

## WHEB Asset Management Public Policy engagement 2022

Public policy topic	Other orgs	Notes	Quarter in which work took place
<b>2022 Global Investor Statement to Governments on the Climate Crisis</b>	AIGCC, CDP, Ceres, IGCC, IIGCC, PRI, UNEP FI.	At the start of the year, investor groups remained very active in keeping pressure on governments to continue to adopt aggressive action to mitigate greenhouse gas emissions and adapt to anticipated climate change. This included co-signing the 2022 Investor Statement which is the largest collaborative policy statement from investors. In 2021 the statement was backed by over 730 investors representing \$52 trillion. The new '2022 Global Investor Statement to Governments on the Climate Crisis' was released over the Summer as part of a programme of measures aimed at building momentum leading up to COP27 at the end of the year. This statement asked for governments globally to enact ambitious policies to leverage private capital required to effectively address the climate crisis in line with limiting global temperature rise to 1.5°C. It also included new areas of focus compared to other years, including tackling methane pollution, climate adaptation and resilience and scaling climate finance for developing countries.	1, 3, 4
<b>Letters to UK Government on stewardship and investor voting rights at company meetings</b>	Minister for Pensions, Occupational Pensions Stewardship Council	In December 2021 we received a letter from the Minister of Pensions asking for our views on the report published by the Taskforce on Pension Scheme Voting Implementation. Separately we had received a letter from the Occupational Pensions Stewardship Council which also sought our views on specific questions regarding the transparency of our voting policies and the alignment with clients. We have responded to both of these initiatives as we too believe that it is important that asset managers are transparent about their voting policies and activity. We also welcome greater client interest in the role that asset managers can play in leveraging their position as owners of public equities in advocating for more progressive policies and behaviours at investee companies. As we hope this report and other client communications makes clear, we take voting at company meetings extremely seriously. We use it to engage with portfolio companies in our efforts to advance higher standards of corporate governance and social and environmental performance. Voting is a key part of WHEB's holistic approach to active management and as an impact manager it is core to our mandate to engage for progressive change with our portfolio businesses. We look forward to further engagements with both the Department of Work and Pensions and with the Occupational Pensions Scheme Stewardship Council on how we can best support our clients' ambitions as regards voting and engagement with portfolio businesses.	1
<b>Green Taxonomy Working Group</b>	UKSIF	Throughout the first part of 2022, the UK Government continued to develop a policy framework to underpin the development of sustainable finance. WHEB has been engaged in responding to the Government's consultations including on the Sustainable Disclosure Regime. In March we wrote to the Government to set out our views on the 'green taxonomy' for the UK. This is a key part of the Government's policies and will, we believe, have an important impact on how the market develops. We welcome the Government's ambition in developing the taxonomy and believe that there is an opportunity to structure the taxonomy in a way that is more explicitly supportive of products and services that are enablers of climate solutions. This is an area that is only partially addressed in the EU's taxonomy, and we believe that the UK's version could develop this area further, while also ensuring that it remains consistent with the broad principles set out in the EU taxonomy.	1, 2
<b>Eliminating Plastic Pollution</b>	Plastic Solutions Investor Alliance	In February 2022 we signed a letter in support of a global treaty on plastic pollution. The letter was put together by the Plastic Solutions Investor Alliance and called on the UN to agree a global treaty to reduce plastic use and eliminate problematic and unnecessary plastics from the global economy. The letter also called on policy frameworks to be developed to ensure a coordinated international approach including common reporting and monitoring standards. In early March, at a meeting involving representatives from 173 countries, an agreement was reached that included the majority of the provisions that we had called for in our letter. This included endorsing a decision to agree an international legally binding agreement by 2024 that would address the full lifecycle of plastic including production, design and disposal.	1
<b>Investor groups call on new UK government to uphold net zero ambition</b>	PRI, IIGCC, UKSIF	Investor groups call on new UK government to uphold net zero ambition. Following her election as the UK's Prime Minister by Conservative Party Members, the CEOs of the PRI, IIGCC and UKSIF wrote to Liz Truss urging the new government to uphold existing net zero carbon ambitions. As active members of all three of these investor groups, we supported this letter which highlighted the importance of investing in a net-zero energy system to deliver energy security and affordability in the long-term. In addition, it called on the Government to 'set out a clear delivery plan for the transition of the real economy and financial services, with credible sectoral roadmaps underpinned by the near-term policies, actions and milestones needed to shift financial flows towards net zero.'	3

