

The EQ Positive Impact Portfolios invest in companies that are making a positive impact on society and the environment by providing solutions to real world problems. We use the United Nations Sustainable Development Goals as a way to map the impact of their products and services.

Our biannual updates feature examples of these companies and funds; here we will focus on three relating to goals 12 - Responsible consumption and production, 2 - Zero hunger, and 3 - Good health & well-being.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Closing the loop on plastic bottle waste

Our economy's 'take-use-dispose' approach to resource consumption is responsible for much of the environmental

damage, pollution and dwindling of natural resources that we see today. 'Waste' results from almost all consumption activity. Currently, most plastic waste sits in landfills, with only ca 9% of global production being recycled. The challenge is significant as plastic's widespread use is testament to its invaluable properties of being hygienic, lightweight, and resistant yet easily mouldable. As a result, a shift towards a circular economy which designs-out waste by keeping materials in use for as long as possible is absolutely critical.

FUND IN FOCUS

Hermes Impact Opportunities Fund



Tomra received investment from the Hermes Impact Opportunities Fund. Another invested company solving a waste problem is [Umicore](#), a leading battery recycling company.

COMPANY

Tomra



Tomra specialises in sensor based sorting solutions, which it applies to its reverse vending machines.

These machines are set up under a "deposit-return" scheme, in which bottled drinks are bought with an added premium, which is returned to the customer upon return of the waste. It therefore provides a behavioural incentive to recycle, and countries with these schemes routinely achieve a 90% plastic collection for recycling rate. Tomra is the world leader in reverse vending machines. In 2020, it had about 80 thousand installed machines in about 40 regions around the world.

By effectively collecting 40 billion used bottles, the company produces a clean waste stream that then gets either reused, or broken down for recycling. Tomra's technology therefore provides a direct solution to our linear plastic economy, and is significantly expanding into new markets on the back of more stringent plastics regulations.





Meeting food demand within planetary boundaries

The agricultural sector is amongst the greatest consumers of energy, land and water. Agriculture and related land-use also contributes

about [1/4 of global greenhouse gas emissions](#) and has resulted in significant local depletion of natural resources and biodiversity.

It is also the reason why we have overstepped the safe [planetary boundary of some biochemical cycles](#) because of fertiliser use.

We need to find solutions to meet the world's food demand and needs of a balanced diet while reducing these adverse effects on ecosystems and resources. One way to reduce the agricultural sector's impact is through shifting to more sustainable food sources, eating local and seasonal. The other is to apply technology to manage farms more sustainably.

FUND IN FOCUS

Impax Asian Environmental Markets fund

IMPAX Asset Management

Kubota received investment through the Impax Asian Environmental Markets fund, which invests in Asia-listed businesses contributing to environmental impact themes, including climate change mitigation and sustainable agriculture. Another holding that helps reduce food's environmental impact is [Joyoung](#), a supplier of soya milk machines, with much lower carbon footprints than cow's milk production.

CASE STUDY

Kubota

Kubota

Kubota is a Japanese company focusing on machinery for agriculture and water management. The company is set up to provide solutions that aim at providing a stable food supply with greater farm efficiency – directly translating into lower pressure on natural and ecosystem resources.

Among its [“smart agriculture” products](#) is precision farming software, which helps farmers via smartphones to integrate all farm data and minimise fertiliser use, manage labour distribution, soil health, and Kubota machinery efficiency. Kubota is also a leading innovator in agricultural machinery, creating the most eco-efficient tractors that link with their precision farming software to create the best outcomes for farmers, food supply and the environment.



3 GOOD HEALTH AND WELL-BEING



Caring for an ageing population

Population ageing is often cited as a major economic challenge for the developed world. But shifting demographics pose an

even greater threat to the growth prospects of many emerging economies. More emerging markets are going through a demographic transition with lower fertility rates and increasing life expectancy.

In 2019, 1 in 11 people in the world were over 65. In 2050 it will be 1 in 6.

Among other impacts on the economy, it also means that our world's demand for ongoing care for chronic illness, inpatient care and home support will increase significantly. To elongate happy livelihoods, not just life-years, we need to invest in solutions to deliver care to the ageing population of tomorrow.

COMPANY

Encompass Health



**Encompass
Health**

Encompass Health is a leading US-based provider of inpatient rehabilitation and home-based care. The company manages post-surgery, or traumatic accident care facilities where about 180 thousand patients learned to live independent again last year through personalised therapies. Encompass's skilled nurses, speech and physical therapists also look after 190 thousand patients in the comfort of their own homes, providing critical care over the covid pandemic.

With an ageing demographic pressuring healthcare costs in the US, Encompass Health is benefiting from its ability to offer more cost-effective solutions over traditional senior nursing facilities, while also improving patient outcomes by allowing them to continue life in local familiar communities.

FUND IN FOCUS

Janus Henderson Global Sustainable Equity

Janus Henderson
INVESTORS

Encompass Health has received investment from Janus Henderson Global Sustainable Equity. This fund also invests in other businesses that create enhanced healthcare outcomes, including ICON, the largest global clinical research organisation helping commercialise cutting edge treatments.



Want to learn more about the UN Goals, and why we use them? Ask your financial adviser for a copy of our annual Impact Report and a statement from our online impact calculator.

SUSTAINABLE DEVELOPMENT GOALS



Risk warning

Past performance is not a guide to future performance. The value of investments and the income derived from them may go down as well as up and investors may get back less than they originally invested. The Positive Impact Portfolios are available in seven different risk profiles.

EQ Investors Limited, Centennium House, 100 Lower Thames Street, London EC3R 6DL

EQ Investors Limited is authorised and regulated by the Financial Conduct Authority. Registered in England & Wales at 6th Floor, 60 Gracechurch Street, London EC3V 0HR. Company Number 07223330. EQ/0322/522

Certified

