment
Approximately 21% of WHEB's portfolio has property, plant and equipment exposed to flooding. This equates to an absolute GBP figure of 474,469,579.38.

Identifier
Risk3

Portfolio where risk driver occurs
Investing (Asset manager) portfolio

Issue area risk relates to
Water

Risk type & Primary risk driver

Acute physical	Cyclone, hurricane, typhoon

Primary potential financial impact
Reduced profitability of investment portfolios

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

Company-specific description
Approximately 11.3% of WHEB's portfolio has property, plant and equipment exposed to cyclones (exposure in Argentina, Germany, South Korea, Japan, the UK and the US).

Time horizon
Long-term

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)
313525214.8

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

Description of response and explanation of cost calculation
Unknown cost of response to risk.

Comment
Approximately 11.3% of WHEB's portfolio has property, plant and equipment exposed to flooding. This equates to an absolute GBP figure of 313,525,214.80 .

Identifier
Risk4

Portfolio where risk driver occurs
Investing (Asset manager) portfolio

Issue area risk relates to
Water

Risk type & Primary risk driver

Chronic physical	Sea level rise

Primary potential financial impact
Reduced profitability of investment portfolios

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

Company-specific description
Approximately 0.2% of WHEB's portfolio has property, plant and equipment exposed to sea level rises (exposure in Argentina, Germany, South Korea, Japan, the UK and the US).

Time horizon
Long-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)
5101774.74

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

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 5,101,774.74.

Identifier
Risk5

Portfolio where risk driver occurs
Investing (Asset manager) portfolio

Issue area risk relates to
Water

Risk type & Primary risk driver

Acute physical	Heat wave

Primary potential financial impact
Reduced profitability of investment portfolios

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

Company-specific description
Approximately 7.1% of WHEB's portfolio has property, plant and equipment exposed to heatwaves (exposure in Argentina, Germany, South Korea, Japan, the UK and the US).

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
214583295.58

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

Description of response and explanation of cost calculation
Unknown cost of response to risk.

Comment
Approximately 7.1% of WHEB's portfolio has property, plant and equipment exposed to heatwaves. This equates to an absolute GBP figure of 214,583,295.58.

Identifier
Risk6

Portfolio where risk driver occurs
Investing (Asset manager) portfolio

Issue area risk relates to
Forests

Risk type & Primary risk driver

Acute physical	Wildfire

Primary potential financial impact
Reduced profitability of investment portfolios

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

Company-specific description
Approximately 2.9% of WHEB's portfolio has property, plant and equipment exposed to wildfires (exposure in Argentina, Germany, South Korea, Japan, the UK and the US).

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
93479740.73

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

Description of response and explanation of cost calculation
No cost calculated

Comment
Approximately 2.9% of WHEB's portfolio has property, plant and equipment exposed to wildfires. This equates to an absolute GBP figure of 93,479,740.73.

FW-FS2.4

(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

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company- specific description
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). Hence, forests considerations fall under the realm of environmental services and resource efficiency.

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 practice, 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 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 would not be selected for the universe.

To assess the opportunity and the extent of the impact on environmental services and resource efficiency, we use an internal tool, the 'Impact Engine' that quantifies the impact.

As an example of investee company 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 (responsible consumption and production) and in SDG15 (life on land). In 2022, we continue to invest in Smurfit. The use of recycled cardboard reduces the use of virgin paper which would add pressure to timber resources. Where Smurfit 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

Strategy to realize opportunity and explanation of cost calculation
WHEB has been a long term investor in Smurfit Kappa since 2013. We continually assessing all investee companies against their environmental performance.

Comment

Identifier
Opp2

Portfolio where opportunity occurs
Investing (Asset manager) portfolio

Issue area opportunity relates to
Water

Opportunity type & Primary opportunity driver

Products and services	Development and/or expansion of financing products and solutions supporting water security

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company- specific description
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). Hence, water is a key area of interest and consideration.
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 practice, 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.

To assess the opportunity and the extend of the impact on water, we use an internal tool, the 'Impact Engine' that quantifies the impact.

As an investee example, Advanced Drainage Systems is a leading provider of storm water 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. Their 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. We continually assess our investees impact on water related topics.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

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

Strategy to realize opportunity and explanation of cost calculation
WHEB has been an investor in Advanced Drainage Systems since 2019. We continually assessing all investee companies against their environmental performance and water management practices and internal operations.

Comment

FW-FS3.1

(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 practice, 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 using our 'Impact Engine' tool.

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

(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) Has your organization set targets for deforestation free and/or water secure lending, investing and/or insuring?

	Targets set	Explain why your organization has not set targets for deforestation free and/or water secure lending, investing and/or insuring and any plans to address this in the future
Forests	No, and we do not plan to set targets 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 Security	No, and we do not plan to set targets 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-FS3.4

(FW-FS3.4) 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-FS3.4a

(FW-FS3.4a) 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

Product enables clients to mitigate
Deforestation
Water insecurity

Description of product(s)
Recently, we assessed alignment of our portfolio to the EU Taxonomy. We are also currently in the process of setting our SBTi targets.

