Focusing on the Future
Annual Impact Report

WHEB is now part of Foresight Group

Contents

A note on data:

The data provided in this report was collected during March and April 2025 and covers the period 1 January – 31 December 2024. In certain cases where companies had yet to report 2024 data, we have used data from the prior year. The content and data in this report were correct as at 31 December 2024 and have not been updated since.

Introductory letter

WHEB has been publishing impact reports for a decade. The objective of our reports has always been, first and foremost, to engage readers, and then additionally to provide data and information.

In this year's report we have sought to make this focus explicit by bringing the narrative to the fore. Rather than arranging the report around how we organise and structure our work, this year we have instead designed the report around the experience of our investors. Providing this narrative more overtly is, we hope, helpful to clients, enabling them to connect more fully with the Fund's proposition and performance over the year.

'The story of 2024' contained more than its fair share of challenges for impact investors. We responded to these challenges to limit downside risks while remaining true to the impact philosophy of the Fund. We have learnt much from this experience, and combined with other changes to WHEB, have ended 2024 in a much stronger position.

We also have the enormous benefit of having done this for a long time. The FP WHEB Sustainability Impact Fund was launched in 2009, but has heritage that stretches right back to 2005.

Over these twenty years, we have experienced many cycles where positive impact businesses have been in, and then fallen out of, favour. The recent lull in performance of impact businesses bears all the hallmarks of another cycle, in our view.

We are confident that it is a cycle and will therefore, by definition, recover. This recovery will be underpinned by the compelling economics of the products and services that our investee companies supply. It will, we believe, be further charged by the growing urgency of the environmental and social challenges that cities, communities, companies and countries all now face.

The underlying proposition of the Fund is to make attractive financial returns by investing in companies that are solving critical social and environmental challenges. In the twenty years that we have been running this strategy, the importance of this task has never been more important, nor the opportunity greater.

Seb Beloe
Managing Director, Foresight Group

Report highlights

In 2024 we...

Our focus

Worked with the FCA on the implementation of the Sustainability Disclosure Requirements (SDR) and were a vocal supporter of regulation to accelerate the transition to a net-zero carbon economy. We also published a White Paper on how practitioners can be more effective in stewardship and engagement activities.

Read more

Challenges

Clarified the theory of change that underpins the Fund setting out the fundamental objectives and the social and environmental problems we seek to help solve, as well as the types of companies we invest in, and the positive impacts associated with them and with our own activities.

Read more

Delivering impact

Maintained impact, quality and valuation disciplines throughout the year. At the start of 2025, the valuation of the Fund was trading at a ten-year low. Our contention is that these valuations do not reflect the competitiveness and strong potential of the portfolio.

Read more

Delivering impact

Avoided many of the high impact parts of the market that have been punished by high interest rates and wavering political support. We also built the Fund's exposure to companies with lower risk profiles for example in our Water Management theme.

Read more

Recovery

Continued our long-term drive to emphasise the importance of inclusive workplace practices in our engagement with portfolio companies and saw significant progress with gender diversity in the Fund ahead of the MSCI World for the first time ever.

Read more

Recovery

Saw improved impact performance from the Fund in delivering reductions in GHG emissions, increases in renewable energy, litres of wastewater treated and numbers of people benefitting from improved healthcare.

Read more

Recovery

Exceeded our target to have >85% of portfolio GHG emissions covered by a net-zero carbon target. At the end of 2024 88% of portfolio emissions were covered. We also saw further reductions in the carbon footprint of the Fund (including when excluding buys and sells and major corporate transactions).

Read more

Growth

Joined forces with Foresight Group at the start of 2025, creating a leading player well-positioned for growth in the sustainability and impact investment markets.

Read more

What we seek to achieve in 2024 and beyond

OBJECTIVES INVESTMENT PROCESS STEWARDSHIP

The past few years have brought considerable market volatility, and 2024 was no different. As we enter 2025, this volatility remains a defining feature, but so does our commitment to long-term, positive impact investing.

Whatever the market environment, *our focus remains on delivering competitive long-term financial returns for our investors by investing in companies that deliver a positive social and environmental impact.* While the market has not rewarded these types of companies in recent years, WHEB's long-term track-record shows that it has done so in the past. Ongoing improvements in the competitiveness of low and zero carbon solutions and expanding use cases for these technologies combined with attractive stock valuations and enduring client demand mean that there is good reason to believe that the market will do so again in the future.

Critically, as investors, we are strong believers in the role financial markets and private enterprise play in enabling the transition to a zero carbon and more sustainable economy. Companies that sell the products and services that enable this transition, benefit from it by generating increased revenues and profits. Our focus is on identifying the best publicly listed investments that are having this positive impact. We support them by investing in their shares and by engaging with them as long-term owners. In so doing, we directly contribute to the faster and greater deployment of products and services that help solve critical social and environmental problems.

The Fund's objectives

The FP WHEB Sustainability Impact Fund has two objectives:

01 The first is to achieve capital growth over 5 years[1].

02 The second is to contribute to positive sustainability impact over this period.

Sustainability is a complex term. We spell-out what it means for us in Figure 1.

Fundamentally, we see these two objectives as synergistic and mutually reinforcing. Companies that deliver a positive sustainability impact are, typically, in growing markets as society demands more of the positive impacts that they deliver; whether this be more or better healthcare or lower levels of pollution. This demand creates revenue growth as these companies sell more of their products and services.

Companies with growing revenues are then able to reinvest profits in generating more growth that in turn creates more positive impact.

Of course, it would be naïve to expect this growth to remain constant. Instead, it goes through cycles driven by wider economic, political, regulatory and consumer changes, which we've seen first-hand. Average sales growth across the portfolio was just 0.4% in 2024, just behind the MSCI World at 0.5%. But over the long-term, sales growth has been strongly positive averaging over 10% per annum over the past 7 years[2]. A report from the London Stock Exchange Group found similar patterns with the 'green economy' exhibiting levels of growth over the past decade that were second only to the technology sector, but struggling in more recent years[3].

[1] Our objective is to deliver a return that is consistent with the impact equity risk premium and well in-excess of low risk assets such as government bonds or cash.

[2] Bloomberg.

[3] www.lseg.com/en/insights/investing-in-the-green-economy-2025-navigating-volatility-and-disruptions

Figure 1 **What we mean by positive sustainability impact**

For us, positive sustainability impact includes:

Supporting a stable climate and healthy ecosystems through activities that:	**Enabling more productive and healthy lives** through activities that:
Deliver CLEANER ENERGY and avoid the production of greenhouse gasses (GHGs)	Deliver more EDUCATION
Provide ENVIRONMENTAL SERVICES that reduce the generation of waste and avoid the production of GHGs	Deliver improved HEALTH through the reduction of both communicable and non-communicable diseases
Enable improved RESOURCE EFFICIENCY in order to avoid the production of GHGs	Improve SAFETY by making sure products are safe and by directly protecting people from hazards
Enable SUSTAINABLE TRANSPORT that avoids the production of GHGs	Improve WELL-BEING for people through preventative care
Enable effective WATER MANAGEMENT through reductions in the use of freshwater and treatment of polluted water.	Deliver new and better positive impact technologies related to the above activities.

Further details on the types of companies that we invest in are contained in this report including a complete mapping against the UN Sustainable Development Goals in the data-pack (see page 39). 100% of the Fund's investments are in companies that meet one or more of these objectives[4].

[4] Approximately 1% of the Fund's assets are held in cash for liquidity purposes.

Stewardship and engagement

We also aim to increase the positive impact of our investments by engaging with portfolio companies.

We encourage management teams to:

- increase their positive impact by reinvesting in further growth and developing even better products and services,
- address any material negative impacts associated with their products and services or their operations; and,
- deliver wider improvements in the quality of their business operations which in turn will support greater growth and more positive impact.

While it is the companies that we invest in that create positive impact through the products and services that they sell (the 'enterprise impact'), as investors we contribute to this impact by directly influencing company management through:

01 **Bilateral dialogues and collaborative – or collective – engagements.**

02 **Voting at company meetings.** As investors we have the right to vote at company meetings. We use these votes to increase the positive impact of our investments and support long-term financial returns. We explain our voting rationale to management which often then catalyses dialogue[5].

02 **Capital allocation decisions.** Our rationales for buying and selling shares in businesses are also communicated publicly. Signaling our activities in this way also plays a part in influencing management teams and is also part of our stewardship activity.

We also engage with other stakeholders to encourage a greater focus within financial markets on delivering positive impact. This includes working with regulators, standard-setters and other market participants such as our clients and their advisers.

Our work derives its **legitimacy** from the mandates that clients give us to invest their money on their behalf. We owe our clients a fiduciary duty to act in their best interests in protecting and enhancing the long-term value of their investments. This report and the wider suite of publications and data that we provide are ultimately intended to serve as an **accountability** mechanism to demonstrate to investors how we have delivered on their mandate.

Case study A

Engaging with policy makers and standard setters

Beyond bilateral engagements with companies, WHEB also seeks to contribute to the development of a well-functioning financial system[6]. In our view, such a system has to include consideration of the social and ecological foundations on which it is based.

WHEB has been an active contributor to policy and regulatory consultations as well as in the development of standards and good practices in the industry. We have been part of the Financial Conduct Authority's Disclosure and Labels Advisory Group (DLAG) that has shaped sustainable finance regulations.

We have also been a vocal supporter of policies aimed at accelerating the transition to a net-zero carbon economy and addressing health crises such as the development of anti-microbial resistance (AMR). We also remain deeply engaged in helping to set standards of practice within finance. In 2024, this included contributing to consultations on the UK's Stewardship Code, writing a white paper on improving stewardship effectiveness across the industry[7] and serving on technical committees at the British Standards Institute developing standards on sustainable finance.

[5] Voting rationales available at www.whebgroup.com/investing-for-impact/stewardship/voting-records

[6] One of the principles in the 2020 version of the UK's Stewardship Code is 'Promoting well-functioning markets'.

[7] See www.whebgroup.com/investing-for-impact/stewardship

2024: A challenging environment for sustainability investment

MARKETS | SUSTAINABILITY | STRATEGY

AI infrastructure drove market returns in 2024

By any measure, 2024 provided a challenging market environment for sustainability impact investment strategies in listed markets including for the FP WHEB Sustainability Impact Fund. The C Acc share class of the Fund returned -2.61% over the year[8]. This was not, however, the case for listed equities more generally. The MSCI World Net Total Return (GBP) Index, and the median performing Fund in the Investment Association's ("IA") Global sector peer group rose 20.79%[9], and 12.63%[10] respectively over the same period.

Returns over the year were dominated by a few mega-cap US stocks which benefited from huge interest in the potential for artificial intelligence (AI) to reconfigure activity across the economy. At one point in the year, Nvidia alone had a larger stock market capitalisation than five of the G7 country stock markets (See Figure 2).

Many AI businesses do have a positive impact with some featuring in the Fund. For example, AI applications in healthcare have the potential to dramatically improve innovation in pharmaceutical research and testing. The efficiency of all sorts of industrial activities is also expected to be transformed through the use of AI tools. We believe that these types of applications have a tremendous impact on healthcare and resource use.

The large tech companies however, such as Nvidia, Microsoft and Alphabet, provide the underlying technology infrastructure and are undifferentiated in supporting all types of AI applications. They are also themselves major sources of power demand. For these reasons, they are not considered investible by the FP WHEB Sustainability Impact Fund.

The extreme focus on AI infrastructure in 2024 followed on the heels of a series of major developments affecting global markets and in particular the areas in which the FP WHEB Sustainability Impact Fund is invested. Back in 2019 and 2020 there was huge optimism about the role finance could play in helping to accelerate a shift to more sustainable economies. Joe Biden had just been elected as US President which lent weight to a global push from governments to commit to net-zero carbon (NZC) targets. The global COVID-19 pandemic then underlined the importance of healthcare businesses in supporting healthy societies. WHEB's strategy has strong exposure to healthcare and to the energy transition agenda which resulted in strong performance at the time.

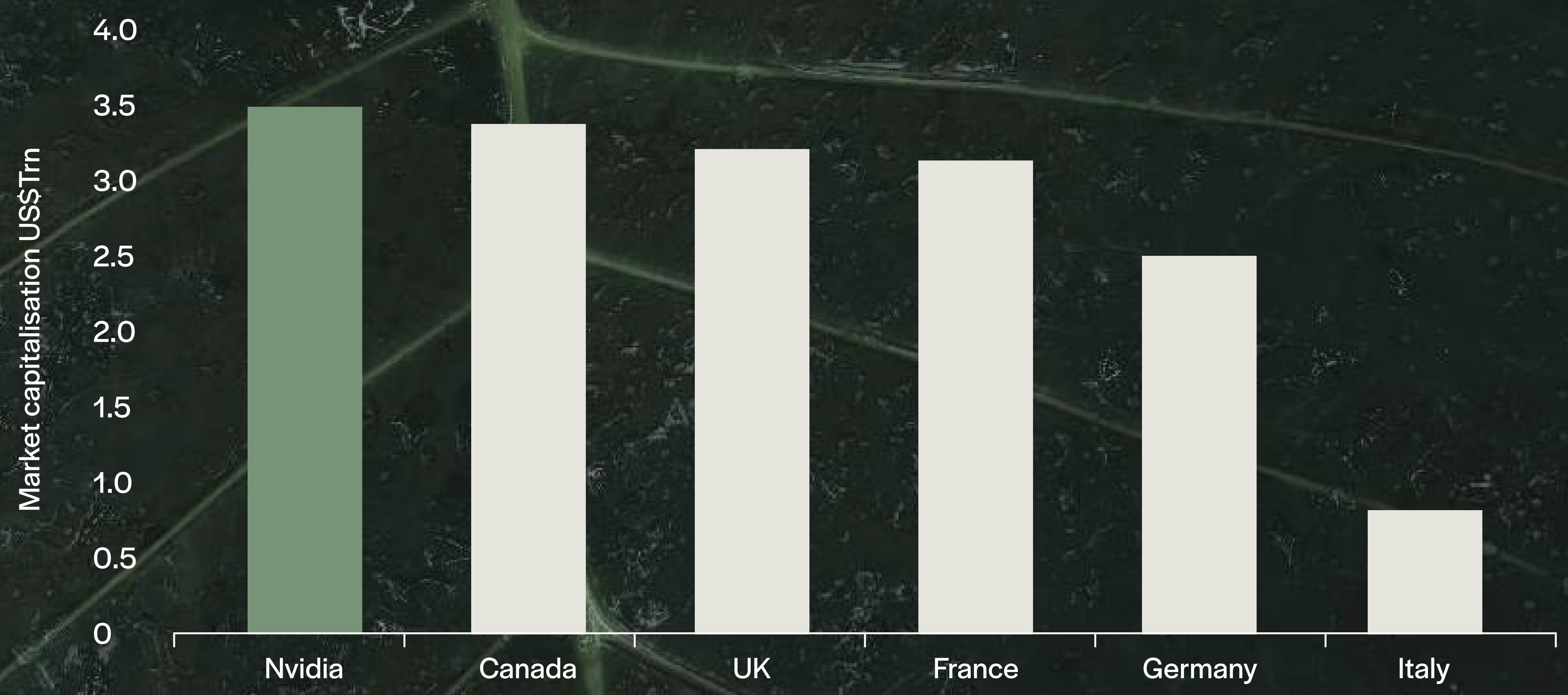
Since then, the world has seen a war in Europe, sky-rocketing inflation, a cost-of-living crisis, a supply-chain crisis, and the re-election of Donald Trump as US President.

Underlying sustainability challenges remain pervasive

The economic challenges created by these events have captured government and investor attention and undermined momentum for a greater focus on sustainability. At the same time, underlying sustainability challenges have compounded. Climate change is a stand-out example of this. Efforts to keep average global temperature increases to less than 1.5°C above pre-industrial levels have all but failed. Extreme weather events have consequently become more frequent and more intense. Other environmental problems are also reaching critical levels. For example, contamination of the environment by novel entities such as synthetic chemicals, freshwater and land system changes and the integrity of the biosphere have all worsened substantially in recent years. In 2015, of the seven 'planetary boundaries' assessed by the Stockholm Resilience Centre, four had already exceeded levels considered to be consistent with the long-term health of these systems (see overleaf). By 2023, the date of the most recent assessment, all nine boundaries had been assessed and six had been exceeded (See Figure 3).

At the same time, the prevalence and cost of chronic diseases such as diabetes, heart disease, stroke and cancer continue to escalate. Notwithstanding the contribution of anti-obesity treatments that hold much promise, the estimated cost of chronic disease is expected to reach $47 trillion worldwide by 2030[11].

Figure 2 Value of Nvidia versus major stock markets[12]



[8] Bloomberg.

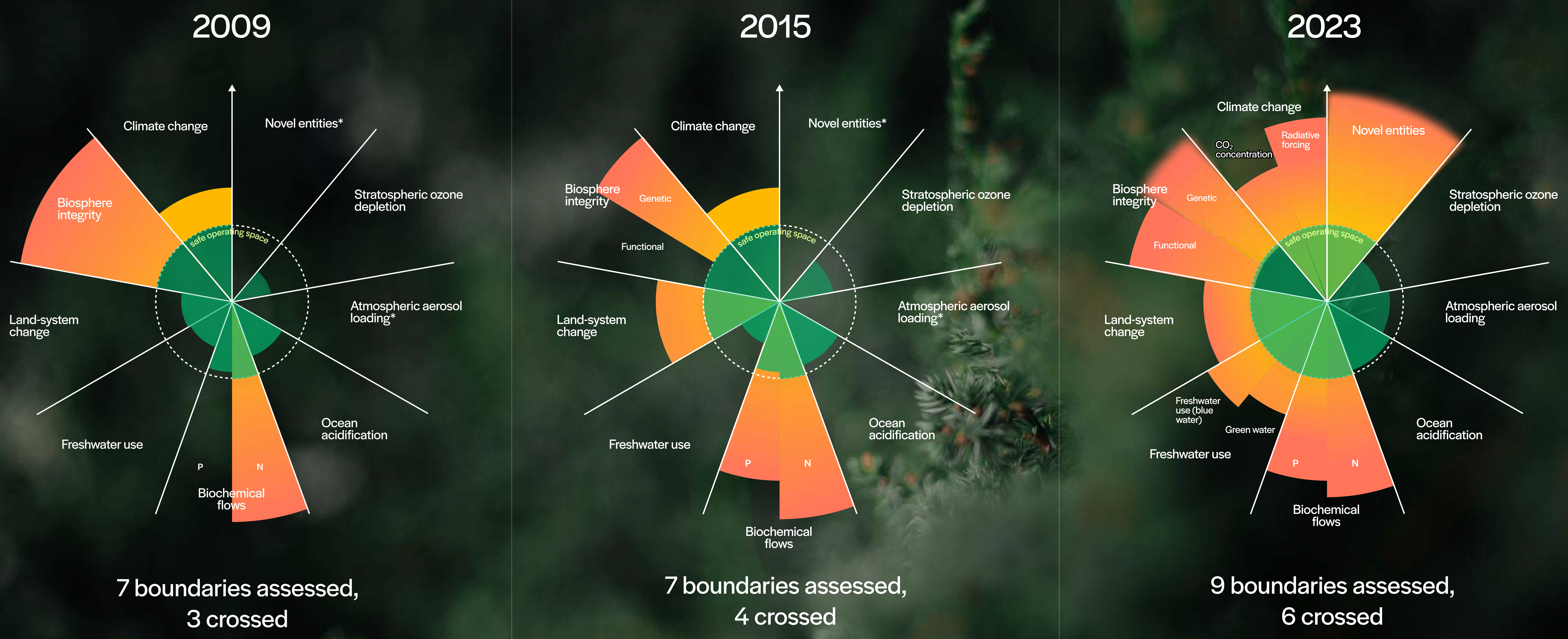
[9] Ibid.

