



## WHEB Asset Management CSR Policy

### Introduction

WHEB Asset Management (WAM) is a specialist fund management business owned and managed by some of the most experienced practitioners of sustainable investment in the sector. The business is focused on a single equity impact strategy that is offered through different fund vehicles. We seek to generate superior returns by investing in listed companies providing solutions to some of the most serious environmental and social challenges facing mankind over the coming decades. Our corporate mission in support of this aim is to “advance sustainability and create prosperity through positive impact investments”.

As a focused and independent impact investment boutique, we aim to practise what we preach. Our investment strategy invests in businesses that sell products and services that have a positive impact and that are managed in a sustainable way. We believe this is an effective formula for our investee businesses to be successful over the long term. It is logical therefore that we want to see the same qualities in ourselves. As a result, a strong culture of corporate social responsibility sits at the heart of WHEB’s organisation.

The whole of WHEB’s team was involved in re-writing our values in 2022. These are embedded into our business and written into annual objectives and appraisal processes. Our values are:

- **Integrity:** Strong ethical principles guide all areas of our work. We are honest in our approach and treat all stakeholders fairly.
- **Passionate about impact:** Our intention is to have a positive impact on people and planet in all that we do.
- **Teamwork:** We build relationships based on trust and mutual respect. We promote an environment that enables our team to thrive and drives client success.
- **Continuous Improvement:** We foster a sense of purpose and a passion for progress, and we share what we learn along the way.
- **Leadership:** We are creating a movement for positive change, within our company and beyond.

We work hard to build WHEB’s culture around this sense of purpose that is encapsulated in our mission and values.

WHEB has been a certified B Corporation<sup>1</sup> since 2016 and is required to recertify every 3 years. The B Lab framework creates a strong framework against which to consider and benchmark our own progress in embedding a strong approach to CSR at WHEB. At the last recertification we scored 139 points, which places WHEB amongst the highest scoring certified B Corporations in the world.

We also consider WHEB’s own performance and impact as part of our annual impact reporting, which is published here: <https://www.whebgroup.com/reporting-impact-investment/impact-reports>

<sup>1</sup>The B Corporation Certification is considered to be one of the most rigorous, comprehensive and rewarding processes a business can undertake. The assessment examines a company’s impact on its key stakeholders (workers, community, environment and customers) as well as capturing and assessing best practices regarding mission and governance. For more information on B Corporations please visit: <https://www.whebgroup.com/about/being-a-bcorp>

## 1. Governance

As a certified B Corporation, our approach is written into our articles of association, or in WHEB's case our partnership deed, which states:

*'The objects of WAM are to promote the success of WAM for the benefit of the Members and, through the carrying out of the Business and the operations of WAM, to have a material positive impact on society and the environment, taken as a whole.'*

*Each of the Members and each member of the Management Board shall have regard, among others, to the following factors:*

- *the likely consequences of any decision in the long term;*
- *the interests of WAM's employees and B Members;*
- *the need to foster WAM's business relationships with suppliers, customers and others;*
- *the impact of WAM's operations on the community and the environment;*
- *the desirability of WAM maintaining a reputation for high standards of business conduct; and*
- *the need to act fairly as between Members of WAM (together, the matters referred to above shall be defined for the purposes of this clause as the "Stakeholder Interests").'*

The Senior Management Team has primary responsibility for ensuring that we work towards these objectives. We report to WHEB LLP members monthly and hold a Members' meeting at least twice annually.

WHEB has an independent Investment Advisory Committee which provides independent oversight on how sustainability is integrated into the investment process and stock selection. This Committee scrutinises every holding in the portfolio against our positive impact objectives and criteria, and we publish the summary minutes of this meeting. See: <https://www.whebgroup.com/reporting-impact-investment/advisory-committee-minutes>

## 2. WHEB's products and focus on impact

WHEB invests exclusively in companies that sell products or services that tackle critical sustainability challenges. We believe that understanding impact is becoming a 'third dimension' of investment expertise, alongside established disciplines in assessing investment risk and return. Our team of sustainability experts has developed bespoke tools that are used to analyse companies as part of our investment process.