<b>Finance for Biodiversity Pledge</b>		<p>The Finance for Biodiversity Pledge is a commitment of financial institutions to protect and restore biodiversity through their finance activities and investments. The Pledge consists of 5 steps financial institutions commit to take: 1. Collaborating and sharing knowledge; 2. Engaging with companies; 3. Assessing impact; 4. Setting targets; 5. Reporting publicly on the above before 2025</p> <p>As financial institutions, they call on global leaders to agree on effective measures to reverse nature loss in this decade, during the Conference of the Parties (COP 15) to the Convention on Biological Diversity (CBD) taking place in Montréal, Canada from 7 to 19 December 2022. Financial institutions that have signed the Finance for Biodiversity Pledge can become members and join the working groups of the Finance for Biodiversity Foundation. With this new round of signatories, the total number of members increased from 56 to 60. The members are sharing knowledge and collaborating on topics such as impact assessment, engaging with companies, public policy advocacy, and target setting. An additional working group on positive impact will start in 2023.</p>	4
<b>Net Zero Investment Plan</b>	UK Government	<p>Private Sector Letter to the Chancellor of the Exchequer, RT Hon Jeremy Hunt on Net Zero Investment plan. Seb Beloe, Partner and Head of Research signed the letter along with other private sector firms businesses and investor organisations, encouraging the government to set out a clear 'Net Zero Investment Plan'. This would underpin the targets in the UK's Net Zero Strategy and we consider it to be a crucial element of the governance architecture required to ensure that the UK reaches its emissions reductions targets in a way that can leverage private sector investment into the UK's net zero transition, boosting growth in the process. The letter proposed that the plan include: A net zero delivery tracker to assess the financial flows in support of our climate and nature goals; an assessment of the investment need for decarbonisation in different sectors; an assessment of the low carbon investment gap for sectors and how these will be bridged. We also propose that an independent unit, such as the Office for Budget Responsibility, be given the role to conduct this tracking analysis on an ongoing basis.</p>	4
<b>Vote Reporting Group</b>	FCA, UKSIF	<p>We provided our feedback to the FCA's Vote Reporting Group in Dec 2022 via UKSIF. The aim of this group is to develop detailed proposals that enhance shareholder vote reporting by asset managers operating in the UK. This work will feed into the design of a comprehensive and standardised vote reporting framework for public consultation in mid-2023. We provided feedback in three areas:</p> <ol style="list-style-type: none"> <li>1. We felt that disclosures should enable asset owners to discern the extent to which asset managers take a proactive and progressive approach to voting. This could be, for example, by detailing the proportion of shareholder resolutions versus routine resolutions voted against management's recommendations.</li> <li>2. We are generally supporting of pre-vote disclosures, however, feel they are resource intensive for smaller firms such as WHEB. We therefore think more effective outcomes could be achieved if asset managers had a way of seeing how peers intend to vote as this could facilitate collaborative voting against management on routine resolutions.</li> <li>3. WHEB has for a long time published full records of our voting activity on our website. This includes a detailed rationale for every vote against management's recommendations. We would welcome a voting reporting regime and infrastructure that enables asset owners to easily compare and contrast how managers have voted.</li> </ol>	4
<b>SDR Consultation</b>	FCA, Various	<p><a href="https://www.whebgroupp.com/our-thoughts/whebs-view-on-the-fcas-proposals-for-sustainable-disclosure-requirements-sdr">https://www.whebgroupp.com/our-thoughts/whebs-view-on-the-fcas-proposals-for-sustainable-disclosure-requirements-sdr</a></p>	1-4