[10] FE Analytics.

[11] pubmed.ncbi.nlm.nih.gov/38304166

[12] Country market capitalisations as of 24 October 2024. Sources: Apollo Academy, Apollo Global Management. Nasdaq 100 weights taken from Invesco Nasdaq ETF, 22 November 2024.

Figure 3 **By 2023 two-thirds of planetary boundaries were being exceeded[13]**



[13] For more information on the planetary boundaries please see www.stockholmresilience.org/research/planetary-boundaries.html

*not yet assessed

P = Phosphorus

N = Nitrogen

Our investment strategy

In the context of these trends, the core philosophy underpinning our investment strategy remains more robust than ever in our view. Society needs more solutions to these pressing problems, and private enterprise is well-placed to provide them. Our investment strategy is designed to support this and starts with the identification and categorisation of critical environmental problems such as climate change, biodiversity loss and other forms of environmental pollution as well as critical social problems including illness and disease, unhealthy lifestyles and lack of educational opportunities (see Figure 4).

For each of these environmental and social problems, we have identified a set of business activities that directly target critical aspects of these problems. For example, to limit global warming to <2°C, energy efficiency needs to improve by c.4% per annum across the global economy[14].

In healthcare, ischemic heart disease (IHD) alone accounts for nearly 15% of all global deaths[15]. We identify products and services that help address these critical challenges using an analytical framework known as the 'Impact Engine'. We assess the overall impact delivered by the companies supplying these products and services and use this to help us decide which companies to invest in. We only invest in companies that derive the majority (>50%) of their revenues from products and services that support the Fund's sustainability objective.

We provide a summary of our investment process in the data-pack at the end of this report (see page 38). Additional detail is also available on our website[16] and in the Fund prospectus[17].

[14] International Energy Agency.

[15] Institute of Health Metrics and Evaluation (IHME).

[16] www.whebgroup.com/investing-for-impact/how-we-invest

[17] www.whebgroup.com/impact-investment-funds/sustainability-fund-oeic/prospectus-fp-wheb-sustainability-fund-oeic

Figure 4

Theory of change

OBJECTIVE

To achieve capital growth by investing in companies that:

- Enable more productive and healthy lives
- Support a stable climate and healthy ecosystems

IMPACT

We measure the positive impact that is associated with these investments and with our investment activities.

Days of tertiary and vocational education

# of people benefiting from improved healthcare treatment

# of people with improved well-being

£ spent on products and services from portfolio companies and used in impact R&D

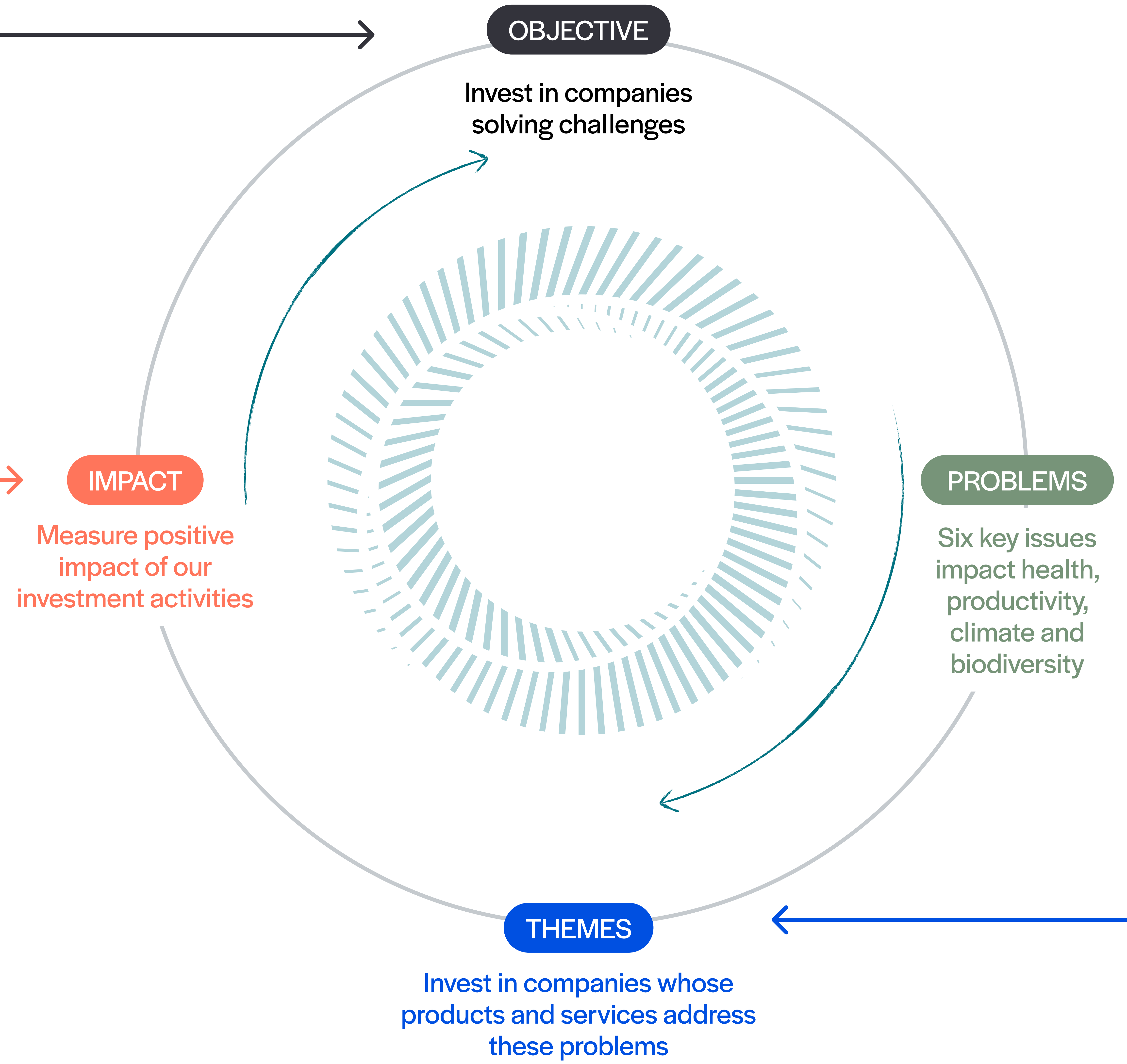
MWhs of renewable energy

Tonnes of waste recycled

MWhs of renewable energy generated

Litres of water saved or treated

Engagement and stewardship outcomes



PROBLEMS

We've identified six social and environmental problems that undermine health and productivity and that destabilise the climate and destroy biodiversity.

1. A lack of education limits opportunities and slows social development
2. Illness and disease cause death and destroy quality of life
3. Accidents traveling, at home or in the workplace cause c.5% of deaths
4. Unhealthy lifestyles cause chronic disease that account for 60% of deaths
5. Climate change and biodiversity loss undermine ecological systems that support human life
6. Overuse and pollution of freshwater causes biodiversity loss and water insecurity

THEMES

We identify, invest in and engage with companies within nine themes that tackle these problems through their products and services:

CLEANER ENERGY | ENVIRONMENTAL SERVICES | RESOURCE EFFICIENCY | SUSTAINABLE TRANSPORT | WATER MANAGEMENT | EDUCATION | HEALTH | SAFETY | WELL-BEING

Rolling with the punches: How we delivered a positive impact in 2024

PORTFOLIO INVESTMENT PROCESS STEWARDSHIP QUALITY

The market environment that we experienced in 2024 has been challenging for impact investors. We haven't made every decision perfectly, but we have learnt lessons, evolved our investment process and strengthened the foundations for future performance.

In 2024, for example, we managed to largely avoid many of the high impact parts of the market that have been particularly punished by high interest rates and wavering political support for key technologies. Heat pumps are a good example of a cornerstone technology in the decarbonisation of heating systems for buildings and for manufacturing industry. In the aftermath of the Russian invasion of Ukraine, demand for heat pumps skyrocketed as governments sought to incentivise a shift away from Russian natural gas as a fuel for heating buildings. However, through 2023 and 2024 the market collapsed when many of these incentives were withdrawn. While we remain convinced of the long-term advantages of heat pumps as a heating technology, we nonetheless reduced our exposure to this technology in 2023 by selling Daikin Industries before the real downturn in the heat pump market hit. Our remaining exposure to heat pumps is primarily in industrial applications through the UK-based company Spirax Group. This company has been one of the poorer performers over the year, in part due to weakness in these industrial markets.

Another area where we were able to limit the damage to Fund performance was by reducing our exposure to the volatile residential solar market. This market, particularly in the US, was hard hit by increases in interest rates which affected homeowners' ability to finance the installation of solar systems. In 2023 we sold our position in Enphase Energy, a manufacturer of devices that improve the efficiency of home solar systems. We did maintain a position in SolarEdge, a competing business, which detracted from portfolio returns over the period, but did sell our position in the first half of 2024 which limited the damage.

We replaced these higher impact – but also higher risk – businesses with more established companies with lower risk profiles and often lower impact. American Water Works (see Case study B) is a good example of a more defensive business in water treatment that has been relatively robust in the period we have owned it.

Average impact scores across the Fund in 2024 remained constant at 25%. Quality scores declined by 1 percentage point to 70%.

Figure 5 The impact map of WHEB's strategy during 2024[18]

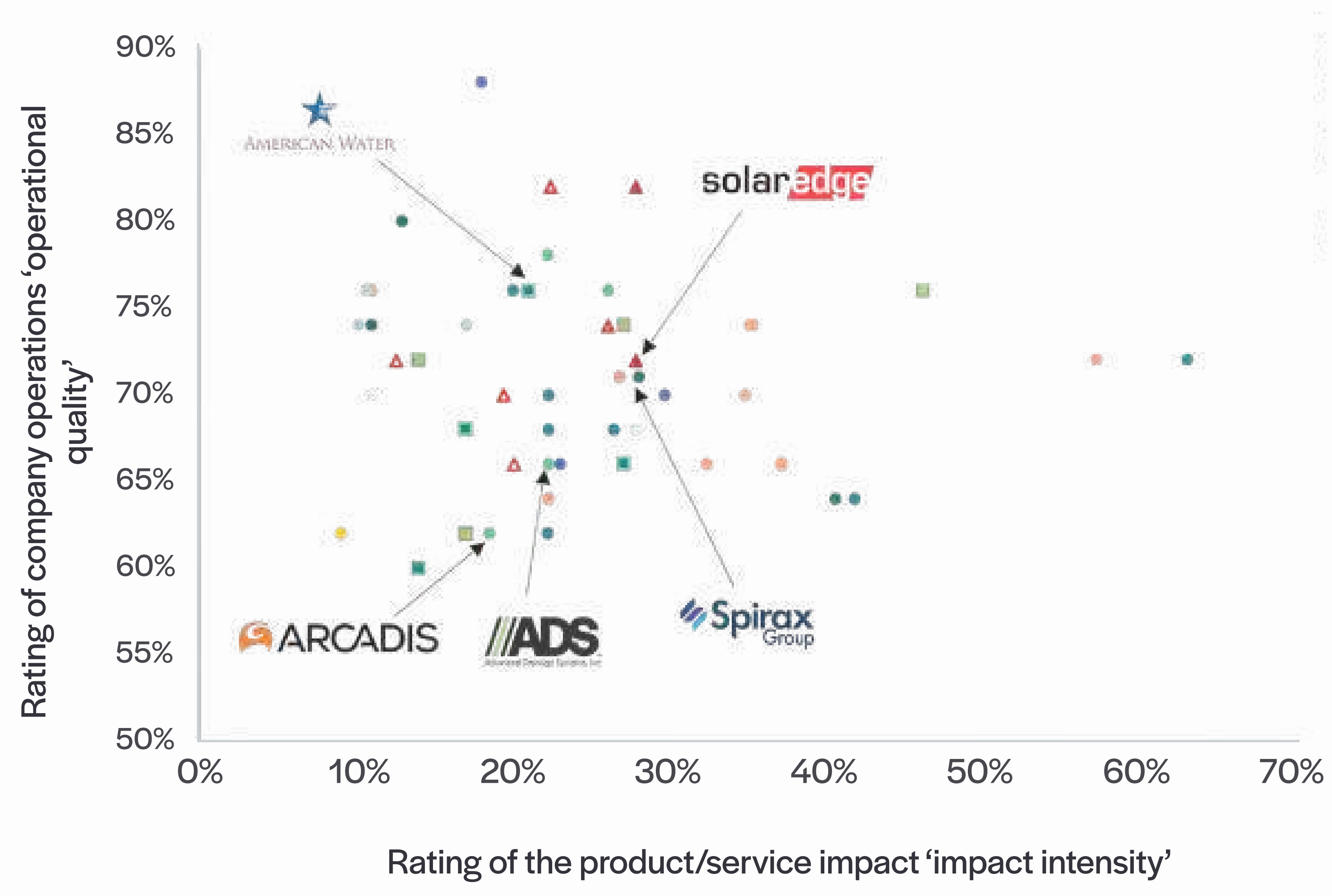


Figure 6 Companies bought and sold in 2024

Companies bought	WHEB impact score	WHEB quality score
American Water Works	21	76
ATS	17	68
Gerresheimer	14	72
Global Medical	17	62
Nextracker	14	60
Novo Nordisk	46	76
Rockwell	27	66
Siemens Healthineers	27	74

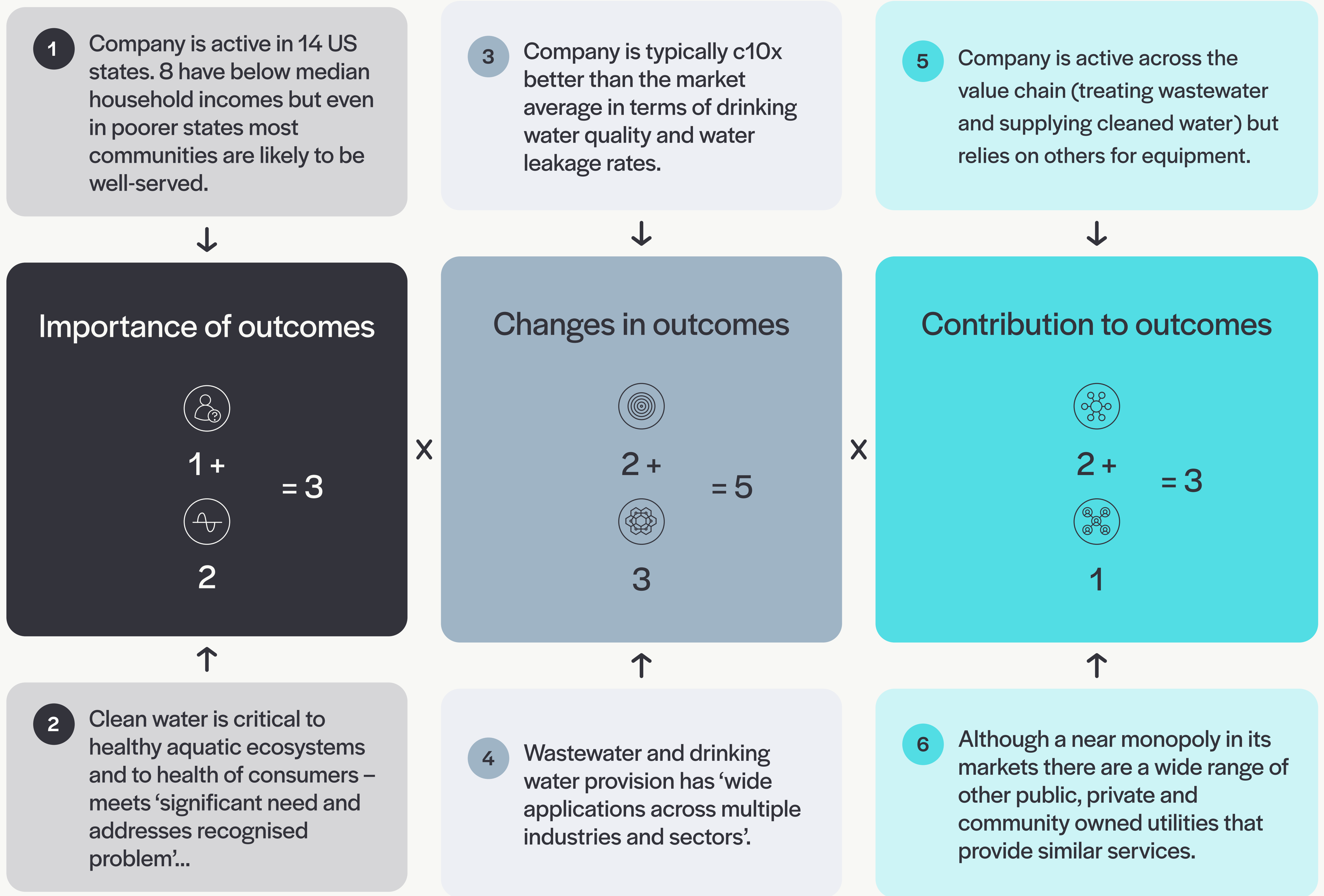
Companies sold	WHEB impact score	WHEB quality score
Ansys	28	82
Cooper Companies	20	66
Fisher & Paykel Healthcare	22	82
Hamamatsu	19	70
JB Hunt	26	74
SolarEdge	13	72
Tomra	20	66

[18] A full interactive and updated version of this impact map is available at www.whebgroup.com/investing-for-impact/how-we-invest

Case study B

Applying the impact engine: American Water Works

WATER MANAGEMENT



American Water Works is a US-based water utility which provides drinking water to consumers and wastewater treatment services that inactivate waterborne pathogens, reduce levels of chemicals, suspended solids and other pollutants in water before returning the cleaned water to the natural environment. The company delivers c.1.2bn m^3 of drinking water and treats >101m m^3 of wastewater per year. American Water Works is dramatically better than the industry average in terms of drinking water quality and water leakage rates.

