



CLIMATE TRANSPARENCY REPORT 2019

WHEB Asset Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-F943DE4C-FF0B-4E1E-B6AC-938440D8D203/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	WHEB Asset Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 0.1 - 0.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2012
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	48% from 38 Voluntary indicators

WHEB Asset Management

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Conflicts of interest <input checked="" type="checkbox"/> Other, specify(2) Reporting and review	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

The investment philosophy of the fund is built around sustainability, growth, quality and valuation. The fund is focused on nine sustainable investment themes; five environmental (cleaner energy, environmental services, resource efficiency, sustainable transport, and water management), and four social themes; (education, health, safety, and well-being). Individual stocks are selected through a 'bottom-up' stock-by-stock fundamental and rigorous research process.

The fund is exclusively focused on companies providing solutions to sustainability challenges. This creates an investment universe with superior growth prospects.

Higher quality companies are more likely to capture growth opportunities and we believe that a company's environmental, social and governance (ESG) profile in an important and under-appreciated indicator of quality.

We also believe that engaging with companies to challenge them on a range of ESG issues, and analysing their responses, further adds to our knowledge and understanding of a company.

We believe a long-term investment horizon (>4 years) enables us to take a considered position on stock valuations and allows us to benefit from the thematic opportunities and ESG performance that drive the long-term performance of companies.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

There are no exceptions.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC

Voluntary

Public

Descriptive

General

SG 01.6
CC

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

WHEB's investment philosophy is focused on our belief that the world is in the early stages of a wholesale transition towards a low carbon, more sustainable economy. The structure of our single investment strategy is predicated on this philosophy. Consequently we are structurally absent from areas of the economy that are most at risk from this transition including companies involved in the ownership, development, extraction and processing of fossil fuels. We are also absent from areas of the economy that are dependent on fossil fuel use including airlines, car companies with significant exposure to internal combustion engines, the petrochemical sector and fossil-fuel based energy utilities. We also avoid businesses that have have significant exposure to fossil fuel-focused businesses including consulting firms, engineers, oil field support services and financing activities related to fossil fuels.

By contrast approximately 50-60% of the portfolio is invested in companies that provide solutions as part of a transition to a lower carbon more sustainable economy. This includes businesses directly involved in the financing, development, installation and operation of renewable energy, companies that provide technologies that improve the efficiency and reduce the negative environmental impact of downstream industries. This includes in particular manufacturing, buildings, logistics and transport and water management. The remaining 40-50% of the fund is invested in companies that provide solutions to social issues including healthcare, safety, wellbeing and education.

In addition, we also consider scope 1 and 2 carbon emissions associated with the operations of businesses. Structurally we are absent from most parts of the economy which are very large users of energy and have commensurately higher levels of carbon emissions. The investment strategy for example has no direct exposure to petrochemicals, to cement production or to steel production. For those few sectors that are intensive users of energy and where the investment strategy does have exposure, we integrate energy use and carbon management into our stock selection process.

SG 01.7
CC

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

SG 01.8
CC

Indicate the associated timescales linked to these risks and opportunities.

We believe we are already seeing the realisation of investment risks and opportunities related to climate change. Over the period 2011-2018 we saw annualised revenue reductions to fossil fuel businesses in the MSCI World of more than 5%. In contrast companies that we qualify as having exposure to WHEB's sustainable investment themes saw annualised revenue growth of over 9%.

We anticipate that these risks and opportunities will continue to strengthen as the economics of low carbon technologies continue to improve, as consumers increasingly favour sustainable businesses and as governments implement more aggressive policy tools to drive the acceleration of the transition. The pace of this transition is however very difficult to forecast with some scenarios anticipating a rapid policy response as the negative impacts of climate change are increasingly felt and recognised while others see a more gradual change in policy.

No

SG 01.9
CC

Indicate whether the organisation publicly supports the TCFD?

Yes

No

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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Yes

Describe

As described above we have a single investment strategy within the organisation that takes as its starting point an investment philosophy that sees a transition to a low carbon, more sustainable economy as an inevitability.

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

URL/Attachment

URL

URL

{hyperlink:<http://www.whebgroup.com/investment-strategy/fund-governance/>}

Attachment (will be made public)

Attachment

[File 1:20190318 RI Policy.pdf](#)

Formalised guidelines on environmental factors

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/strategy/}

Attachment (will be made public)

Attachment

Formalised guidelines on social factors

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/strategy/}

Attachment (will be made public)

Attachment

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/strategy/}

Attachment (will be made public)

Sector specific RI guidelines

Engagement policy

Other, specify (1)

Other, specify (1) description

Conflicts of interest

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/fund-governance/}

Attachment (will be made public)

Other, specify (2)

Other, specify (2) description

Reporting and review

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/fund-governance/}

Attachment (will be made public)

Attachment

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/strategy/}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/strategy/}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/media/2019/03/20190228-WHEB-Factsheet.pdf}