- The Impact Engine is an analytical tool that evaluates the 'intensity' of the positive impact from products and services offered by companies. This tool captures the different dimensions of positive impact that are created by products and services to provide an overall intensity rating for the company.
- The Fundamental Quality analysis is the second step in our process. This framework is used to assess the overall quality of the business, including how it manages critical environmental, social and governance (ESG) issues alongside the quality of the company's business model and financial management.

For more detail on our investment process and portfolio, please visit our website on this link: <https://www.whebgroup.com/investing-for-impact>

Our responsible investment policy, stewardship policy and net zero carbon policies covering portfolio emissions are all available on this link: <https://www.whebgroup.com/investing-for-impact/sustainability-policies>

## 3. Climate and environment

Tackling climate and environmental challenges forms a major part of WHEB's investment strategy as described in section 2 above.

We were one of the first fund managers to report against the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) in 2016. We continue to be fully committed to setting ambitious targets and reporting transparently on our progress towards achieving such targets, both within our portfolio and for our own operations.

Our portfolio targets and commitments are summarised here: <https://www.whebgroup.com/reporting-impact-investment/nzc-carbon-data>

Our policy covering portfolio emissions is published here: <https://www.whebgroup.com/assets/files/uploads/20230424-nzc-policy-portfolio-emissions-final.pdf>

WHEB is also committed to tackling other pressing environmental issues including the need to reverse declines in biodiversity. WHEB is a signatory to multiple initiatives aimed at reversing environmental damage including the Finance for Biodiversity Pledge, see: <https://www.whebgroup.com/news/desjardins-global-asset-management-and-unicredit-among-15-new-signatories-of-the-finance-for-biodiversity-pledge-announced-at-cop15>

In addition to our focus on environmental issues through our investment activity, WHEB also sets out an ambitious approach and targets for managing our own operational environmental footprint. These are summarised in our operational emissions net zero carbon policy here: <https://www.whebgroup.com/assets/files/uploads/20230424-nzc-policy-operational-emissions-final.pdf>

Other activities include:

- Ongoing engagement work to encourage new and current suppliers to calculate their carbon emissions and set targets for emission reductions;
- Our employee leave policy which offers time off in lieu of low-carbon travel (for example, where team members take a longer train journey to go on holiday instead of flying); and,
- Being one of the first businesses to declare our support for the 'Business Declares' network of businesses that have declared a climate emergency and are taking action to tackle it: <https://businessdeclares.com/>

#### **4. Staff and people**

##### Working at WHEB

We want to make WHEB a great place to work and build a career. We also recognise that there is more to life than work, and we aim to support our colleagues' commitments outside of work too. Treating everyone fairly and with respect is fundamental to us and we foster an open and transparent culture where people feel welcome and included. We are a learning organisation and are always seeking ways to improve.

We are pleased to be recognised in the 2022 Escape the City list as one of the top 100 organisations to escape to.

For more information on working at WHEB please visit this link: <https://www.whebgroup.com/about/working-at-wheb>

##### Diversity, Equity and Inclusion

WHEB is committed to providing equality and fairness to all in our employment. We believe that all of our colleagues should be treated fairly and with respect, at all times. We also seek to provide help and encouragement to all our team to develop their full potential and make the most of their unique talents. Our Diversity & Inclusion Policy document provides additional details, see:

<https://www.whebgroup.com/assets/files/uploads/wheb-d-i-policy-may-2021-final-logo-update.pdf>

## Modern slavery and human trafficking

WHEB's statement sets out the steps that we have taken to ensure that slavery or human trafficking is not taking place in our business or supply chains: <https://www.whebgroup.com/assets/files/uploads/wheb-modern-slavery-oct-2022-final.pdf>

## Compensation and benefits

WHEB is accredited by the Living Wage Foundation as a living wage employer. See here: <https://www.livingwage.org.uk/accredited-living-wage-employers>

We have a wide range of employee benefits, including the opportunity to take a sabbatical in the form of an additional month of paid leave every 5 years.

WHEB is an employee-owned business, as all qualifying permanent members of staff are invited to become B Members of the partnership. B Members participate in a deferred equity plan that uses a share of annual profits to purchase an interest in WHEB's equity across the whole team. The aim of the plan is to align interests between the team, clients and other stakeholders in the business and is intended to create long-term stability and loyalty in the team.