We also collect data on the negative impacts associated with the product or service. In American Water Works' case this includes the use of chemicals to treat wastewater, the negative impacts of water abstraction and the significant energy that is required to transport and treat water and the related GHG footprint.

A summary of the Impact Engine methodology is available in the Data-pack on page 38.

	Importance of outcomes		Changes in outcomes		Contribution to outcomes			Maximum possible score		Impact intensity
Impact intensity	3 (1+2)	X	5 (2+3)	X	3 (2+1)	=	45	/216	=	0.21

	Impact intensity		Proportion of revenues from positive impact product/service		Total Impact score
Total impact score	0.21	X	100%	=	21%

We have built our exposure to the Water Management theme which is generally more defensive in a volatile market environment.

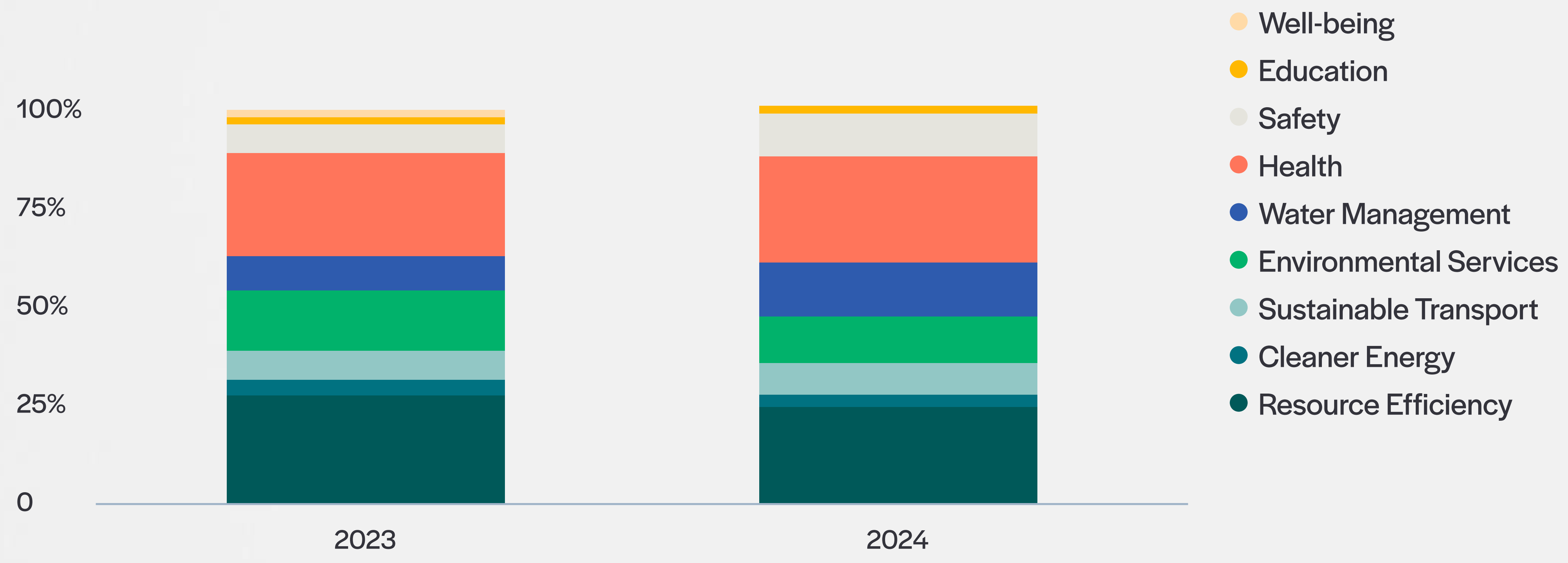
For example, Water Management increased from less than 10% of the portfolio at the start of 2024 to nearly 14% twelve months later. Exposure to more cyclical themes such as Cleaner Energy (-1%), Environmental Services (-3%) and Resource Efficiency (-4%) were reduced through 2024 and into early 2025. Meanwhile more defensive areas such as Safety (+3%) and Health (+1%) have been increased over the same period.

We have also built out our exposure to companies that help vulnerable sectors (see Figure 7) , such as real estate and infrastructure, adapt to the climate change that is already apparent. This includes Advanced Drainage Systems that builds and installs storm-water drainage systems and Arcadis that provides consultancy and advice to companies and communities to help them become more resilient to extreme weather. Ultimately, if the global economy fails to mitigate GHG emissions sufficiently, there will need to be vastly more money spent on adaptation to the climate changes that will then ensue.

We also avoided much of the more speculative parts of the market for positive environmental impact that emerged during the heady days of 2020 and 2021. This included, for example, technologies such as green hydrogen and the manufacture of electrolysers (which produce hydrogen from electricity) as well as businesses installing charging infrastructure for battery electric vehicles (BEVs). While these are all businesses with a clear positive impact, we were concerned about the robustness of the business models underpinning these companies and did not make any investments in them. Many of these companies saw dramatic falls in value in 2024.

For many businesses in the Fund in 2024, the advantages of a strong sustainability offering have not been enough to offset a lack of growth in the end-markets that they serve. A good example of this is Croda International (see Case study C) which in 2024 suffered from weak demand for their bio-based chemicals that are used in the healthcare and beauty markets as well as in industrial activities.

Figure 7 Fund thematic exposure 2023-2024



Case study C

Supporting healthy ecosystems – Croda International

ENVIRONMENTAL SERVICES

Croda International is a UK-based chemical company with a difference. Most chemical companies produce synthetic chemicals derived from petroleum and natural gas. These chemicals carry a very high environmental cost including through higher GHG emissions, greater water use and a legacy of toxic residues. Croda is different because over two-thirds of their raw materials come from biological sources, compared to 10% across the wider industry.

Many of their products reduce environmental impacts. For example, in farming, their bio-based and biodegradable seed coatings can improve crop yields by up to 25%.

Lanolin, derived from sheep's wool and used in a range of beauty products including skin-care creams, was Croda's first product and is still used today. The company is also involved in healthcare, including by adding chemicals to enhance the performance of vaccines and to extend the shelf-life of pharmaceuticals. With their differentiated technologies, the company targets high value but low volume markets where they can command a strong market share.

We are confident that these advantages position the company well once underlying markets return to growth.

Articulating a clearer focus on material sustainability issues

In addition to the challenges presented by the market and the worsening state of the global environment, in late 2024 Donald Trump was elected to the US Presidency for a second time. One immediate impact of his election was to bring a highly critical focus on the engagement activities of investors. In particular, activities that are perceived to be motivated by political agendas have been a concern for Republican legislators in the US as well as activist groups.

Historically, our diversity engagement has focused on gender, motivated by a belief in the moral and social importance of the principles of diversity, equity and inclusion (DEI). Client interactions on our approach to these issues has also underlined their strong support for this approach.

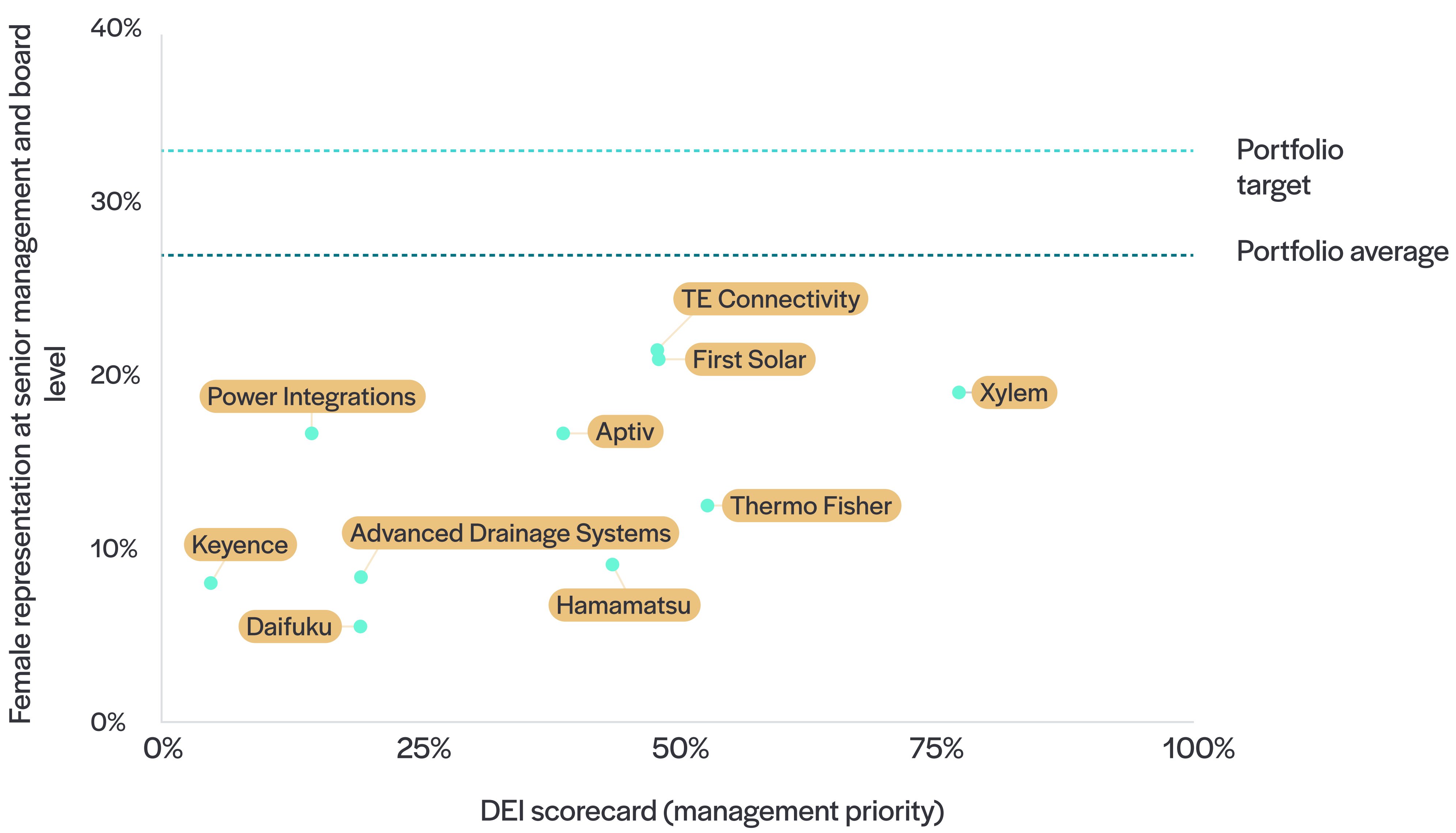
In 2024, we broadened our analysis of the portfolio to include additional aspects of diversity and inclusion. Having previously only considered gender diversity at senior levels, we now assess aspects of employee satisfaction, as well as talent development initiatives that create fair opportunities and benefits.

Amid rising geopolitical scrutiny of 'DEI', this approach strengthens our ability to meet Fund objectives and fiduciary duties while addressing key workforce issues that also benefit broader civil society.

For example, we are supportive of companies adopting policies that provide inclusive environments for all employees. We believe that such policies enable businesses to attract and retain talented employees from across the whole of society, which in turn supports the long-term success of the business.

In 2024, we conducted a detailed mapping of our portfolio to identify companies that have low gender diversity at board and senior management level (y axis) and attribute the issue a low priority (x axis)[19]. This helps us identify laggards and potential engagement objectives where improvement is needed.

Figure 8 **Mapping of portfolio companies on Diversity, Equity and Inclusion**



Case study D

Supporting inclusive workforce cultures[20]

Over recent periods we have engaged with several portfolio companies on their approach to workforce attraction and retention. A prominent topic in these conversations has been how these companies embed workforce cultures that are supportive of employee well-being and attract diverse employees. In many cases the focus has been on improving levels of reporting and disclosure. In 2024, for example, we voted in favour of a shareholder resolution at **Danaher** asking for improved disclosures on retention and promotion data by gender and ethnicity. We have also engaged with **MSA Safety** on their disclosures which group women and diverse employees into one category, which limits the utility of the data.

We have also sought to engage companies on policies that more directly support employee wellbeing and inclusive workforce cultures. For example we have engaged with **Vestas** and **Xylem** on policies in their US operations to support employees who choose to terminate their pregnancies including providing out-of-state travel and accommodation allowances. We have also been working with **Infineon** to understand their approach to diversity and inclusion. The company has, for example, set up initiatives to accommodate religious dietary restrictions and adopt flexible working practices and provide kindergarten services to support parents.

[19] Gender diversity at senior levels is typically the only diversity data point that is available for all portfolio companies. We plan to extend this analysis to cover other aspects of DEI other than just gender as this data becomes more readily available.

[20] All these engagement examples are available as case studies at www.whebgroup.com/investing-for-impact/stewardship/engagement-case-studies

Maintaining critical standards...

Our investment process affords us flexibility to respond to the challenging market environment we experienced in 2024 while remaining exclusively focused on companies that deliver a positive social or environmental impact and that meet critical sustainability standards.

Companies that have exposure to products and services that we consider have significant negative impacts or have breached minimum standards of behaviour in terms of their own performance on social and environmental issues are not eligible for investment. For example, we have a 0% revenue threshold for companies that:

- produce tobacco or manufacture nicotine alternatives or tobacco-based products;
- develop, produce or maintain nuclear weapons; or,
- develop or produce biological or chemical weapons as well as other controversial weapons such as cluster munitions and weapons containing white phosphorus.

We also apply a 5% revenue exclusion to companies involved in the production or sale of other products and services with significant negative impacts. The full list is available on our website and includes fossil fuel production, gambling, alcohol, pornography and unsustainable timber production among others[21].

Companies that have persistently poor practices on material environmental, social or governance (ESG) issues are also highly unlikely to be selected for investment. For example, if a company is considered to be particularly weak (scoring a zero) on any single dimension of our quality analysis or scores less than 50% overall, it will not be approved for investment. Moreover, where companies are found to have breached a set of international norms regarding social and environmental behaviour, they will also be excluded from investment. These norms are set out in widely agreed principles and standards of behaviour and include:

- Principles of the UN Global Compact
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights.

[21] For a full list of these activities please see www.whebgroup.com/investing-for-impact/how-we-invest

...and quality

Another area we have not changed, is the focus on the quality of the stocks in the portfolio which remains at a high level. This can be seen in the 'Operational Quality' scores given to stocks selected for the portfolio (see Figure 5). Higher quality businesses tend to be better capitalised, less indebted and with strong governance which helps them cope better with market downturns. For example, compared to the MSCI World, the Fund as a whole exhibits higher gross margins (GM) and operating margins (OM), better returns on equity (RoE) and on assets (RoA) and lower leverage (see Figure 9).

This quality is also evident in the performance of the portfolio on key ESG features. Ultimately our stock selection is 'quality-led' not 'ESG-led'. We do not, for example, use separate ESG 'scores' or ratings as criteria in stock selection. Instead, our focus on broader conceptions of operational quality naturally leads us to higher quality companies both on more traditional financial metrics and also on material ESG issues.

Figure 10 shows how the strategy's profile has changed over time. Stronger performance is shown as the lines reach closer to the outside of the diagram and shows the Fund performing better across 13 of the 15 indicators compared to the MSCI World. Scope 3 carbon emissions are higher in the Fund because of investments in products that use energy such as heating, ventilation and air conditioning systems (HVAC). These investments are in companies that improve efficiencies in these areas – and so contribute to reductions in the Scope 1 and 2 emissions of their customers.

Board independence tends to be lower for the smaller and mid-sized businesses that the Fund is invested in and so this underperformance is consistent with it's bias towards these types of companies.

A more detailed analysis of year-on-year performance relative to the MSCI World is contained in the data-pack at the end of this report (see page 40).