WHEB's taxonomy alignment figures are provided by a third-party, Net Purpose showing that 8.34% of our portfolio is aligned with the EU Taxonomy. WHEB has also undertaken our own analysis to estimate our alignment to the EU Taxonomy, and to verify the alignment provided by Net Purpose. We found that, due to our more in-depth knowledge of our portfolio companies, our alignment was higher than the alignment that Net Purpose advised, but this was not material.

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.

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.

Type of activity financed, invested in or insured
Water supply and sewer networks infrastructure
Water treatment infrastructure
Wastewater treatment infrastructure

Portfolio value (unit currency – as specified in C0.4)
64411035.47

% of total portfolio value
4.77

FW-FS3.5

(FW-FS3.5) 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 suppliers regularly on a number of climate-related topics, there is no specific engagement plan for forest related issues.
Clients – Water	No, and we do not plan to in the next two years	While we engage with our suppliers regularly on a number of climate-related 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
Water

Type of engagement
Engagement & incentivization (changing investee behavior)

Details of engagement
Encourage better water-related disclosure practices
Encourage investees to obtain third-party certifications to verify positive impacts on water security
Encourage investees to engage with suppliers to improve their capacity to comply with the company's water-related polices
Avoid or divest from companies continuing to fail to meet water-related expectations
Avoid or divest from companies that pose an unacceptable level of water-related risks

Investing (asset manager) portfolio coverage of engagement

Investing (asset owner) portfolio coverage of engagement
<Not Applicable>

Rationale for the coverage of your engagement
Engagement targeted at investees with increased water-related risks

Impact of engagement, including measures of success
Our investee company Ecolab sells cleaning products and services to restaurants, hotels, hospitals, food and beverage producers and other businesses.
The company has a particular focus on energy and water efficiency. Ecolab has developed a range of products and services that help to reduce, and in some cases even eliminate, the use of water in a wide range of industrial applications. In turn, this helps to lower costs through a reduction of energy and water impacts. In mid-May we hosted a call on behalf of the investor group with Ecolab's Head of Sustainability.

The company clearly acknowledged the need to move away from hazardous chemicals and had identified nonylphenol, a product used in their detergents, as a candidate to phase out. Ecolab has worked with other companies to identify alternative products such as enzymes to replace nonylphenol and has set a date of 2030 to complete the phase-out. It has also been proactive in sharing more data – for example with the Chemical Footprint Project – and for pushing the phase-out agenda with other companies in the industry.

However, little of this data is publicly available and we encouraged the company to be more proactive in sharing this information publicly. We also understand that the company uses 15 other substances that are classified as substances of very high concern (SVHCs). The company disputed this, and is in the process seeking clarification. WHEB continues to engage Ecolab on this issue and is now working with ChemSec via its Investor Health Initiative on Chemicals to inform and support our approach.

This continues to be a long-term engagement campaign for WHEB and the industry and the outcome is still ongoing. We have now improved our rating/measure of success as we included in 2022 milestones (more can be found in the engagement sector of the CDP).

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	Yes	Other, please specify (Physical risk from climate change)	As one of our proactive engagement themes in 2022, net zero carbon targets and strategies and greenhouse gas emissions comprised the majority of engagement on environmental issues, totalling (17%) together. We also ramped up efforts on hazardous chemicals and water treatment (5%), due to our involvement with various investor initiatives, and continued to engage on biodiversity (2%). WHEB has signed the Finance for Biodiversity Pledge in 2022 and has undertaken a comprehensive review of the portfolio for areas of significant biodiversity risk, that is closely related to forests.	<Not Applicable>
Water	Yes	Improve water efficiency Reduce water pollution Elimination of hazardous substances	As one of our proactive engagement themes in 2022, net zero carbon targets and strategies and greenhouse gas emissions comprised the majority of engagement on environmental issues, totalling (17%) together. We also ramped up efforts on hazardous chemicals and water treatment (5%), due to our involvement with various investor initiatives, and continued to engage on biodiversity (2%).	<Not Applicable>

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?

	External engagement activities that could directly or indirectly 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 fund organizations or individuals whose activities could influence policy, law, or regulation that may impact this issue area	<Not Applicable>	<Not Applicable>
Water	Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact this issue area Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may 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/area/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 mangers 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 engagement on this policy, law, or regulation 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 2022 was 20,308.88 tonnes (up from 16,677 tonnes in 2021).	<Not Applicable>	<Not Applicable>
Investing (Asset manager) – Impact on Water	Yes	WHEB measured the amount of water treated in 2022 by portfolio companies as 3.8bn litres, as well as 1.5bn litres water saved.	<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).

Focus of the Publication
Forests

Publication
In a voluntary sustainability report

Status
Complete

Attach the document
JC0577_WHEB_Impact Report 2022_Singles_Digital_AW.pdf
2022 WHEB Asset Management Stewardship Code Report Final.pdf

Page/Section reference
Impact Report (Section 3. Enterprise impact: How our investments contribute to sustainability and Section 4. WHEB's investor contribution: Stewardship and engagement).
Stewardship Report (Section 2: Investment approach, Section 3: Engagement)

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 for forests and water.
WHEB's annual Stewardship Report contains more details on all climate-related voting and engagement for forests and water.

Submit your response

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