

# Positive Impact Report

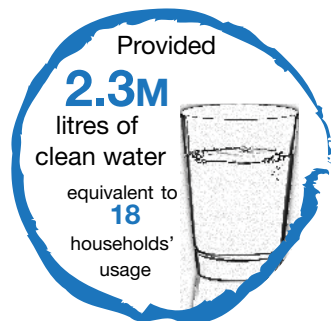
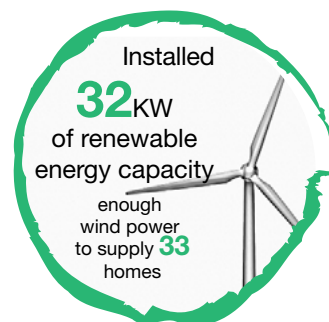
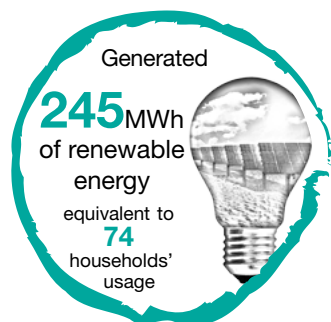
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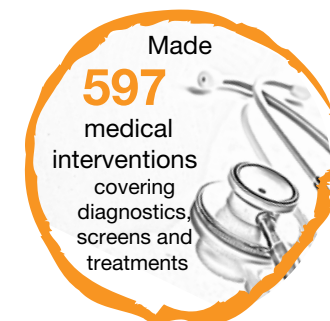


## Positive impact associated with owning £1 million of the EQ Positive Impact Adventurous portfolio in 2021:<sup>1</sup>

### Environmental impact



### Social impact



<sup>1</sup> Investing (e.g. buying shares in a company) does not create these outputs and outcomes: they are generated by the activities of our underlying portfolio holdings. An investment can be associated with these measures based on company disclosures and share of ownership. The EQ Positive Impact portfolios are available in a range of risk profiles. The impact made will differ depending on the amount invested and portfolio invested in. Portfolio weightings as at 31 August 2022. For an in-depth explanation see: [eqinvestors.co.uk/positive-impact-methodology](https://eqinvestors.co.uk/positive-impact-methodology).



# Welcome

The ambition of the EQ Positive Impact strategy has always been to demonstrate that investors can make a positive impact through their investments while at the same time generating attractive financial returns.

By supporting the 17 UN Sustainable Development Goals through both investment selection and engagement, the strategy stands to benefit from multi-decade opportunities. Because our mission driven approach is anchored in long term trends, we are confident that our strategy will continue to weather periods of market turbulence.

We are extremely proud to celebrate 10 years of EQ Positive Impact this year – but we won't be resting on our laurels.

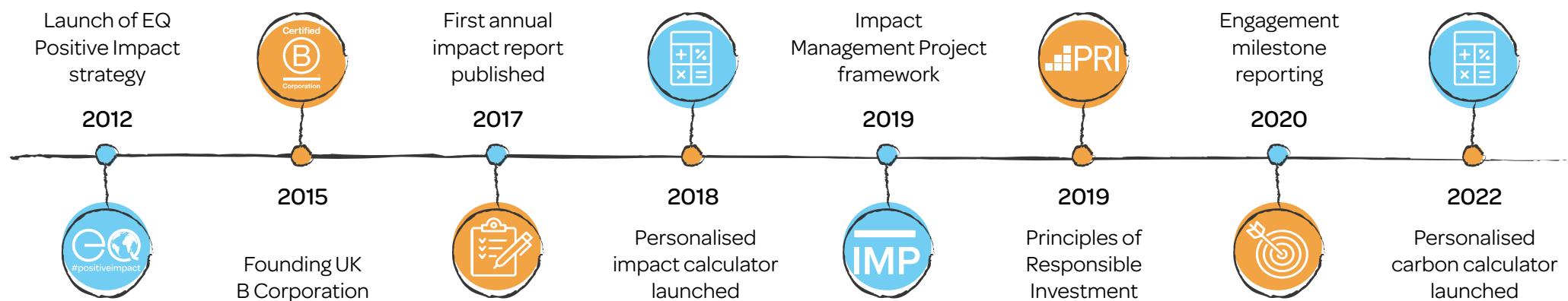
**“Our mission at EQ Investors is to connect capital to sustainable businesses by offering impact investing to everyone.”**

We will continue to innovate, improve our standards and drive the financial system with us, holding those lacking intention to account. Our sixth EQ Positive Impact annual report continues to evidence this, and we hope you enjoy the read.

**Sophie Kennedy**  
Joint Chief Executive

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# Our approach

EQ Positive Impact is an investment strategy with a dual focus on maximising both impact and financial returns. It aims to invest in solutions to social and environmental problems and actively engage to push for change towards a more sustainable world.

**1 Invest in solutions**  
EQ Positive Impact aims to invest in companies whose core products and services help to address global challenges. We naturally look to invest in the best run companies, so also consider Environmental, Social and Governance ('ESG') factors when selecting funds, and avoid harmful industries.

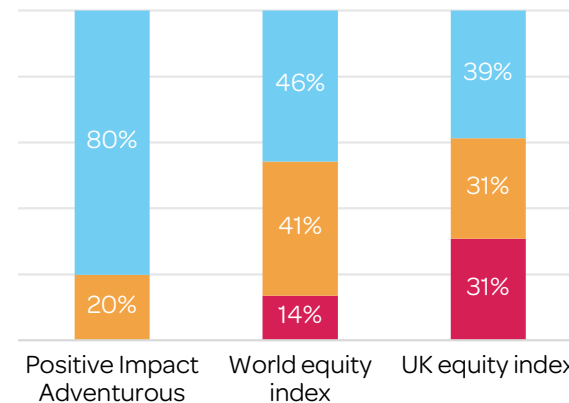
**2 Engage for change**  
We identify remaining sustainability weaknesses with asset managers and investments. Through active engagement we harness the collective power of capital to advocate for change and create positive impact.