Figure 9 **Quality metrics of the Fund vs the MSCI World**

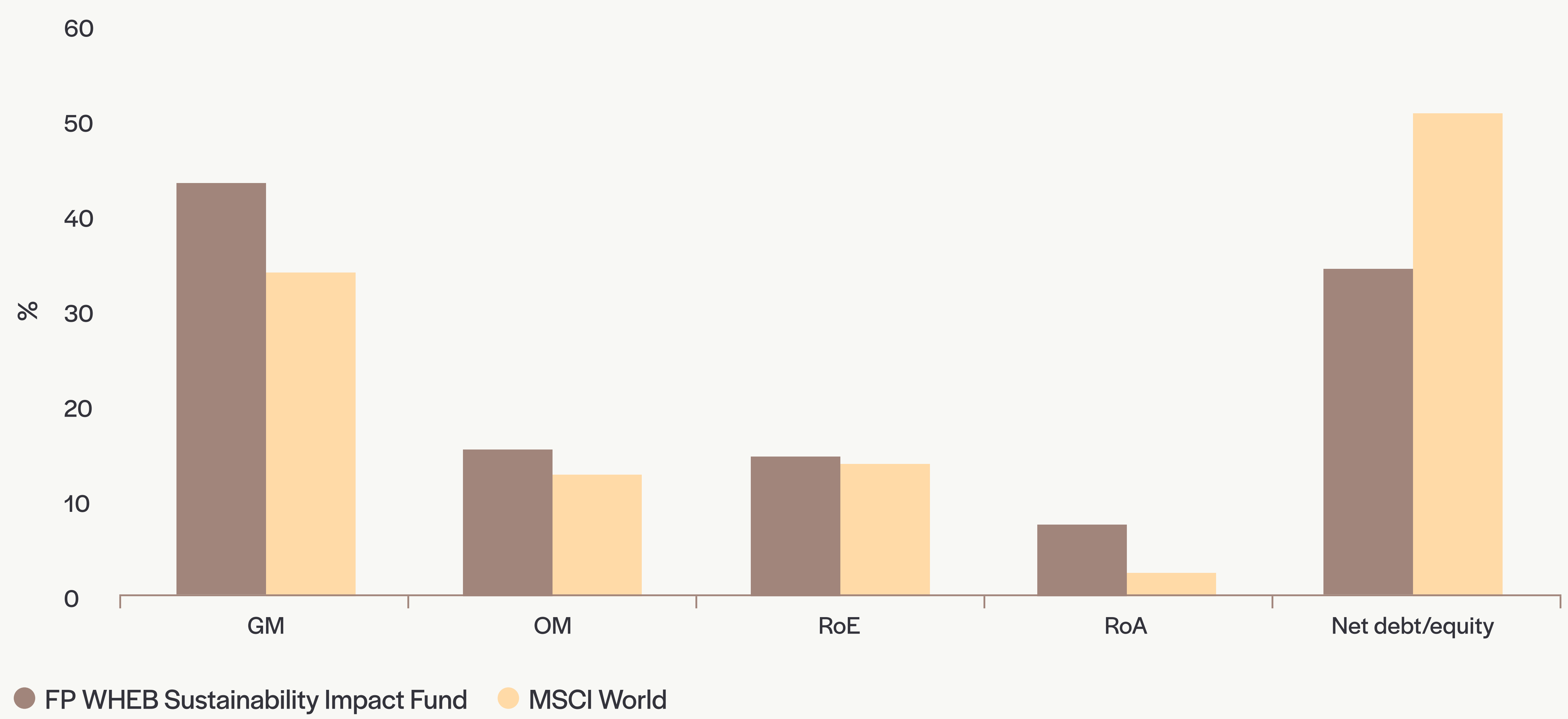
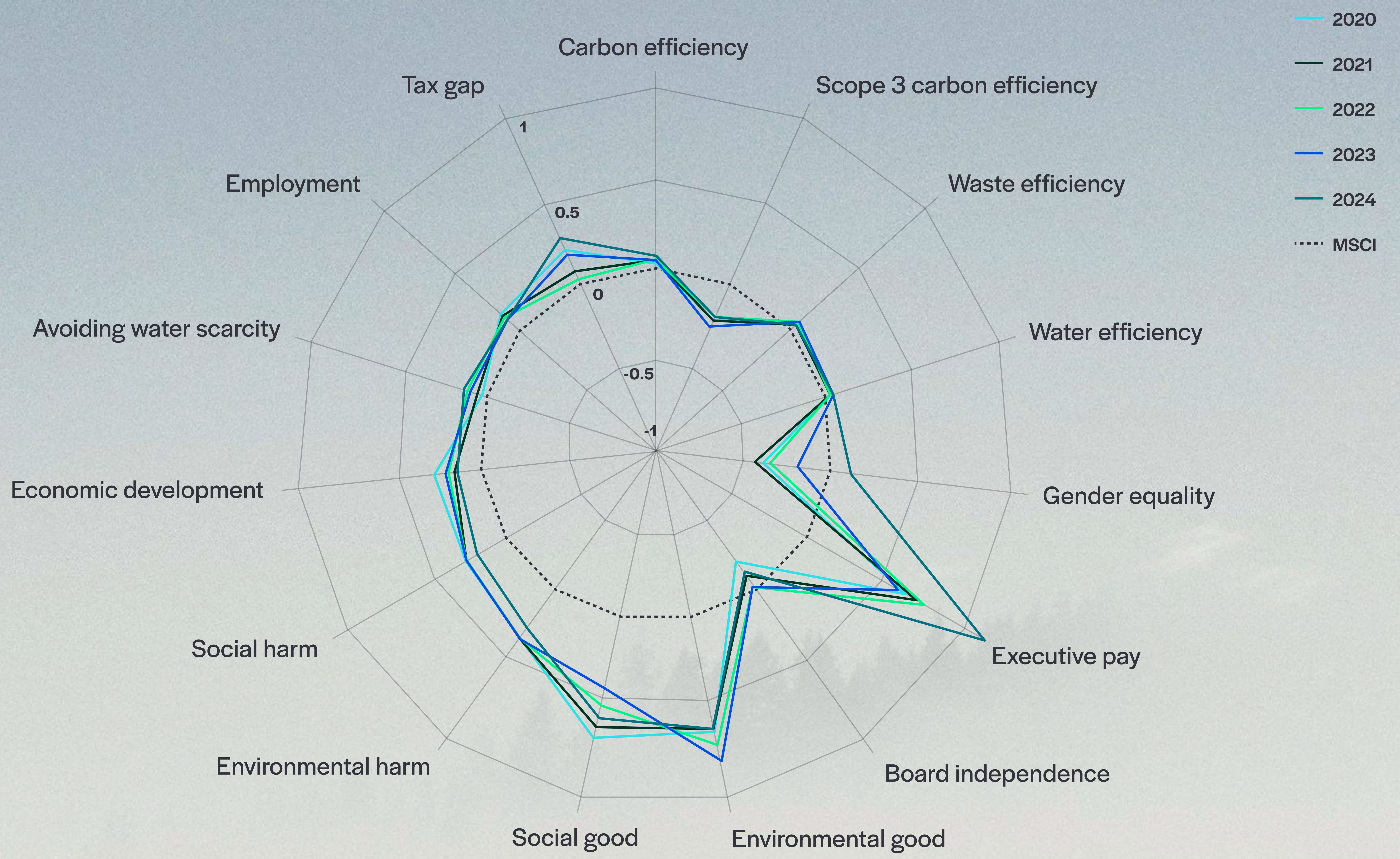


Figure 10 **ESG profile of WHEB's investment strategy**



Foundations for recovery

MARKETS IMPACT ESG

Stock markets are prone to cyclical behaviour. And just as the market was overly optimistic about the prospects of sustainability focused assets in 2021, so it is overly negative today in our view.

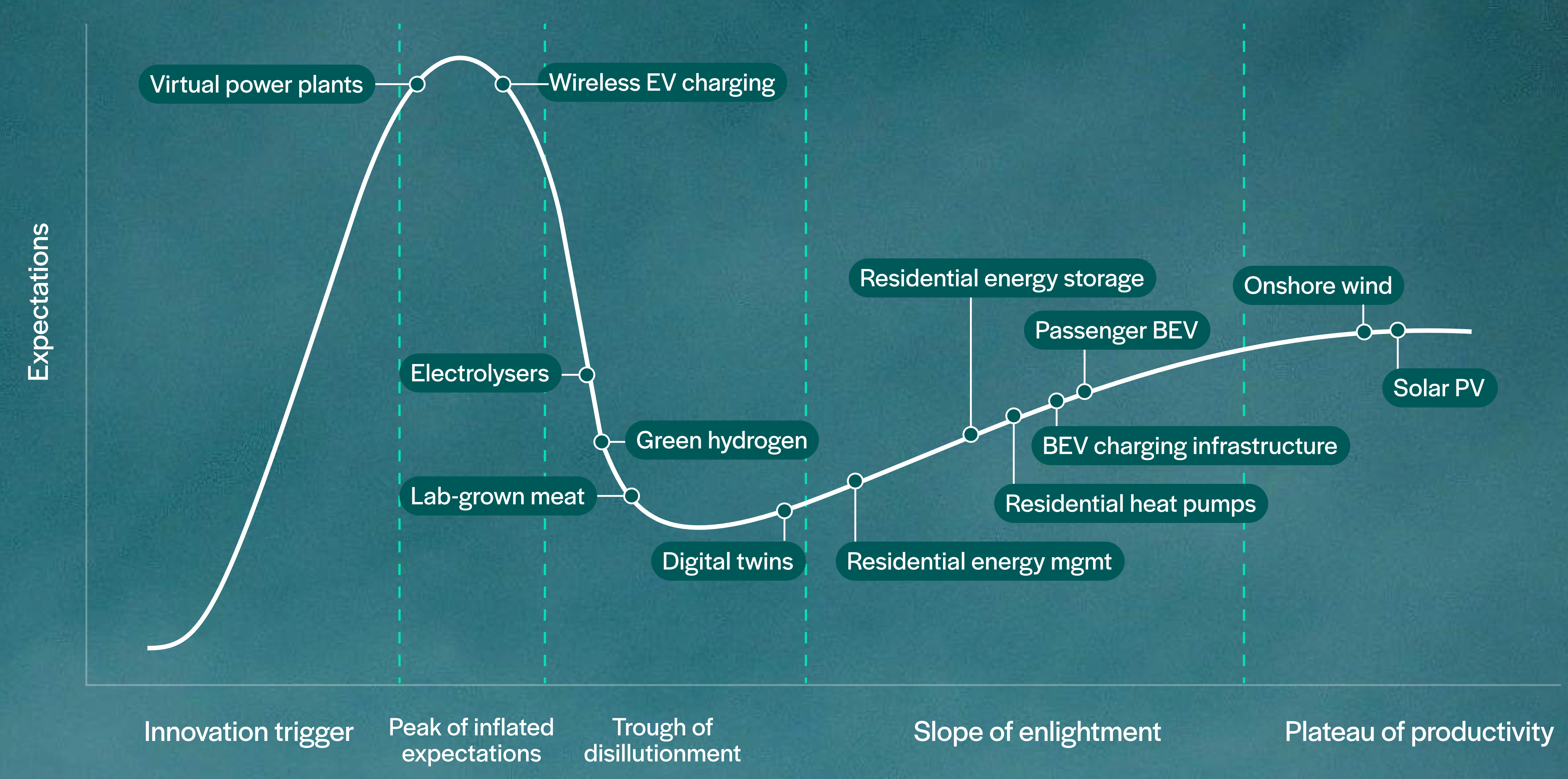
The first cleantech cycle which peaked in the late 90's burst along with the wider tech bubble at that time. This happened again in 2008 when cleantech stocks peaked before following the rest of the market into the global financial crisis. In both cases the sector came back bigger and stronger.

We are confident that the same will happen again. In fact, we think the prospects are much better this time because returns will not be driven so much by policy, but by economics. While market and political headwinds facing sustainability have been dominant over the past few years, the performance and competitiveness of the underlying technologies has continued to improve, in some cases dramatically. Many, such as solar PV technology, onshore wind, heat pumps and battery storage technologies are now well into mainstream adoption. Others such as battery electric passenger vehicles and offshore wind are also well on their way to this point.

These technologies are following a well-trodden path along the Gartner Hype Cycle (see Figure 11). This is a graphical representation of how the expectations for a technology vary over time and typically involve five stages from the 'Innovation trigger' to the 'Plateau of productivity'. Not all technologies pass through all five phases and different regions can be at different points in the curve[22].

More novel technologies such as lab-grown meats, bio-based chemicals, green hydrogen and electrolysers are still maturing and, having briefly been stock market darlings a few years ago, are still languishing in the 'trough of disillusionment'. We believe these technologies still hold strong promise.

Figure 11 **Clean technology and the Gartner Hype Cycle[23]**



[22] For more detail on Gartner Hype Cycles see www.gartner.com/en/research/methodologies/gartner-hype-cycle

[23] Based on WHEB research, Gartner Hype Cycle for the Digital Grid 2024.

Our contention is that stock market prices do not fully reflect the competitiveness and strong potential for the companies providing these technologies.

This is particularly true for those that are now in the latter stages of the hype cycle. For example, the share prices for both **Aptiv**, a supplier of safety technologies and electrical components and systems for electric vehicles, and **First Solar** a supplier of solar modules primarily for utility-scale solar are trading at valuations that are more than 50% below historical averages[24]. In fact, for the WHEB portfolio as a whole, the valuation is on some measures the lowest it has been for over ten years (see Figure 12).

We are convinced that companies with maturing technologies that help address critical social and environmental challenges remain well-positioned to deliver highly competitive financial returns over the long-term. We provide evidence of the positive impact of the portfolio through our investment and reporting tools including through our Impact Engine (see page 38) and our Impact Calculator.

Figure 12 **The valuation of the FP WHEB Sustainability Impact Fund is at a ten year low[25]**

[24] Based on FactSet data as of May 2025 using ten year average price/earnings (PE) data.

[25] Mean ratio of price to next reported book value by analysts' estimates, FP WHEB Sustainability Impact Fund, excluding distortions from meaningless denominator in the case of Autodesk. Data incomplete for ATS, Keyence, Daifuku and Kurita Water. Source: Factset as at 22/4/25.

Image via Aptiv

The positive impact associated with the Fund

We demonstrate the positive impact that is associated with the Fund by collating data and reporting this for the Fund's core key performance indicators (KPIs).

In 2024 the overall amount of money (the assets under management) in the Fund was lower than the previous year. However, in several cases improved company-level impact more than offset this decline to show an improvement in the year-on-year comparison of the total impact of the Fund. We see this continued impact, particularly in technologies contributing to higher avoided carbon emissions as evidence of the growing maturity of these technologies.

This aggregated impact data is drawn from the individual impacts generated by products and services supplied by the individual companies held in the portfolio.

We highlight two of these companies in the following case studies. Additional detail on these companies as well as on every other investment that we make is available from the website[26].

[26] In particular we provide one page summaries of each portfolio company at www.whebgroup.com/investing-for-impact/our-portfolio. This is updated quarterly.

Figure 13 **Impact associated with the FP WHEB Sustainability Impact Fund in 2024**

KPI	2024	2023	Explanation
CO_2e avoided (tonnes)	406,000	217,000	Strong increase in impact from Aptiv and Trane Technologies supplemented by new holding Nextracker
Renewable electricity generated (MWh)	274,000	246,000	Increased contribution from Infineon and Vestas. Addition of Nextracker offset by removal of Solaredge
Waste recycled (tonnes)	3,000	20,000	Sharp decline due to lower impact from Smurfit Westrock and the sale of DSM Firmenich
Water treated (litres)	23.5bn	14bn	Positive impact from investment in American Water Works and higher allocation to Water Management theme overall
Water saved (litres)	675m	715m	Lower impact from sale of DSM Firmenich[27]
No. of people benefiting from improved healthcare	16,000	14,000	Sale of Fisher & Paykel offset by growth at AstraZeneca and additions of Globus Medical and Novo Nordisk
No. of people with improved well-being[28]	10,000	89,000	Sharp decline caused by the sale of Fisher & Paykel, Cooper Companies and HelloFresh
Education (no. of days)	32,000	46,000	Reduced holding in Grand Canyon Education
£ of R&D enabled[29]	10,000	21,000	Reduced impact from sale of Ansys and Hamamatsu

[27] DSM Firmenich was sold in August 2023 and so was a significant contributor in 2023 overall.

[28] This category includes people benefiting from preventative healthcare (eg, vaccines), improved hearing, visual and oral health and improved workplace safety.

[29] This figure represents the money spent on products and services used in R&D that is focused on positive impact and that are supplied by companies in the FP WHEB Sustainability Impact Fund (based on our level of ownership of these companies).

Case study E

Supporting a stable climate – Nextracker

CLEANER ENERGY

Solar power, and in particular large utility-scale solar power has become the cheapest source of new power across much of the world. It generates power with near-zero GHG emissions and is an essential technology in decarbonising electricity grids around the world.

Ground-mounted solar systems can be made even more productive by using 'tracking' technology.

This type of technology, provided by Nextracker, ensures the optimal orientation of solar panels towards the sun as it moves across the sky. This can increase power yields by up to 6% and can also be used during hailstorms, high winds or other extreme weather to reorientate and protect the panels[30].

[30] Nextracker company data.

Case study F

Enabling healthy lives – Globus Medical

HEALTH

Over 600m people, or nearly 10% of the global population, suffered from low back pain in 2020[31]. A small proportion of this group experience such disability that surgery is considered as a necessary step to relieve back pain. In the US there are approximately 1.5m back surgeries performed per year.

Globus Medical supports back surgery through spinal implants (for example that might support a collapsed disc or secure bone fractures) as well as surgical instruments for minimally invasive surgery.

The company has also developed a robotic surgery device called ExcelsiusGPS. Together with accompanying software, this is used to plan surgery as well as to align and guide surgical tools during the operation and validate that the surgery has been completed according to the plan. The robotic system has been used in over 30,000 procedures since it was launched in 2017.

[31] The Lancet, 'The global epidemic of low back pain', June 2023.

Impact Calculator

Our Impact Calculator covers the same impact indicators that are reported for the strategy as a whole, but calculates the positive impact associated with a given amount of money invested in the Fund. We also provide an interactive version of this calculator on our website[32]. This enables clients to type in the precise amount of money that they have invested in the Fund to calculate the impact associated with their specific level of investment.

We report these impacts as 'associated' with the investment, because they cannot be equated with the personal impacts that we all have through our own daily activities.

For example, an investment in WHEB cannot directly offset the negative impacts associated with taking an airline flight. This is because the positive impact that is reported here is ultimately owned by the end user of the product or service in question, not by the investor in WHEB's strategy. While the impact is not owned by the investor, by investing in companies that sell products and services that create positive impacts, our clients are clearly aligned with – and part of the value chain that enables – this positive end impact. This is why we report this impact as 'associated' with the investment strategy rather than attributable to the investor.

Figure 14 Positive impact associated with owning £1m in the FP WHEB Sustainability Fund in 2024

Resource Efficiency

Avoiding **717 tonnes** of CO_2e emissions.

Equivalent to the electricity use of 358 average European homes for one year[33] and saving £22,900 in avoided carbon costs.[34]

Cleaner Energy

Generating **484 MWh** of renewable energy.

Equivalent to the annual electricity use of 42 European households.[35]

Environmental Services

Recycling **6 tonnes** of waste materials.

Equivalent to the annual waste produced by 7 European households, saving £622 in reduced landfill costs.[36]

Water Management

Saved **1.2 million** litres of water use.

Equivalent to the water used by 19,000 showers.[37]

Health

Providing **28 people** with improved healthcare treatment.

Water Management

Treating **45 million** liters of wastewater.

Equivalent to the total annual wastewater. of 428 European households.[38]

Wellbeing

Providing **17 people** with healthier lives and improved well-being.

Education

Students receiving **56 days** of tertiary and vocational education.

R&D

Spent **£18,000**

On products and services supplied by companies in the WHEB strategy and used in healthcare R&D.

[32] www.whebgroup.com/reporting-impact-investment/impact-calculator.

[33] The average carbon footprint of a grid-connected household in Europe is $c2tCO_2e$ (www.sciencedirect.com/science/article/abs/pii/S1364032123000102).

[34] Based on an average global carbon price of US$32 per tonne. (www.visualcapitalist.com/sp/visualized-the-price-of-carbon-around-the-world-in-2024).

[35] Based on average electricity usage of 11.63MWh.

[36] Based on a landfill tax of £103.70 per tonne of waste, which is equivalent to the UK's landfill tax in 2024.

[37] An average shower use assumed to use 62 litres of water.

[38] An average European household uses 105,000 litres of water per year.

Positive ESG trends in the portfolio

In addition to the positive impact that is associated with the Fund, there are also positive trends in the underlying operational performance of the portfolio in terms of ESG issues. As discussed earlier, we see this as an indicator of improving operational quality which we anticipate will help reinforce the long-term financial performance of the Fund. We also see improved performance on these issues as positive features in and of themselves.