Attachment

File Attachment

{hyperlink:20190228-WHEB-Factsheet.pdf [339KB]}

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/team/}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/media/2018/02/2017-WHEB-AM-Transparency-Code-Submission.pdf}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/investment-strategy/fund-governance/engagement-and-voting-records/}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/impact/impact-report-archive/}

Attachment

File Attachment

{hyperlink:WHEB Impact Report 2017.pdf [1192KB]}

Climate change

URL/Attachment

URL

URL

{hyperlink:http://www.whebgroup.com/impact/impact-report-archive/}

Attachment

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

Our investment strategy including the environmental and social themes that we invest in are provided on our website (with the link provided). This also represents the 'screening' policy - as we do not invest outside of these themes (though we frame this as 'screening in' rather than 'screening out'). We also comply with the Eurosif Transparency code (since 2012) which is available at <http://www.whebgroup.com/media/2019/01/2018-WHEB-AM-Transparency-Code-Final2.pdf>. This provides very detailed explanations of our policies and approach.

Our approach to engagement is contained in the responsible investment policy, in our UK Stewardship Code Disclosure Statement and also in the Eurosif Transparency Code document.

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6
CC For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

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 of 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 focused on sustainability.

Direct physical risks and opportunities related to climate change are extremely limited given WHEB has one office based in Central London. Management of energy procurement and the use of 100% renewable electricity as well as offsetting travel-related carbon emissions is handled by our Finance, Operations and Compliance Manager.

In contrast, indirect risks and opportunities we consider to be substantial and are covered through the investment decisions taken by the investment team. These decisions are subject to monthly oversight by the Investment and Risk Committee which is composed of the investment team as well as the Chief Risk Officer and the non-executive Chairman. In addition, there is an independent Advisory Committee composed of four external members (including climate change experts) and our non-executive chairman. This group meets every four months to scrutinise the composition of the fund including how it is positioned on climate change related issues. The minutes of this meeting are posted on our website at <http://www.whebgroupp.com/investment-strategy/fund-governance/investment-advisory-committee-minutes/>

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors

Describe

WHEB has one investment strategy that is entirely focused on a core scenario that involves the global economy shifting on a progressive basis to a lower carbon more sustainable economy.

- Yes, to assess future climate-related risks and opportunities

Describe

As above, the investment strategy is built around a scenario involving a progressive shift to a low carbon global economy. The strategy's nine investment themes include four social themes and five environmental themes directly targeting businesses that enable and benefit from a shift to a lower carbon economy.

- No, not to assess future ESG/climate-related issues

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

Our strategy is invested in nine different investment themes with 5/9 focused on environmental themes. We are structurally absent from fossil fuel exploration and production and have minimal exposure to any kind of fossil fuel activity. In contrast, our exposure to sectors providing solutions to climate change and other environmental issues represents more than 50% of the portfolio. We calculate that £1m invested in the fund in 2017 led to the net avoidance of 1,000 tonnes of CO2 emissions.

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC

Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

Our investment strategy is predicated upon a progressive shift to a lower carbon more sustainable economy.

We believe that we are still in the early stages of this shift. For example, over the last seven years, we have seen a shift away from fossil fuel businesses and towards, in particular, technology businesses. The weighting of the 'Energy' Sector in the S&P 500 has gone from 13.8% to 5.3% since 2009. While Information Technology has gone from 15.9% to 20%.

So while we have seen a shift away from fossil fuels in the market, we are yet to see a shift into low carbon sectors, at least in the US. Industrials, which is where many low carbon businesses get categorised, only rose from 9.2 to 9.5% of the S&P 500 Index.

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 believe that the principle risk to this scenario is that regulators and other market participants are initially slow to act. It is then only latterly through the experience of more severe climate impacts, that regulators and other stakeholders implement policy tools and frameworks that force markets and businesses to reduce carbon emissions. These responses are likely to be taken in haste and will drive inefficient responses. In the process, this may create unintended consequences for the businesses that we invest in.

- Incorporation into investment analysis

Describe

The thematic structure of the fund means that we are entirely absent from carbon-intensive parts of the economy including those areas that are most at risk from a transition to a low carbon economy.

We are also structurally focused on those parts of the economy such as renewable energy, energy efficiency in buildings and manufacturing as well as sustainable transport (eg rail, buses and electric vehicles) and water management that we believe are well-placed to enable and benefit from a transition to a low carbon economy.

- Inform active ownership

Describe

We take active decisions to vote all our sharedholdings. We routinely vote to support shareholder resolutions that support further action on climate related issues and regularly co-file shareholder resolutions to encourage companies to take more proactive action on these issues.

- Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

**SG 13.6
CC**

Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.

Yes

Describe

As described above, WHEB has one investment strategy that is entirely focused on companies that provide solutions to sustainability challenges including climate change. Our investment strategy as a business will always be focused on companies and other financial products that provide solutions to sustainability challenges including climate change.