## **5. Clients and other stakeholders**

WHEB believes in radical transparency as a route to building stronger and more trusting relationships with our clients and other stakeholders and it is at the core of our approach to communications. In 2023, WHEB won the WealthBriefing Wealth for Good Awards for Best ESG Communication Strategy (Europe).

WHEB has also been recognised multiple times by B Corporation in their 'Best for the World' awards in the customer category in 2017, 2018, 2019, 2021 and 2022.

We have a defined distribution strategy, which is designed with the interests of our clients at its core. A summary is publicly available on our website, and sets out key information for investors, such as identifying investor groups for whom the WHEB strategy is and is not appropriate. Marketing materials and fund information have been designed to be suitable for all categories of investor and are easily accessible via the WHEB website.

We additionally monitor and engage with our supplier register on a continuous basis to ensure that values are aligned with our own wherever possible, for example taking into consideration net zero commitments, sustainability policies and B Corp status.

## **6. Building a movement**

We believe it is our responsibility to use our influence within the wider financial system purposefully to support and enable more positive outcomes.

We do this not just through our engagement and reporting with clients and their advisors, but also with regulators, policymakers, and standard setters. For example, we recently advised the FCA on how to improve their proposal for SDR (Sustainable Disclosure Requirements).

For further information and a list of industry initiatives that WHEB is engaged with, please see the following link: <https://www.whebgroup.com/about/our-industry-networks>

## **7. Philanthropy, communities and social commitment**

WHEB offers employees up to 2 additional days of leave annually to be used for volunteering, and we frequently use team building days out to participate in projects that benefit local communities or the environment.

WHEB is a supporter of Insight Outreach, an education and social mobility charity that mentors students from less-privileged backgrounds across England and Wales to support their applications to top UK universities. WHEB recruits interns from Insight Outreach’s network of students and graduates from diverse backgrounds. <https://insightoutreach.org/>

We take the opportunity to make a positive impact via the products and services we consume where possible. For example, our offices are supplied with plants from the Glasshouse Project, which not only benefits the mental and physical wellbeing of our team who are surrounded by lovely greenery, the project offers second chances through horticultural training to women based in UK prisons. <https://www.theglasshouse.co.uk/>

We also prioritise fellow B Corps in our supply chain, which often provides the opportunity to increase our impact (for example providing the team with refurbished mobile devices), and to use suppliers whose values we can feel confident in.

## 8. Reporting and evaluation

This CSR policy is reviewed and updated by the Senior Management Team once annually.

We do not collate a separate public CSR report, but the activities covered under this policy are regularly reported on as follows:

Report	Scope/ Coverage	Link
Stewardship Report	Policies and processes that direct WHEB’s stewardship activities, and document work done with portfolio companies.	<a href="https://www.whebgroup.com/reporting-impact-investment/stewardship-reports">https://www.whebgroup.com/reporting-impact-investment/stewardship-reports</a>
Impact Report	Measuring and reporting against WHEB’s intention to create a positive impact since 2014.	<a href="https://www.whebgroup.com/reporting-impact-investment/impact-reports">https://www.whebgroup.com/reporting-impact-investment/impact-reports</a>
Investment Advisory Committee Minutes	Summary minutes of WHEB’s independent Investment Advisory Committee meetings (three times annually).	<a href="https://www.whebgroup.com/reporting-impact-investment/advisory-committee-minutes">https://www.whebgroup.com/reporting-impact-investment/advisory-committee-minutes</a>
B Lab Assessment	Outputs from WHEB’s triennial recertification with B Lab.	<a href="https://www.bcorporation.net/en-us/find-a-b-corp/company/wheb-asset-management-llp/">https://www.bcorporation.net/en-us/find-a-b-corp/company/wheb-asset-management-llp/</a>
External reports	Includes PRI Assessment reports, Eurosif transparency code, CDP responses.	<a href="https://www.whebgroup.com/reporting-impact-investment/external-reports#CDP">https://www.whebgroup.com/reporting-impact-investment/external-reports#CDP</a>
Investment Process Doc	Detailed and technical overview of WHEB’s investment process.	Available to professional investors on demand

This policy, as well as other aspects of Responsible Investment, are overseen by Seb Beloe, Partner – Head of Research, and is signed off by the Senior Management Team.

Last Updated: 4 September 2023