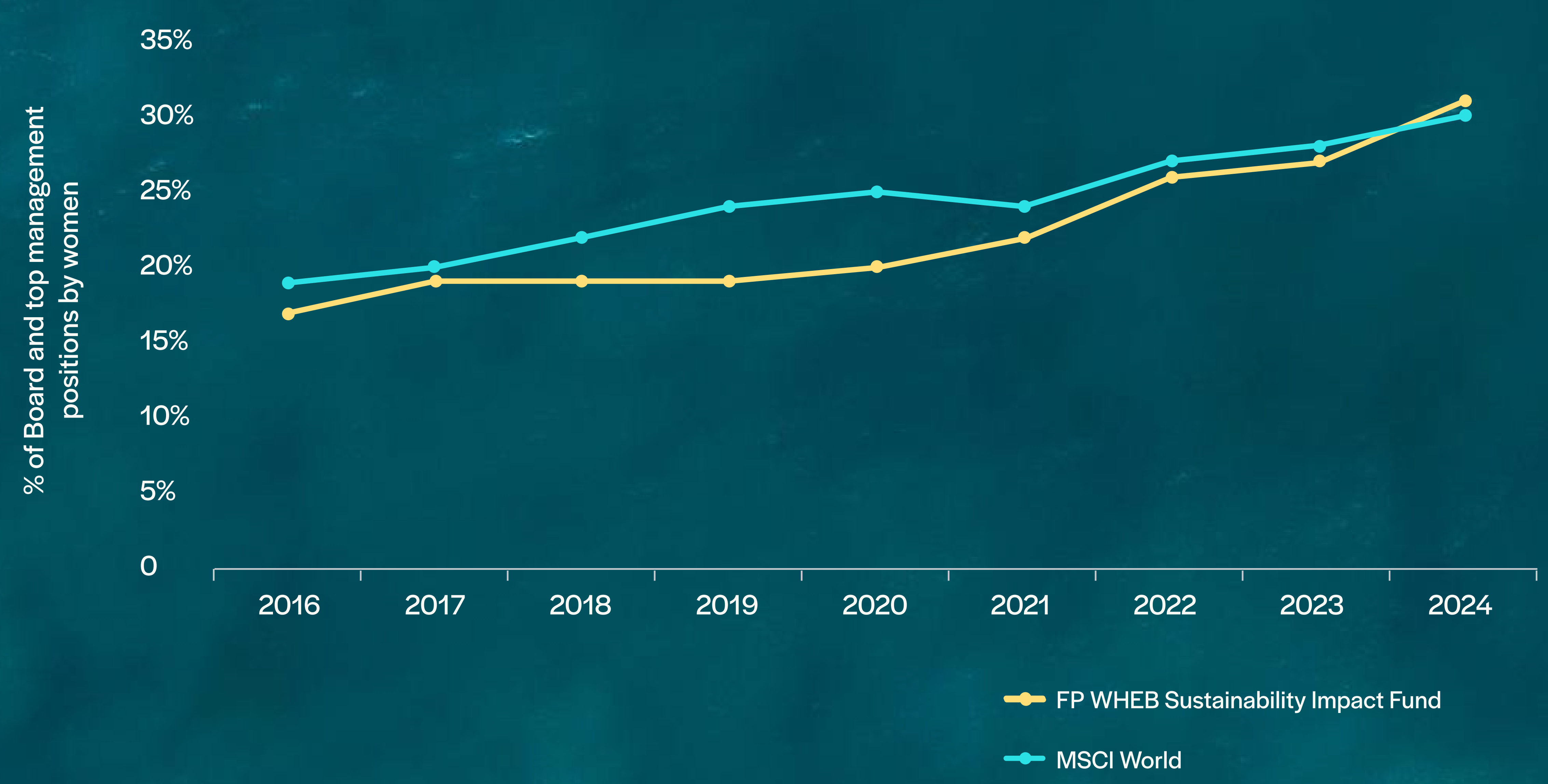
Significant improvements in gender diversity

While the backlash against Diversity, Equity and Inclusion (DEI) policies is forcing many companies to recalibrate their approaches to this issue, we nonetheless report seeing routine and significant improvements in the performance of WHEB portfolio businesses and the wider market.

For example, the proportion of board and senior management positions that are held by women has increased dramatically since 2016. For most of this period, although gender diversity was improving, the Fund's high-level of exposure to traditionally male-dominated industries such as industrials and technology businesses meant that performance was behind the wider market (represented by the MSCI World index).

However, in recent years this gap has narrowed dramatically and in 2024 for the first time, gender diversity in the FP WHEB Sustainability Impact Fund was better than in the wider market (see Figure 15). These improvements are consistent with what we have been advocating through our engagements with portfolio companies. While we do not claim that WHEB's engagement activity is the cause of these improvements, we believe our engagement has contributed to them.

Figure 15 Portfolio gender diversity



Sustained commitments to addressing greenhouse gas emissions

We are also seeing sustained improvements in the orientation of the Fund towards climate change. This includes both the contribution that portfolio businesses make in selling products and services that reduce greenhouse gas (GHG) emissions for their customers as well as reductions in the operational emissions of the companies themselves.

The thematic structure of the Fund means that it is entirely absent from parts of the economy such as fossil fuel exploration and production that are most at risk from a transition to a zero carbon economy[39]. Nonetheless, all of our investments generate their own emissions in their day-to-day operations. We work with the management of our investee companies to encourage them to set demanding net-zero carbon (NZC) targets and then to develop transition plans to help them achieve these targets.

We believe that companies that are proactive in driving carbon emissions out of their operations will reduce their exposure to the risk of future customer and regulatory action on carbon emissions.

In 2024, we saw continued progress in portfolio companies setting NZC targets (see Figure 16). At the end of 2023, 82% of the Scope 1 and 2 emissions associated with the FP WHEB Sustainability Impact Fund were covered by NZC targets. By the end of 2024, 88% of emissions were covered, exceeding our target that 85% of emissions should be covered by the end of 2025. As of the end of 2024, 65% of these emissions were also covered by a target that had been validated by the Science Based Targets Initiative (SBTI).

Figure 16 FP WHEB Sustainability Impact Fund NZC targets

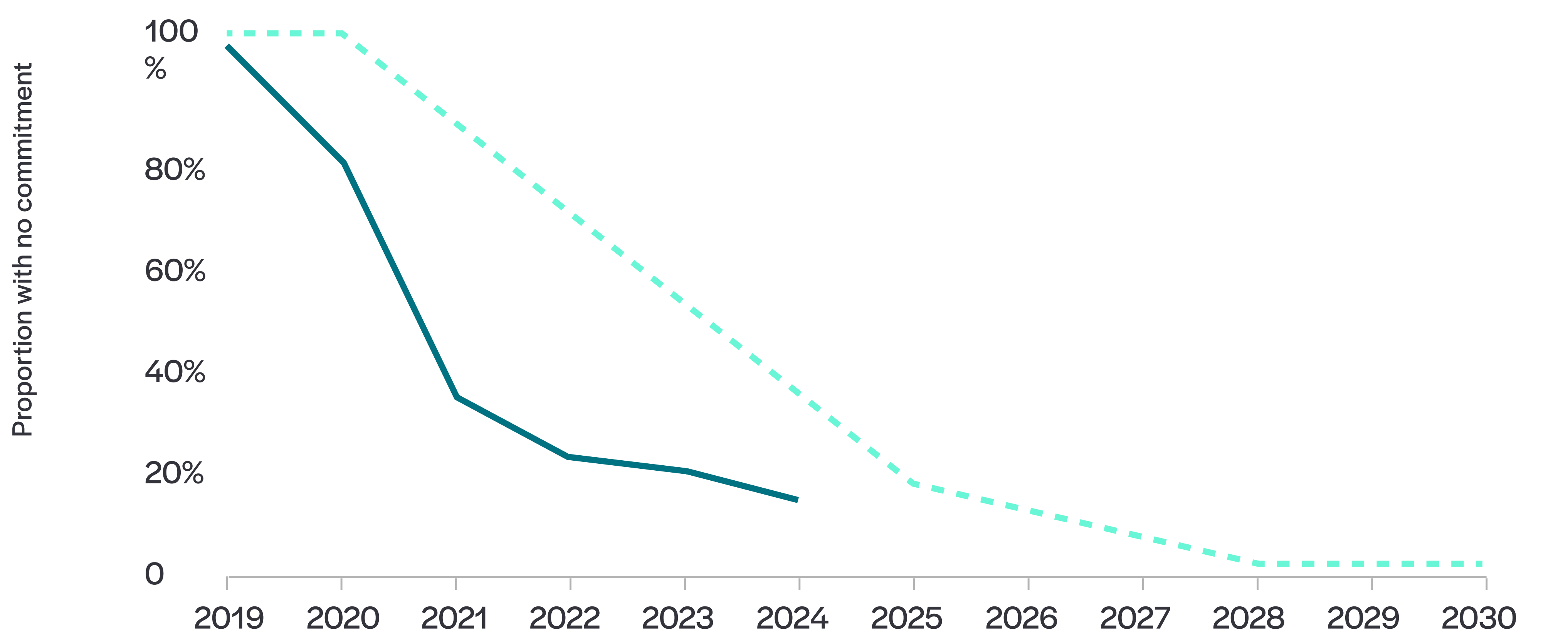
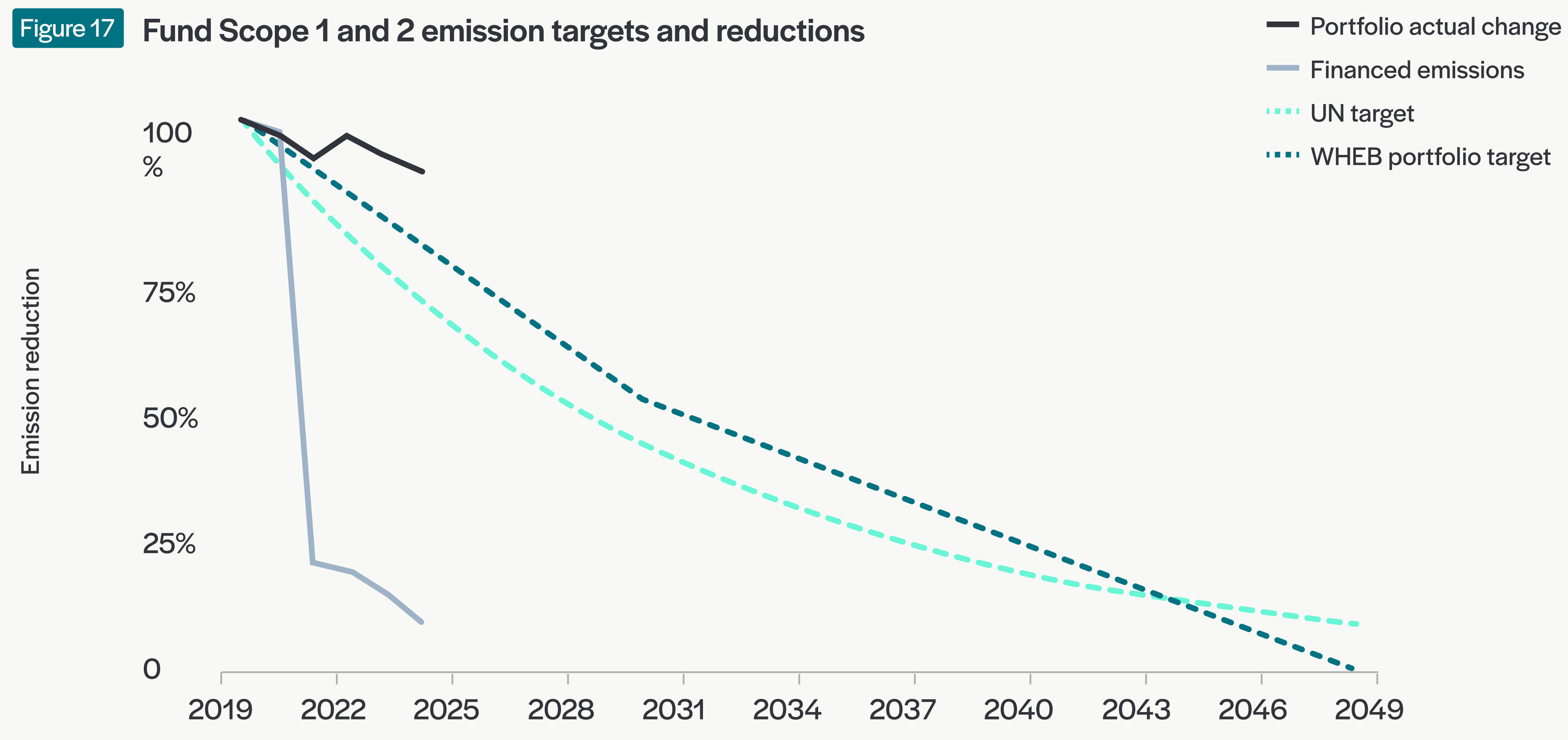


Figure 17 Fund Scope 1 and 2 emission targets and reductions



Actual carbon emissions data is also showing a positive trend and is well ahead of our commitment to have reduced Scope 1 and 2 financed emissions by 50% by 2030. In fact, financed emissions are now just 8% of what they were in 2019.

Most of this reduction was delivered from 2020 to 2021 and was due to the sale of China Everbright Environment Group, a Chinese energy from waste business. Since then, we have seen further reductions which are down to a combination of a reduction in the size of the Fund as well as lower emissions on a normalised basis. For example, the carbon footprint of the Fund fell from 25.16tCO_2e/£1m invested in 2023 to 22.1tCO_2e/£1m invested in 2024[40].

We are also particularly encouraged to see a further reduction in the absolute emissions reported by companies that have been in the portfolio for the last two years.

This number represents real world reductions in emissions delivered by companies in the portfolio and removes the influence of companies that we have bought or sold from the portfolio over this period. We've also restated the number from 2023 with the inclusion of more detailed data sets[41].

However, while these reductions are encouraging, they remain behind the levels required to deliver the Paris Agreement's goal to limit global temperature increases to less than 1.5°C above pre-industrial levels. We will continue to push for more rapid improvements through our engagement work with these companies.

A complete set of GHG data is included in the data-pack at the end of this report (see page 41).

[39] The Fund excludes companies with more than 5% of revenues coming from fossil-fuel production (including exploration, extraction, manufacturing or distribution) and covering gaseous, solid and liquid fuels and including thermal coal, lignite and oil sands and from companies generating electricity with a GHG intensity of more than 100g CO_2e/kWh.

[40] see page 41 for more details and a complete set of carbon data for the Fund.

[41] The year-on-year improvement in scope 1 and 2 absolute emissions also excludes companies that conducted major acquisitions or divestments through the period 2023-2024.

Engagement activity and portfolio GHG emission reductions

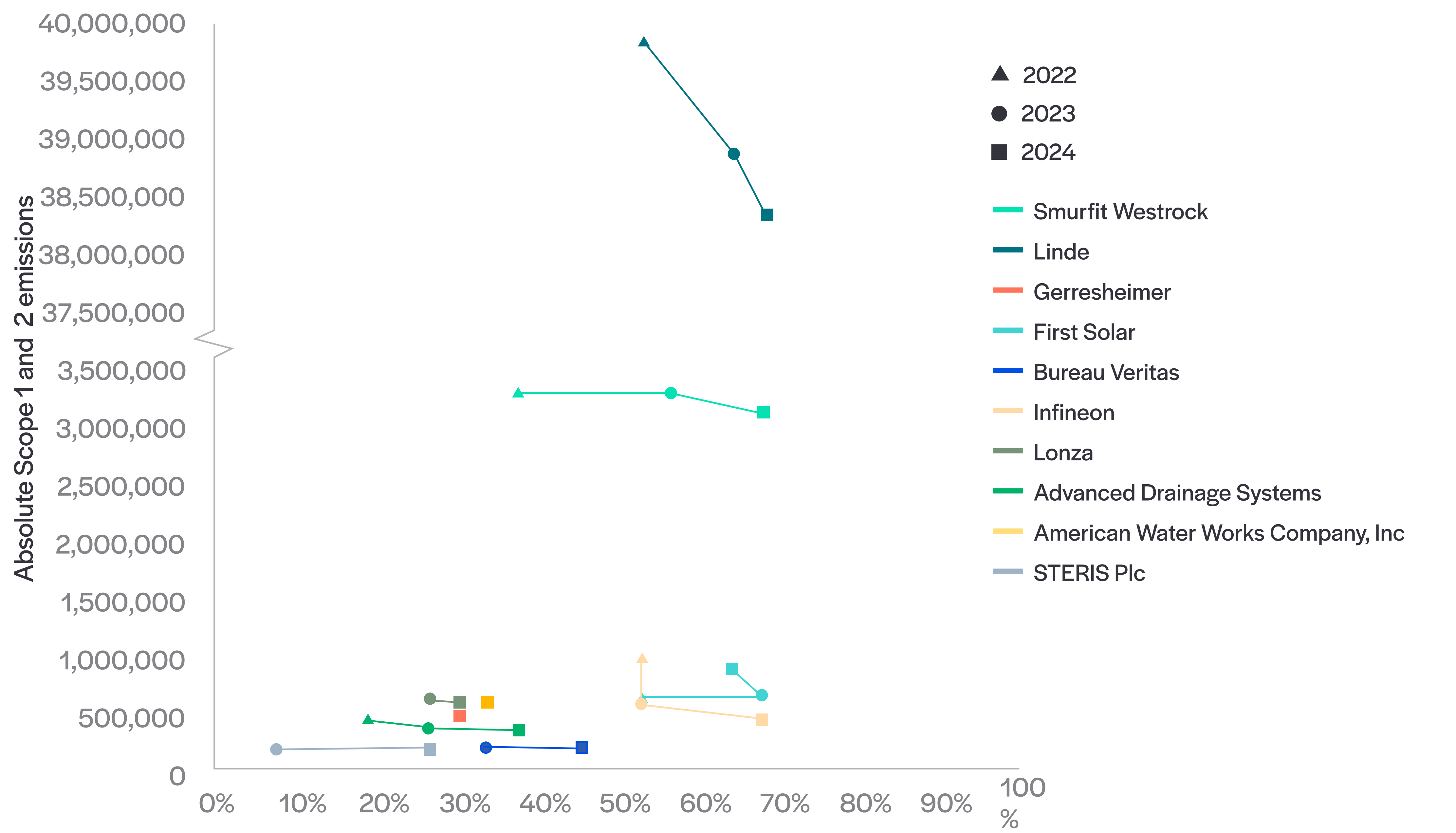
A priority for our stewardship and engagement activity has been and continues to be reducing GHG emissions from the operations of portfolio companies. Scope 1 and 2 emissions from the Fund are heavily skewed towards the top ten emitters – and in particular our top two emitters. In 2024, 94% of Scope 1 and 2 financed emissions from the Fund came from the top ten emitters. The top two, Smurfit Westrock and Linde, were responsible for 67%.

These companies generate significant GHG emissions in their operations which, in our view, exposes them to growing market and regulatory risk. We therefore concentrate our engagement work on these businesses.

Figure 18 shows how the Fund's top ten emitters have progressed in reducing their Scope 1 and 2 (market-based) emissions between 2022 and 2024. While emission reductions (y-axis) take time, Paris Agreement alignment (x-axis) reflects a company's strategic commitment to action and is a lead indicator of reductions in our view. The chart tracks progress against climate engagement goals.

While we do not claim causation for these outcomes, which are ultimately the result of decisions taken by the individual companies, we nonetheless believe we help contribute to them. We provide detailed case studies on the work that we have done bilaterally as well as through collaborative engagement to provide evidence of this contribution. These are available at on our website[42].

Figure 18 Changes in Scope 1-2 emissions from the Fund's top emitters[43] (2022–2024)



[42] www.whebgroup.com/investing-for-impact/stewardship/engagement-case-studies

[43] Top emitters defined as the ten portfolio companies with the highest financed Scope 1 and Scope 2 (market based) emissions. They are ranked in the legend in order of largest to smallest financed emissions.