No

**SG 13.7
CC**

Indicate whether a range of climate scenarios is used.

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

**SG 13.8
CC**

Indicate the climate scenarios the organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #cccccc; padding: 5px; border: 1px solid #000;">Other (1) please specify:</div> Third party scenarios
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Shifts in business models and consumption patterns for example of logistics and transport products and services and the implications this has for low carbon transport

- Other, specify(2)

other description (2)

Changing fashions and tastes including for example in terms of diet.

- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			317	400	000
Currency	USD				
Assets in USD			317	400	000

Specify the framework or taxonomy used.

We developed our own thematic framework in 2005 and have used this ever since with minor revisions over this time. This includes nine core themes and (currently) 24 thematic 'drivers'. The nine themes consist of five environmental themes covering: cleaner energy, environmental services, resource efficiency, sustainable transport and water management and four social themes: education, health, safety and wellbeing.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We have published a scope 1/2 carbon audit. We have also developed our own methodology for assessing indirect exposure to fossil fuel industry activity through the provision of products and services to this end market (for example environmental consulting services, wastewater treatment, logistics etc.).

In 2017 we developed a new methodology for quantifying the carbon emissions that were avoided through the sale of products and services by companies in the portfolio.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Carbon footprint (scope 1 and 2)	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Reporting to clients	CO2e/£1m	Based on Bloomberg analysis
Portfolio carbon footprint	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Reporting to clients	Avoided CO2e	WHEB
Total carbon emissions	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Internal analysis	CO2e	Bloomberg/WHEB
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Internal analysis	% of revenues exposed	Based on FactSet data

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

Our risk management process related to climate change is largely a function of our thematic structure which means that we only invest in companies that provides solutions to social and environmental challenges. We do not consider any carbon-intensive businesses to fit this category and so we have no exposure to these parts of the economy (eg fossil fuel ownership, development, extraction or processing), no airlines, no major automobile OEMs, no fossil-fueled utilities and no petrochemical businesses.

Beyond this, risk is managed very much through a bottom-up process of stock analysis. For example, there are companies that while they may offer a solution to one sustainability challenge, this may expose them to risks associated with climate change. Our main approach here is to understand the underlying exposure of the business and to avoid this where possible. For example, we have elected to avoid investing in businesses such as environmental consulting firms where they have exposure to oil and gas end markets.

Other businesses such as industrial gas companies or recycled cardboard manufacturers may have significant carbon footprints associated with their energy use. While in these cases, the products that these businesses supply provides very significant carbon benefits (in both cases more than offsetting their own carbon emissions) we nonetheless engage very actively with these businesses to encourage them to reduce their energy use or shift to renewable resources wherever possible.

- Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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Yes

	Please describe
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We have not explicitly referenced reporting in-line with the TCFD in our engagement with companies. We do however routinely encourage investee companies to improve disclosure and management of climate related issues. Given the focus of our strategy, this is more commonly on fully exploiting the business opportunities related to the low carbon transition.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
----------------	--

	%
--	---

100

SG 15.3	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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	Area
--	------

Energy efficiency / Clean technology

	Asset class invested
--	----------------------

Listed equity

	% of AUM
--	----------

40

Brief description and measures of investment

Wide range of technologies including renewable power generation, resource efficiency technologies, environmental services (such as pollution control and waste management), sustainable transport and water management.

- Renewable energy
- Green buildings

Asset class invested

- Listed equity

% of AUM

10

Brief description and measures of investment

Home energy efficiency products such as LED lighting, home energy management products and services, insulation materials, heat pumps

- Sustainable forestry

Asset class invested

- Listed equity

% of AUM

3

Brief description and measures of investment

We invest in companies that have sustainably certified timber assets as part of their operations.

- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education

Asset class invested

- Listed equity

% of AUM

2

Brief description and measures of investment

Investments in listed businesses providing educational products or services

Global health

Asset class invested

Listed equity

% of AUM

30

Brief description and measures of investment

Companies providing a wide range of products and services to address health needs efficiently including pharmaceutical products, medical technology, healthcare IT etc.

Water

Asset class invested

Listed equity

% of AUM

10

Brief description and measures of investment

Companies that provide products and services for water treatment, water provision and improving water efficiency.

Other area, specify

Safety, sustainable transport, resource efficiency (eg manufacturing), elderly care, pollution control, waste treatment and recycling and the circular economy.

Asset class invested

Listed equity

% of AUM

5

Brief description and measures of investment

Companies providing products and services that protect people (safety) and care for the elderly.
Sustainable transport - Businesses supplying alternatives to road transport (bikes, trains, buses) and cleaner road transport (emission controls, electrification etc.)

Resource efficiency - efficient manufacturing, efficient products, efficient lighting etc.

Pollution control - pollution control equipment, environmental consulting, waste treatment and recycling, contaminated land clean-up etc.

No