Case study G

First Solar – Engaging to drive progress on operational decarbonisation.

CLEANER ENERGY

First Solar is a leading provider of thin-film solar panels that are used primarily in large utility scale solar installations in the US, India and other markets. While a supplier of renewable energy equipment, the GHG emissions from First Solar's operations have continued to increase. Working with other investors in the Sustainable Solar Investment Group, WHEB has engaged with First Solar on a range of issues including on the need to reduce the company's Scope 1-3 operational emissions.

The company has set reduction targets that have been validated by the SBTi and has in recent years agreed major power purchase agreements for renewable energy supply to its Indian and Vietnamese operations. In India these will cover approximately 70% of the facility's electricity demand.

Nonetheless, First Solar's GHG emissions are continuing to increase as they ramp up production in their US facilities which are still primarily utilizing fossil fuels to meet their electricity demand. We continue to engage with the company on this issue.

Improving sustainability performance through engagement and stewardship

The WHEB investment process is designed to identify businesses that deliver significant positive impacts through the products and services they supply. This is true for all the investments that are included in WHEB funds.

However, inevitably, there are also areas of poor performance. This includes negative impacts from the use of the products and services as well as poor performance across the operations of the business. We include a summary of the material negative areas for each holding in the portfolio in our company profiles on our website[44]. In most cases, these are issues that we look to address with the company, and they often become the focus of our stewardship and engagement work.

In our view, engagement is most effective when it is clearly focused on a specific objective (what we aim to achieve) and the related outcome (the result of achieving or not achieving it). Objectives can target behaviour change as well as information gathering for investment decisions. We typically start engagements bilaterally by directly communicating and meeting with company management teams.

However, we escalate engagements when progress stalls, using senior outreach, investor collaboration and voting. Escalation is reserved for the most financially material issues due to resource constraints.

Our preferred method of escalation is collaborative engagement, and we aim to take a lead role on these wherever possible (see Case study H). Collaborative engagements constitute approximately 10% of our engagement activity each year. If these tactics are ineffective, we may ultimately divest.

In addition to the engagement case studies provided in this report, three case studies are published every quarter on our website[45]. To complement these case studies we also publish engagement activity levels.

Each engagement activity involves the clear communication of an objective aimed at addressing a material sustainability or governance risk or opportunity, with an identifiable outcome measure. In 2024, we recorded 192 engagement activities with companies held in the FP WHEB Sustainability Impact Fund up from 137 in 2023. In total we engaged with 37 companies in 2024 representing 80% of all holdings.

Complete data-sets on our engagement and voting activities through 2024 are provided in the data-pack at the end of this report (see page 42).

[44] www.whebgroup.com/investing-for-impact/our-portfolio

[45] The full library of case studies is available at www.whebgroup.com/investing-for-impact/stewardship/engagement-case-studies

Case study H

Promoting biodiversity at Smurfit Westrock

ENVIRONMENTAL SERVICES

Smurfit WestRock manufactures recycled cardboard as a sustainable packaging material. In 2024 WHEB joined and led a collaborative engagement with the company through the Nature Action 100 (NA100) initiative. Prior engagement had been progressing well however the initiative offered an opportunity to share our engagement experience with peers as well as a chance to reinforce investor expectations on the need to enhance the management and reporting of biodiversity impacts by the company.

The specific engagement objective is to strengthen biodiversity management at the company by: resolving score discrepancies in the NA100 assessment; improving engagement with local and Indigenous communities and enhancing disclosures including quantitative indicators of progress.

Following bilateral and now the collaborative engagement, the company has improved disclosures including for example disclosing species data living in their timberlands in Colombia as well as making commitments to further enhance transparency.

Photo: By Mateo.gable - Own work, CC BY-SA 4.0, commons.wikimedia.org/w/index.php?curid=59289126

Well-positioned for a return to growth

GROWTH PORTFOLIO FORESIGHT

We already believe that we are in the early stages of a recovery in the sustainable investment market. The second derivative of change – that is the rate at which change is taking place – has already begun to moderate, in our view.

The succession of negative headlines that we saw in the last few months of 2024 has shifted and, at least from an equity investment point of view, the narrative has begun to inflect. The elections of climate champions in Canada and Australia in early 2025 are notable examples. Sales of battery electric vehicles are rebounding in Europe and surveys of businesses repeatedly indicate a majority in favour of decarbonisation with many claiming that sustainability initiatives have delivered strong financial returns[46].

The difficult sustainability backdrop that we have seen over the past few years has obscured just how far the economics of low and zero carbon technologies have changed. For example, in 2023, of the record 473GW of renewable power commissioned that year, 81% had lower costs than their fossil fuel-fired alternatives[47]. The competitiveness of renewables is evident everywhere from Texas to Tashkent.

In fact, Texas emerged as the unlikely champion for renewable energy in the US when it was announced that the state had installed more solar capacity per capita in a single year than any other US state and any other country in the world[48].

Across the US as a whole, 95% of all energy capacity currently in connection queues was from green sources[49]. In addition to being cheap, solar – and to a lesser extent wind – also enjoys comparatively quick deployment times. With power demand expected to increase dramatically in the coming years due to AI and the wider electrification of transport, households and industry, accessing new power sources is increasingly urgent and renewables are very well-placed to deliver.

The economics of other zero carbon technologies are also vastly more attractive than just a few years ago. Battery electric vehicles (BEVs) are already cheaper to operate than their internal combustion engine (ICE) equivalents in most markets. They are now cheaper to buy in China where in 2023 60% of BEVs were priced below their ICE counterparts[50] In the UK, like much of Europe, BEVs are already typically cheaper to operate and are expected to be cheaper to make by 2027[51]. Heat pumps and battery energy storage are other technologies where the economics continues to improve year-on-year, sometimes dramatically.

[46] For example see influencemap.org/briefing/European-Industry-and-the-European-Union-s-Climate-Policy-in-2024-29-32272 and www.pwc.nl/nl/actueel-publicaties/assets/pdfs/28th-ceo-survey.pdf

[47] www.irena.org/News/pressreleases/2024/Sep/Record-Growth-Drives-Cost-Advantage-of-Renewable-Power

[48] Data quoted in www.ft.com/content/ef2f6f8e-60df-4ccd-8c4f-ef5cd0eb3176 sourced from Ember (ember-energy.org)

[49] emp.lbl.gov/news/grid-connection-requests-grow-40-2022

[50] www.iea.org/commentaries/cheaper-electric-cars-the-key-to-unlocking-mass-market-adoption

[51] www.fortuneindia.com/enterprise/evs-to-be-cheaper-than-ice-models-by-2027-gartner/116094

Improvements in underlying markets

Ultimately, and to a large degree, the companies that sell these technologies are still fundamentally exposed to the strength of underlying industrial and healthcare markets. When these markets are weak, our companies will also struggle.

Usually, these two major markets operate asynchronously. When one is weak, the other has tended to be strong, but the effect of the COVID-19 pandemic was to boost both sectors in quick succession with exceptional growth through 2021. Both markets have since fallen back. For example, biopharma funding levels (an important indicator for healthcare research and development) fell from US$134bn and US$118bn during 2020 and 2021 respectively to just US$61bn in 2022[52].

Similarly, the Purchasing Managers' Index (PMI), a leading indicator of manufacturing activity, shot up to between 120 and 130 during 2021 as economic activity rebounded after the lockdowns during the COVID-19 pandemic. However, since then, the levels have remained anaemic at a level below 100[53].

In the latest data however, biopharma funding is much recovered and after two weak years is now back above US$100bn (See Figure 20). PMIs have yet to fully rebound although there have been some promising signs in the US and Europe (see Figure 19). Whatever the precise timing of the return to growth, it is clear that these markets are overdue a recovery.

Figure 19 **Biopharma funding recovery and PMIs**

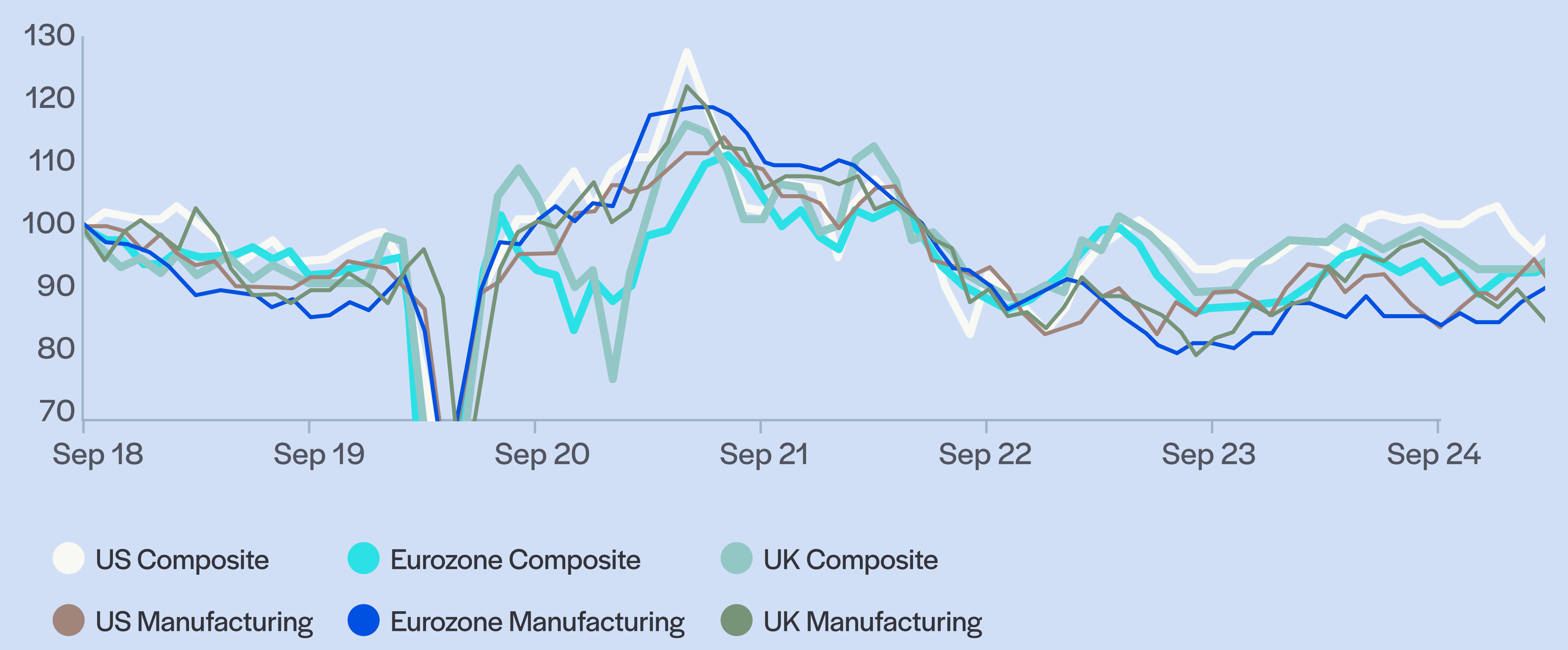
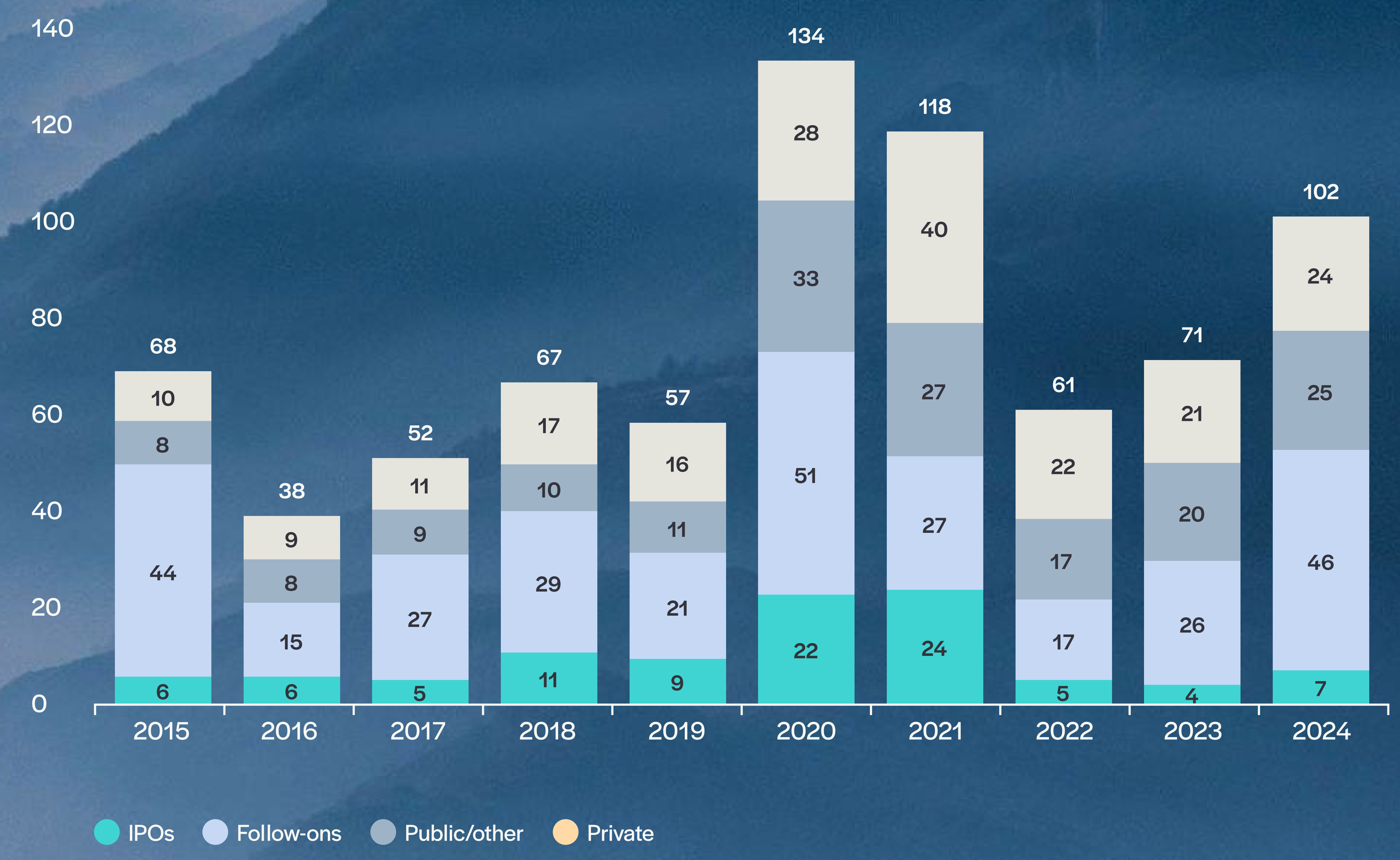


Figure 20 **Biopharma funding levels US$Bn, 2015-2024**



[52] www.iqvia.com/-/media/iqvia/pdfs/institute-reports/global-trends-in-r-and-d-2025/iqvia-institute-rd-trends-2025-forweb.pdf

[53] Bloomberg

Foresight and WHEB a new leader in sustainability and impact investing

At the beginning of March 2025, WHEB Asset Management was acquired by Foresight Group LLP[54]. Consequently, members of the team running and overseeing the FP WHEB Sustainability Impact Fund are now employees of Foresight. In spite of these changes, the investment process on which the Fund is based remains unaltered as are the policies, governance and philosophy of the strategy as a whole.

One of the reasons that WHEB and Foresight chose to join forces was because of the clear alignment in philosophy and outlook of the two businesses. With over £12bn in assets under management, Foresight is a much larger business than WHEB. Nonetheless, like WHEB, Foresight is focused on investing in sustainability primarily through assets that *'play an important role in reducing the world's carbon emissions, improving social infrastructure for businesses and communities, and supporting the long-term growth of ambitious companies'*[55]. In 2024 the company reported that 80% of the firm's assets were in investments aligned with the Paris Agreement's mitigation goals.

This philosophy aligns very well with WHEB's own approach to sustainability and positions the group as a leading player in the sustainability and impact investment markets. As a bigger business Foresight has a much larger sales and distribution team from which WHEB can now benefit. In addition, Foresight can provide oversight of sustainability risks and opportunities associated with WHEB's business including through detailed TCFD reporting[56]. These disclosures detail how sustainability and wider ESG issues are integrated into investment decision making across Foresight of which the WHEB Funds are now a part.

WHEB and Foresight Capital Management (FCM[57])

FCM is Foresight's listed equities division and WHEB aligns with their approach to sustainability. For example, FCM has an established process for assessing a company's revenue exposure to positive impact themes along with clear negative exclusions covering controversial sectors. This process is equivalent to the initial phase in WHEB's own investment process. FCM's ambitions and philosophy governing its fund range have also been recognised in its decision to use the 'Sustainability Focus' label in the UK market for four of its funds. Approximately 94% of funds managed by FCM are in sustainability or impact focused strategies.

As an impact strategy, WHEB's investment process has additional elements, such as the proprietary 'Impact Engine', that are used to further analyse the positive impact delivered by companies. The Impact Engine and other impact analysis and reporting tools serve as the basis for the 'Sustainability Impact' label that applies to the FP WHEB Sustainability Impact Fund.

WHEB has historically also made a range of commitments including to achieve net-zero carbon (NZC) emissions from the portfolio by 2050. The Fund maintains this commitment which is currently more demanding than Foresight's own corporate commitments, but nonetheless consistent with the company's long-term focus on decarbonisation.

[54] www.whebgroup.com/news/foresight-group-completes-acquisition-of-wheb-asset-management

[55] media.umbraco.io/foresight/qzgnag33/foresight-sustainability-report-fy24.pdf

[56] Ibid.

[57] Foresight Capital Management is the public markets division of Foresight Group offering investment strategies focused on publicly listed assets.

Outlook and final word

Mark Twain once said after reading his own obituary in a newspaper that rumours of his death had been “greatly exaggerated”. We feel the same way about sustainability and impact investing.

Some commentators are already writing their obituaries for sustainability investing. But surveys routinely and consistently find undimmed demand amongst savers and pension beneficiaries for these types of investments; an appetite that is particularly pronounced among women and younger investors.

Meanwhile, we believe that the markets that we invest in are overdue a recovery. Moreover, the Fund is invested in companies that are trading at highly attractive valuations and that possess high quality franchises selling products and services that offer compelling economic benefits as well as positive social and environmental impacts.

It is these companies that we believe are ideally placed to convert accelerating revenue growth into strong financial returns for our investors.

WHEB is also now part of a stronger and much larger business that is focused on investments that enable the transition to a zero carbon and more sustainable economy. We are excited about the next few years and believe that the prospects for investing in sustainability have not looked this good for at least a decade.

Advisory Committee Statement

GOVERNANCE STEWARDSHIP STRATEGY

The purpose of WHEB's independent Investment Advisory Committee is to provide regular monitoring of the implementation of sustainability investment policies and practices for the WHEB investment funds.

This monitoring considers whether the sustainable investment philosophy is applied consistently in terms of theme definition and stock selection and also covers the stewardship strategy associated with the funds.

In early 2025, WHEB's funds were acquired by Foresight Group. The Committee retains its existing role under this new ownership which also fulfils the requirement for an independent assessment of the strategy as part of the FCA's Sustainability Impact label.

The Committee is composed of four independent members with expertise in sustainability and in investment with the chair rotating between members.

The Committee met three times in 2024. Summary minutes of these meetings are published on the WHEB website[58].

During this period the Committee reviewed eleven new companies. Members have access to the impact engine analysis and other company research and have an opportunity to question the impact investment team. These questions covered a wide range of issues including details of the impact analysis, product life-cycle management and mitigation of negative impacts. In each of these cases, the Committee concluded that the investment was consistent with the policies and philosophy of the underlying strategies.

The likely impact of the FCA's Sustainability Disclosure Requirements (SDR) was a regular topic of conversation during the year. The Committee continues to view WHEB as a leader in impact investing notably through the development and application of the impact engine. In the Autumn, the FP WHEB Sustainability Impact Fund secured the use of the Sustainability Impact label, the first listed equity fund to do so.

The Committee also welcomed WHEB's leadership on stewardship and engagement and in particular the publication of the white paper[59]. The Committee has asked for stewardship and engagement to be routinely covered in Committee meetings and has encouraged the team to continue innovating in how this topic gets addressed and reported.

Other topics considered during the year included specific questions on the investability of ASML a leading manufacturer of lithography machines and changes to the membership of the Committee.

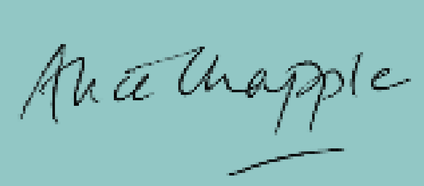
Based on this work, the Committee believe that the WHEB portfolios are consistent with the stated sustainability investment objectives of the strategy.

The Committee also reviewed a late draft of the Impact Report covering the calendar year 2024. Although the market has been difficult for impact focussed strategies, the Committee has been reassured by the investment team's commitment to the positive impact investment philosophy whilst reducing the exposure to some of the more volatile high impact businesses.

The Committee was also pleased to see improved performance on several issues such as gender diversity and greenhouse gas emission levels.

As impact reporting matures, the Committee encourages WHEB to engage with and support the development of good practice standards such as the Impact Performance Reporting Norms particularly in how these standards can be applied to listed market strategies.

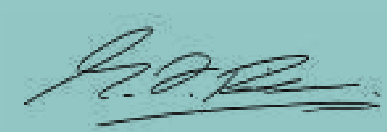
Notwithstanding these areas for further refinement, Committee members felt that the report continues to demonstrate WHEB's position as a leader in impact reporting.



Alice Chapple
Director, Impact Value, Chair Investor Watch

Abigail Rotheroe
Non-Executive Director, Templeton Emerging Markets Fund plc and Greencoat UK Wind

Hans-Christoph Hirt,
Trustee and Advisor, FCA Panel Member, Guest Faculty Institute for Management Development



Martin Rich
Chief Executive Officer, Future-Fit Foundation

[58] www.whebgroup.com/reporting-impact-investment/advisory-committee-minutes

[59] www.whebgroup.com/investing-for-impact/stewardship

Data-pack: Detailed data-sets on key issues

WHEB's investment process

As an impact investor, our explicit intention is for our investments to contribute to positive environmental and social impacts in the real world and in so doing, generate competitive financial returns for our investors. Our 'Impact Engine' tool is designed to capture the different dimensions of impact including:

01 the importance of the outcomes associated with a product or service;

02 the change in outcomes that result from the use of the product or service; and,

03 the specific contribution that a given company can claim to make to this impact through its products or services.

The Impact Engine helps us identify high impact companies and uncovers insights into likely commercial returns. We are ultimately looking for companies that have a strong positive impact and can attract the support of customers and other stakeholders that will underpin long-term growth and success. The Impact Engine also helps identify the key performance indicator (KPI) that we use to measure the positive impact of the products and services supplied by the company.

Detailed guidance has been developed to help analysts make repeatable and systematic assessments across a wide range of products and services[60].

In addition to the Impact Engine, a second assessment is also undertaken to analyse the 'operational quality' of the business. This includes an assessment of the attractiveness of the markets that the company operates in, its competitive position, as well as the quality of its operating assets, management team and growth strategy. In assessing these dimensions, we include environmental, social and governance (ESG) factors where we see them as material to the long-term success of the company. We are guided by the SASB standards[51] in this regard and consider a company's approach and performance on ESG issues to be an aspect of business quality rather than as a separate category of performance.

Our stock initiation reports capture data across each of these dimensions and provide an overall assessment of the quality of a company. We plot and monitor the scores of each of the companies in the Fund on the 'impact map' which is shown in Figure 5.

Not overpaying for good investments

Companies that have attractive exposure to positive impact activities and that have high quality operations are often popular investments. It is therefore critical to ensure that our process guards against overpaying for these kinds of assets. We utilise a range of valuation methods to do this such as multiples of book value, earnings, and sales. We also compare these to growth and return metrics to better gauge the true value of a company. We also compare a stock's multiple to those of relevant markets, and set that ratio against it historical range.

In addition we also create financial models to assist in our valuation assessments and to assess what we consider to be a reasonable valuation given the company's financial prospects.

We do also use consensus data from equity research analysts, as well as carrying out our own backsolve analysis, to understand the expectations that other investors have for a company's equity and what assumptions are incorporated into the share price.

Figure 21 **The Impact Engine**

Importance of outcomes		Changes in outcomes		Contribution to outcomes
1 Is the beneficiary part of a vulnerable or underserved group based on geographic, age or wellness profile?		**3** Is the improvement in impact incremental (<20%), moderate (20–50%) or 'breakthrough' (>50%)?		**5** Is the product/service an 'enabler' with the majority of the solution elsewhere in the value-chain or is it directly linked to the positive outcome?
1. How vulnerable is the beneficiary?	x	3. How large is the impact compared to the baseline?	x	5. How central is the product impact in the outcome?
2. How critical is the outcome to the beneficiary?		4. How widely applicable is the product?		6. How unique is the product contribution?
2 Is the product/service linked to a beneficial but non-critical outcome or a critical issue that threatens wellbeing?		**4** Is the product/service relevant to a discrete pool of beneficiaries or is it widely applicable across multiple sectors and communities?		**6** Is the company's contribution based solely on expertise that is widely-available or is it dependent on IP that is near unique?

[60] Further detail on the methodology is available at www.whebgroup.com/investing-for-impact/how-we-invest

Themes and SDGs

Figure 22 The problems we are helping to solve

Figure 22 provides a complete list of the WHEB's investment themes and how these link to the problems we are solving, the types of products and services that we invest in, the full list of companies in the Fund, the key performance indicators that we use to report performance and the UN Sustainable Development Goal (UN SDG) that this activity relates to.

WHEB Investment themes:	Education	Health	Safety	Well-being	Cleaner Energy	Environmental Services	Resource Efficiency	Sustainable Transport	Water Management
The problem we are solving	A lack of education limits opportunities and slows social development.	Illness and disease cause death and destroy quality of life.	c.5% of deaths are due to accidents at home, travelling or in the workplace.	Unhealthy lifestyles contribute to chronic diseases that account for 61% of all deaths[61] .	Limiting global warming to <1.5°C requires power sector emissions to decline by 60% by 2030[62].	Environmental pollution and biodiversity loss are undermining ecological systems that support human life.	Limiting global warming to <1.5°C requires the global economy to increase energy efficiency by c.4% per year[63].	Limiting global warming to <1.5°C requires all transport emissions to fall by 3% per year to 2030[64].	Overuse and contamination of freshwater creates water insecurity. 47% of the global population suffers from water scarcity[65].
How companies provide solutions	+ Providing education and training + Creating publishing and education technologies	+ Cutting health costs + Enabling medical research + Providing diagnostics + Providing medical devices and therapies + Providing preventative care + Improving access to healthcare	+ Ensuring products are safe + Directly protecting people	+ Providing care for vulnerable groups (e.g. the elderly) + Enabling good exercise and diet + Supporting hearing, visual and oral health	+ Solar power + Wind power + Clean energy infrastructure + Other forms of cleaner energy	+ Environmental consulting and monitoring + Developing more sustainable materials + Pollution control + Increasing circularity in material use + Climate adaptation	+ Making energy-efficient products + Making buildings more efficient + Making manufacturing more efficient	+ Reducing emissions per km travelled through mass transit + Reducing emissions by using electric vehicles	+ Increasing the efficiency of water use + Treating and recycling wastewater
WHEB portfolio holdings[66]	+ Grand Canyon Education	+ Agilent + AstraZeneca + CSL + Danaher + Genmab + Novo Nordisk + Gerresheimer + Globus Medical + ICON + Lonza + Novo Nordisk + Siemens Healthineers + Thermo Fisher Scientific	+ Bureau Veritas + MSA Safety + Steris		+ First Solar + Nextracker Technologies + Vestas Wind Systems	+ Advanced Drainage Systems + Arcadis + Croda International + Linde + Smurfit Westrock	+ ATS + Autodesk + Daifuku + Keyence + Power Integrations + Rockwell + Schneider Electric + Silicon Laboratories + Spirax-Group + Trane Technologies + Trimble	+ Aptiv + Infineon + TE Connectivity	+ American Water Works + Ecolab + Veralto + Xylem
Key performance indicators (KPIs)	Days of tertiary and vocational education	No. of people benefiting from healthcare	No. of people with improved well-being	No. of people with improved well-being	MWh of renewable energy generated & tCO_2e avoided	Tonnes of waste recycled & tCO_2e avoided	tCO_2e avoided	tCO_2e avoided	Litres of wastewater treated & Litres of water saved
UN Sustainable Development Goals (SDGs)	4 QUALITY EDUCATION	3 GOOD HEALTH AND WELL-BEING	11 SUSTAINABLE CITIES AND COMMUNITIES	3 GOOD HEALTH AND WELL-BEING	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	6 CLEAN WATER AND SANITATION

[61] www.un.org/en/chronicle/article/lifestyle-diseases-economic-burden-health-services

[62] iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

[63] www.iea.org/data-and-statistics/charts/primary-energy-intensity-improvement-2011-2021

[64] www.iea.org/reports/transport

[65] www.nature.com/articles/s41545-019-0039-9

[66] FP WHEB Sustainability Impact Fund holdings as of 31/12/24.

ESG performance and profile

The data below is a companion piece to Figure 9 on page 20 and sets out the performance of the Fund on a set of 11 ESG performance metrics and 4 product impact metrics and compares Fund performance against the MSCI World Index as at 31st December 2024.

	FP WHEB Sustainability Impact Fund	Absolute change (yoy)	Proportion reported	MSCI World Index
Weighted average carbon intensity (Scope 1 and 2)	84 tCO_2e/£1m of revenue	↓	**95%**	132 tCO_2e/£1m of revenue
Scope 3 carbon efficiency	1,579 tCO_2e/£1m of revenue	↓	**76%**	1,031 tCO_2e/£1m of revenue
Waste efficiency	10.8t / £1m of revenue	↑	**78%**	304t / £1m of revenue
Water efficiency	3,980 m^3 of fresh water/£1m of revenue	↓	**78%**	10,789 m^3 of fresh water/£1m of revenue
Gender equality	31% of Board and top management positions are occupied by women	↑	**100%**	29% of Board and top management positions are occupied by women
Executive pay	79x ratio of executive pay to employee pay	↑	**92%**	160x ratio of executive pay to employee pay
Board independence	75% of Board members are independent	↓	**100%**	77% of Board members are independent
Environmental good	33% of portfolio invested in environmental solutions	↓	**100%**	14% of portfolio invested in environmental solutions
Social good	28% of portfolio allocated to help alleviate social issues	↓	**100%**	11% of portfolio allocated to help alleviate social issues
Avoiding environmental harm	0.65% of portfolio in environmentally destructive industries	↑	**100%**	6% of portfolio in environmentally destructive industries
Avoiding social harm	0% of portfolio in industries that aggravate social issues	=	**100%**	4% of portfolio in industries that aggravate social issues
Economic development	US$54,500 – median income of portfolio-weighted geography of economic activity[67]	↑	**100%**	$56,900 – median income of portfolio-weighted geography of economic activity
Avoiding water scarcity	2.4 – geographic water use[68]	=	**100%**	2.4 – geographic water use
Employment	4.37% unemployment in portfolio-weighted area of economic activity[69]	↑	**100%**	4.25% unemployment in portfolio-weighted area of economic activity
Tax gap	2.86% estimated % of tax avoided by corporate tax mitigation schemes	↓	**100%**	3.85% estimated % of tax avoided by corporate tax mitigation schemes

[67] A lower figure is considered 'better' in that it shows that the strategy is more exposed to activities in lower-income communities.

[68] A lower figure is considered 'better' in that it shows that the strategy is less exposed to areas where water is scarce (based on the World Resources Institute scale of 0-5 from least to most water-scarce areas).

[69] A higher figure is considered 'better' in that it shows that the strategy is more exposed to activities in communities suffering from higher unemployment.

Portfolio GHG emission metrics

Figure 23 GHG emissions for the FP WHEB Sustainability Impact Fund 2023-2024

Indicator	2023	2024	Explanation
Scope 1 and 2 carbon total footprint (tCO_2e) (financed emissions)	19,087	12,321	Sharply lower due to lower assets under management, sale of Daikin and JB Hunt somewhat offset by purchase of Gerresheimer and lower emissions from Linde.
Carbon footprint (tCO_2e/£1m invested)	25.2	22.1	Smurfit Westrock increased with acquisition of Westrock but offset by sale of JB Hunt and reduced contribution from Linde and Advanced Drainage Systems
Carbon intensity (tCO_2e/£1m sales)	134	139	Increased intensity from all large emitters and new holdings in Gerresheimer and American Water Works only partially offset by sale of JB Hunt.
Weighted average carbon intensity (tCO_2e/£1m sales)[70]	79	83	As above.
Scope 3 carbon emissions (tCO_2e/£1m sales)[71]	2,778	1,431	Sale of Daikin substantially reduces Scope 3 emissions. Trane and Xylem also reduced emissions substantially.

Figure 24 Top five GHG emitting companies within the FP WHEB Sustainability Impact Fund (financed emissions)

Company	% of Scope 1 + 2 financed emissions	Carbon reduction target date	SBTi validated
Smurfit Westrock	40%	37.7% reduction by 2030[72]	Yes
Linde	27%	35% reduction by 2035[73]	Yes
Gerresheimer	7%	50% reduction by 2030[74]	Commited
First Solar	3%	34% reduction by 2028 and net-zero by 2050[75]	Yes
Bureau Veritas	2%	42% reduction by 2030[76]	Yes

[70] These numbers differ slightly from those reported on page xx due to the use of different data providers for each data set.

[71] Ibid.

[72] Covering scopes 1 and 2 and using a 2019 baseline (target set and validated for Smurfit Kappa).

[73] Covering scopes 1 and 2 and using a 2021 baseline.

[74] Covering scopes 1 and 2 and using a 2019 baseline.

[75] Covering scopes 1 and 2 and using a 2020 baseline.

[76] Covering scopes 1 and 2 and using a 2021 baseline.

Figure 25 FP WHEB Sustainability Impact Fund net-zero carbon (NZC) targets

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

Stewardship and engagement supplement

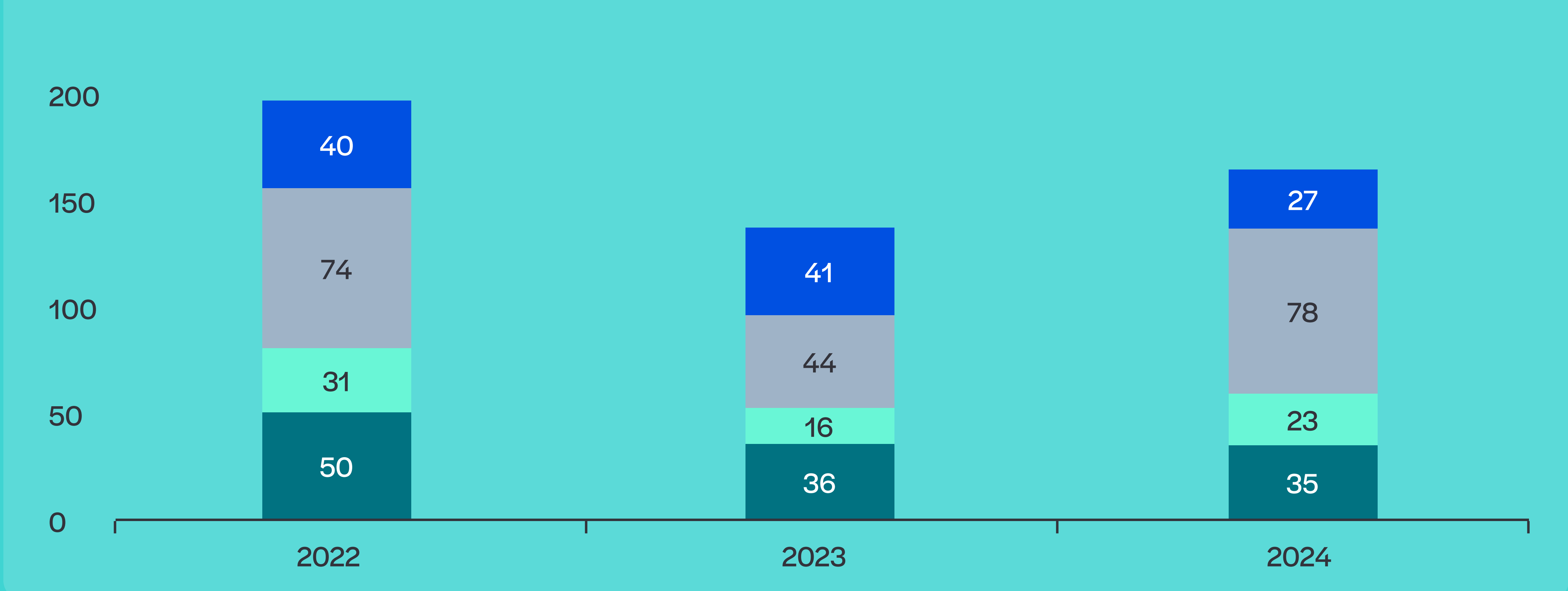
Engagement activities and progress in 2024

Corporate governance, represented the largest proportion of engagement activities (by count) for the fourth year in a row, mostly due to persistently low auditor independence or unsatisfactory director independence. ESG Governance was also significant although somewhat less than in 2023 the previous year, but once again focused mostly on problematic executive compensation practices.

Efforts to advance environmental objectives remained significant once again and related to NZC commitments, biodiversity and nature loss and WHEB's involvement with investor initiatives on hazardous chemicals.

Conversely, social issues comprised the smallest proportion of our engagement activity last year. This work was once again primarily focused on promoting gender diversity.

Figure 26 Engagement topics 2022 - 2024



WHEB's engagement milestones

Company engagement objectives often take many years to achieve and so we measure progress using the milestones. Milestone 0 (M0) signifies that an engagement has been started through the communication of a clear objective to the company management team. Milestones 1 and 2 demonstrate that a company is aware of or believes it is already managing an issue effectively. In both cases, while no claim can be made that a positive change has occurred following the engagement, WHEB's engagement nonetheless signals an interest in the active management of the issue and may help reduce information asymmetries.

Milestones 3 and 4 indicate progress has been made towards the objective following our engagement. Thus, we have a better claim to having made a contribution towards the outcome. Milestones 3 and 4 however typically require behavioural change on the part of the company and so are more difficult to achieve.

Figure 27 Engagement milestones

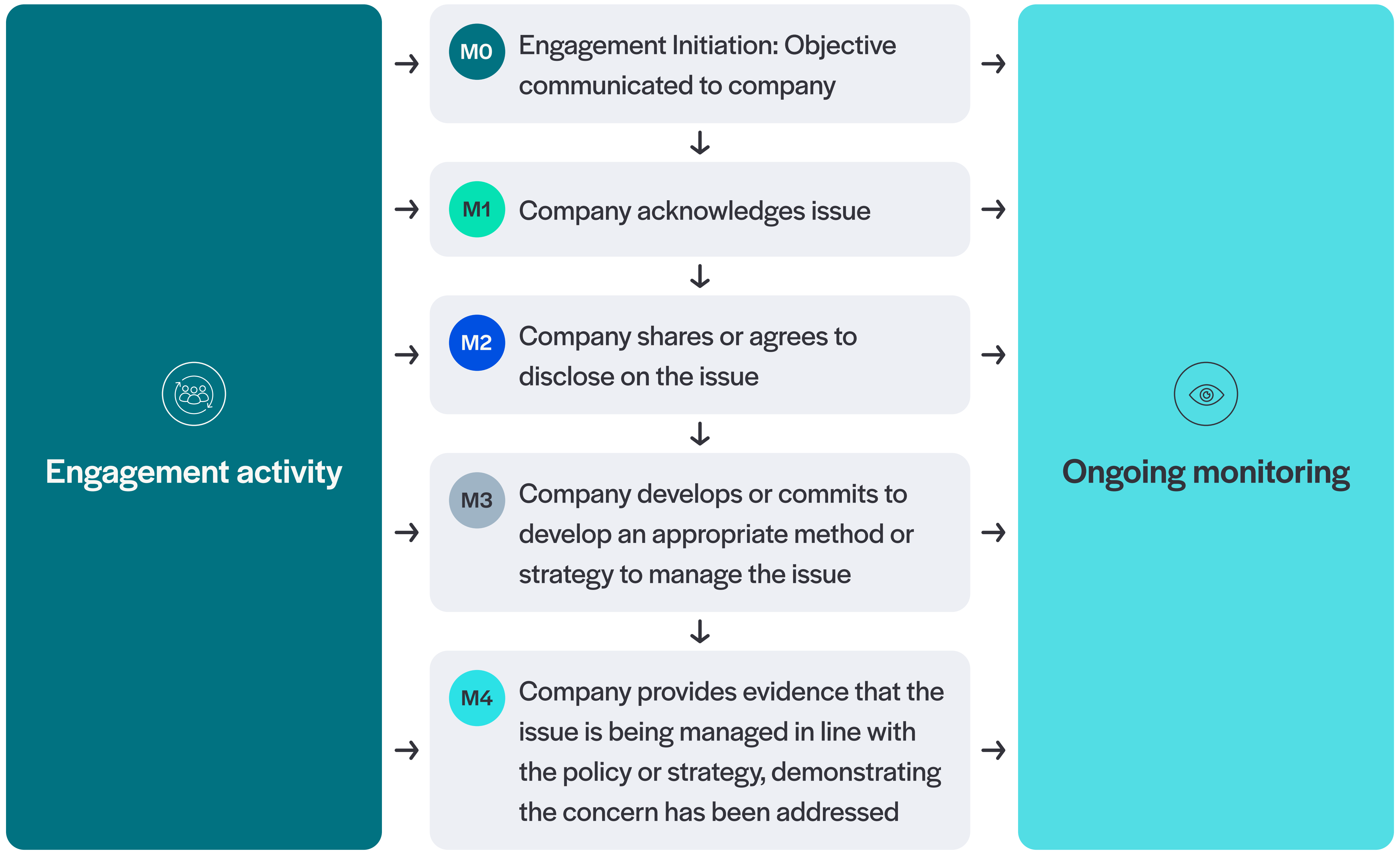
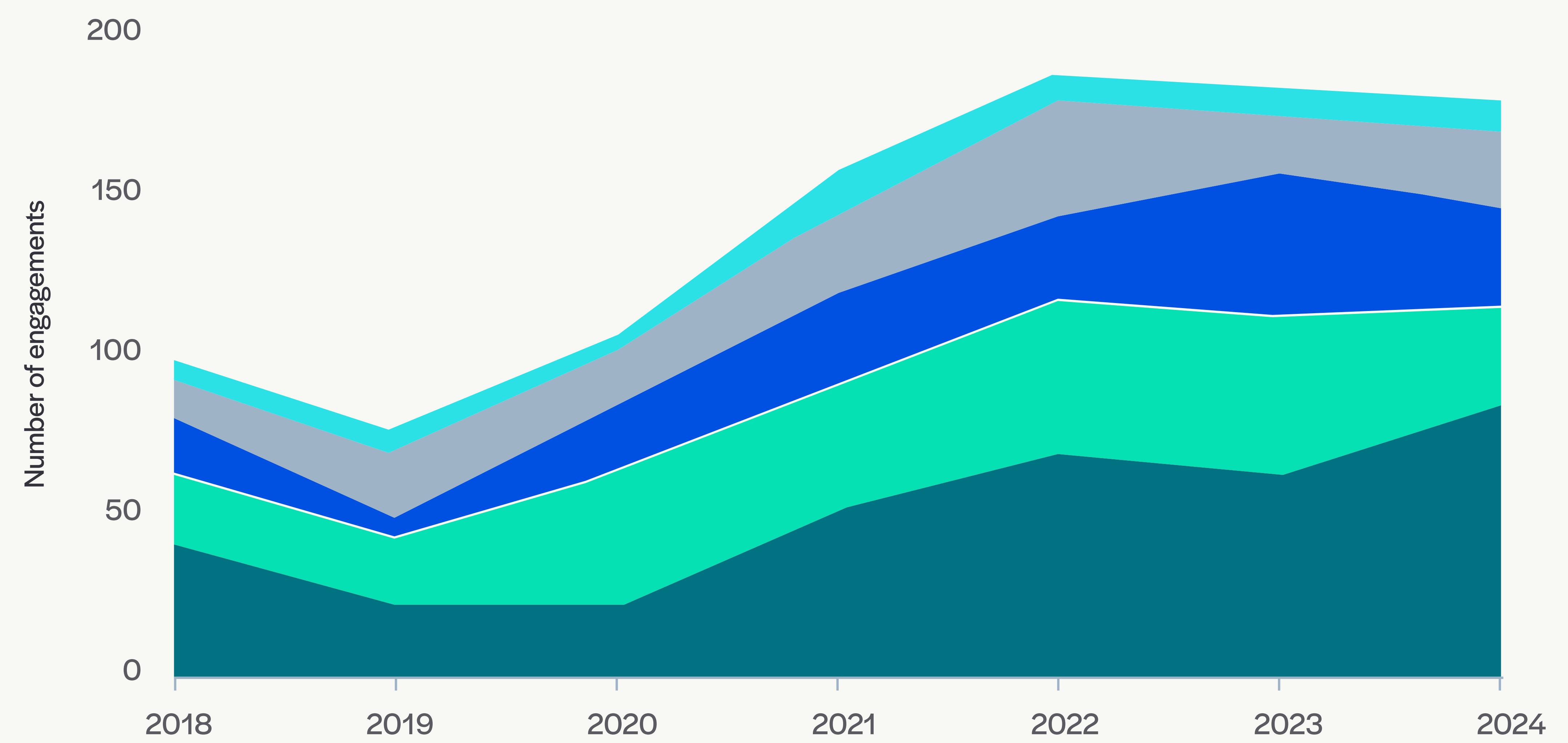


Figure 28 Engagement milestone progress 2018–2024



Voting in 2024

We see voting as a conduit to and an enabler of our engagement activities. Specifically, our escalation process of writing to company management following votes where we oppose management positions provides us with an opportunity to widen the scope of engagement. The table below summarises our approach.

WHEB's approach	Benefits
Exercise all voting rights.	By exercising all voting rights we can influence investee company strategy, policy and governance.
Voting is complementary to, and an enabler of, engagement.	Voting is not a standalone process - votes against management are explained via a formal letter, often leading to further dialogue. It is also an escalation tool.
Focused on management proposals.	Focusing on routine, management proposals to address Environmental, Social and Governance performance ensures stewardship beyond shareholder resolutions (which are <1% of votable resolutions).
All voting information and rationale published quarterly.	Demonstrates transparency and independence.
Consideration of proxy adviser's recommendations but voting decisions made independently in accordance with WHEB's Voting Policy.	Ensures alignment with client mandates and ambition is upheld.
Voting policies apply globally and are reviewed annually.	Ensures consistency of approach and continual improvement.

In 2024 WHEB cast votes on 100% of the resolutions on which we were entitled to vote in that year (Figure 29).

We voted against management on 164 occasions, representing 25% of our votes cast and, in a pattern consistent with the previous years (Figure 30).

- 88% of these votes were on Corporate Governance issues (especially auditor independence, director independence and executive remuneration),
- 5% on Environmental issues, mostly carbon reduction targets,
- 7% were on Social issues, the majority aimed at improving board-level gender diversity (Figure 31).

Figure 29 Exercising WHEB's voting at company meetings 2022–2024

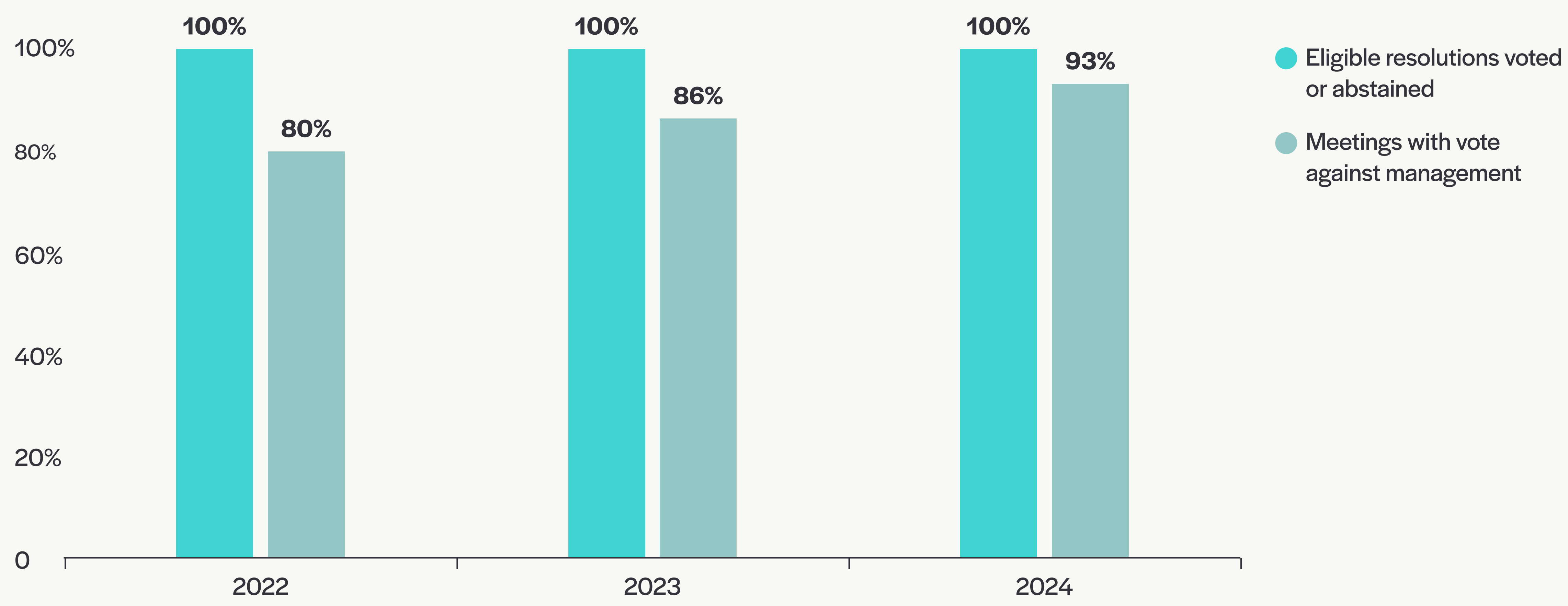


Figure 30 Votes for/against management and alignment with proxy-advisor

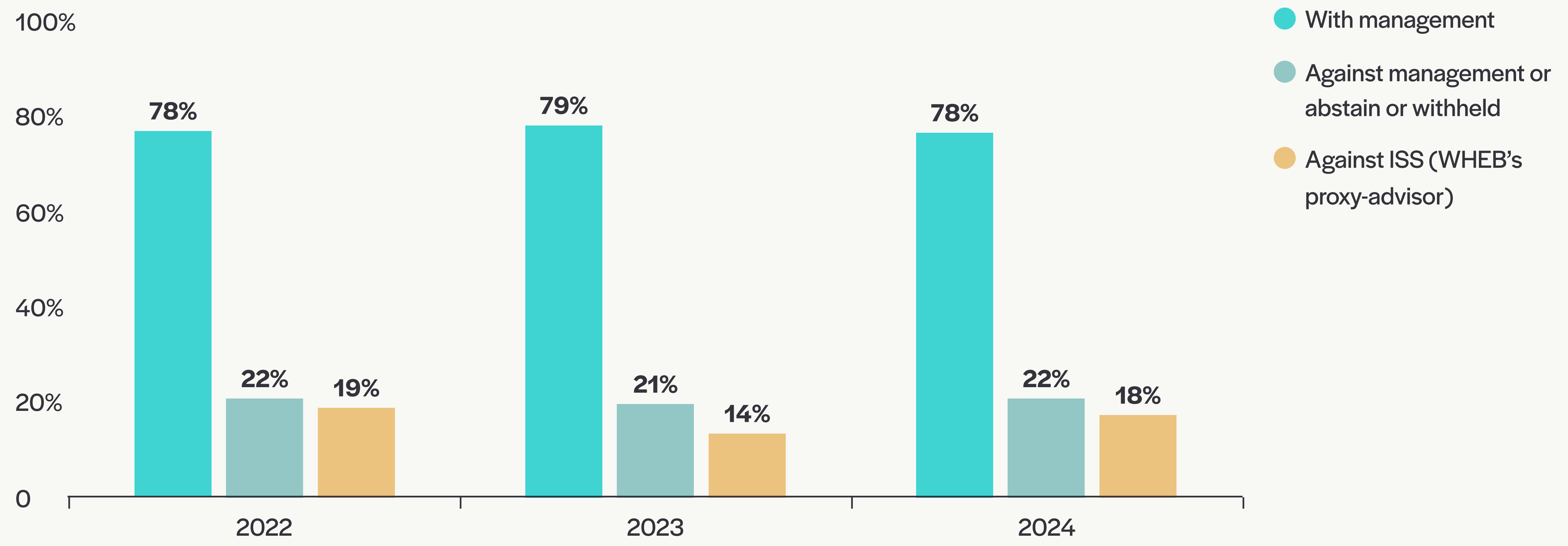
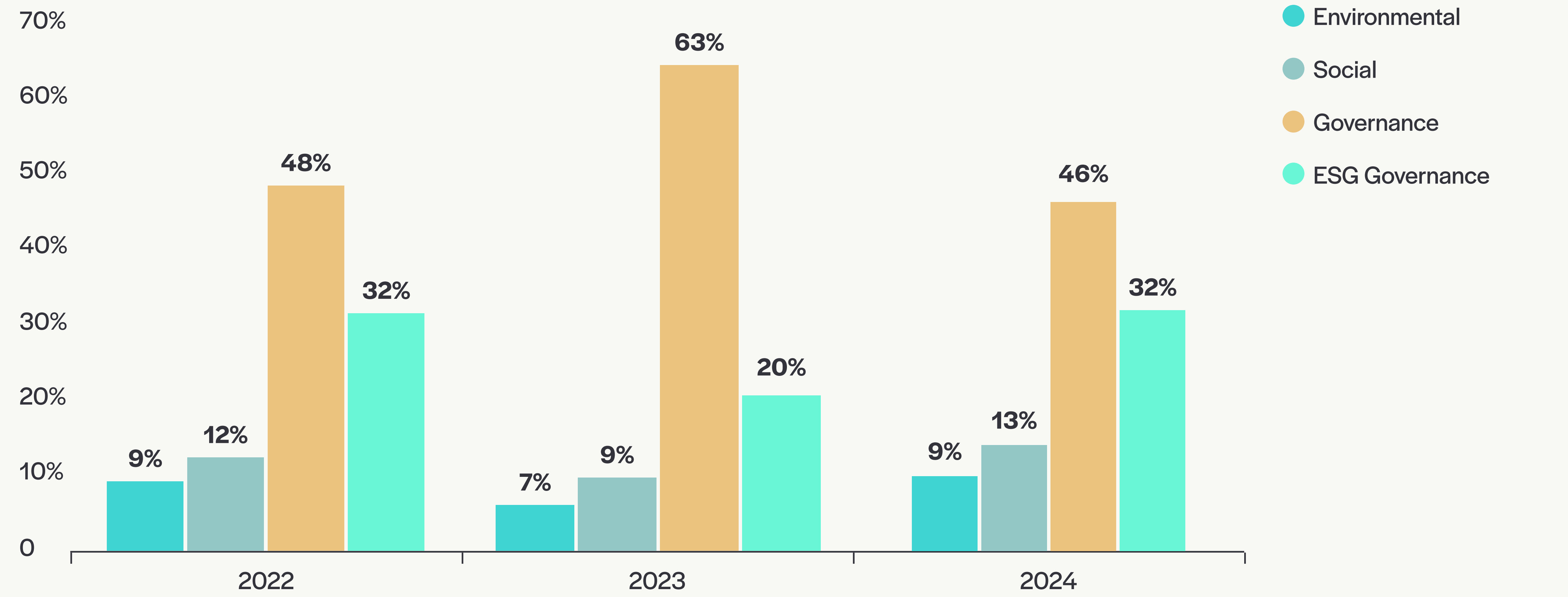


Figure 31 Votes against management by topic



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24