## IMPACT MANAGEMENT PROJECT

**3 Measure the impact**  
We specialise in proprietary, market-leading impact measurement and reporting. This allows us to manage and improve our net-positive impacts over time. We aim to provide full transparency to our clients, helping build confidence that their investment sustainability objectives are met.

We follow the Impact Management Project's framework in categorising all types of investment as either Causes harm, Avoids harm/Benefits stakeholders, or Contributes to solutions:

Our Positive Impact approach goes beyond ethical screening and ESG investing by focusing on solutions:



- Contributes to solutions
- Avoid harm/Benefits stakeholders
- Causes harm

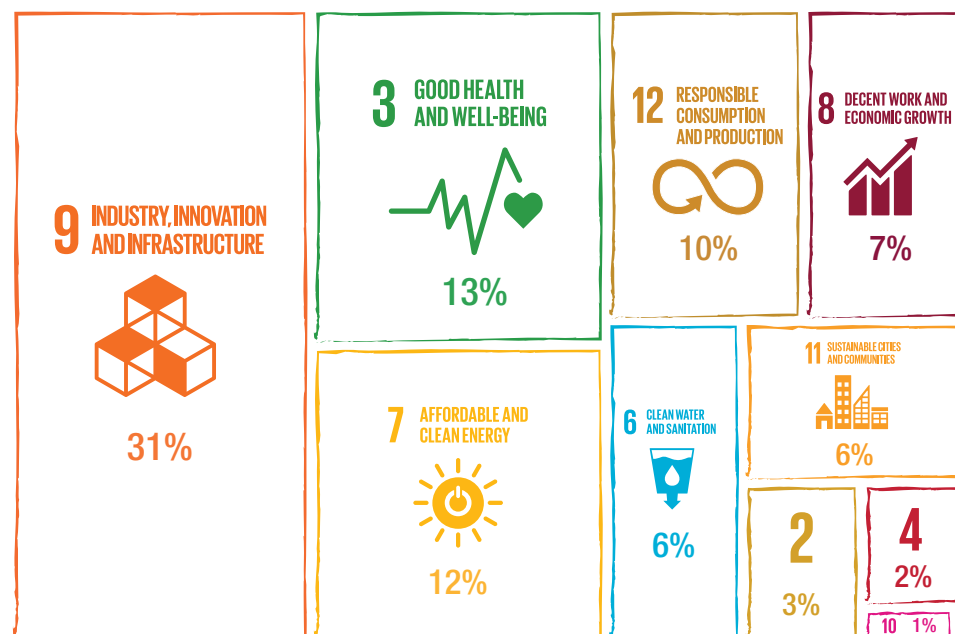
Adapted from: *The Bridges Spectrum of Capital*, Bridges Fund Management (2013) and the Impact Management Project

# Contributing to solutions

We use the UN Sustainable Development Goals as our guiding framework for selecting investment solutions. 80% of holdings in the Adventurous portfolio contribute directly towards at least one of the Goals, as shown below:<sup>1</sup>



- ✓ Efficiency enablers
- ✓ Green technologies
- ✓ Power networks
- ✓ Telecommunications
- ✓ Healthcare
- ✓ Medical research
- ✓ Circular economy
- ✓ Pollution control
- ✓ Waste & recycling



- ✓ Building societies
- ✓ Financial services in emerging markets
- ✓ Affordable housing
- ✓ Green buildings
- ✓ Education tech
- ✓ Universities
- ✓ Charity sector bonds

- ✓ Green electric utilities
- ✓ Wind, solar and hydro
- ✓ Water treatment
- ✓ Water utilities
- ✓ Farming equipment
- ✓ Plant and animal health

## What we avoid

There are some business models that the strategy avoids entirely, because they are part of the problem, not part of the solution:

- ✗ Adult entertainment
- ✗ Air freight
- ✗ Alcohol
- ✗ Animal farming
- ✗ Armaments
- ✗ Fossil fuel extraction and production
- ✗ Fossil fuel servicing
- ✗ Gambling
- ✗ Military contracting
- ✗ Mining
- ✗ Ocean freight
- ✗ Palm oil
- ✗ Poor environmental practices
- ✗ Poor labour standards
- ✗ Thermal coal
- ✗ Tobacco
- ✗ Unhealthy food and beverage

<sup>1</sup> The percentages reflect weighted portfolio holdings as at 31 August 2022.

The examples listed are not exhaustive.

# Measuring positive impact

We want to measure the impact of your investments towards the UN Goals, and also to measure the impact the strategy makes pushing for change through engagement. Considered together, this is how we make an impact.

## Impact themes

Themes bring together problems and solutions. In the rest of this report we will focus on:

1. Investing for the climate (p7)
2. Investing in natural capital (p10)
3. Investing in health and well-being (p13)
4. Investing in social inclusion (p16)

## Theories of change

Every solution company we invest in has a 'theory of change'. This describes how a company's activities create a set of outputs and outcomes, which in turn contribute towards progress on the UN Sustainable Development Goals (see Figure 1, below).

For each impact theme over the coming pages, you will find company examples that explain their theory of change. Each example illustrates how we arrive at one of our overall impact metrics (see p2) – by aggregating data reported by all the companies in our portfolios that do similar things.

## Engagement milestones

Looking beyond individual companies' products and services, we engage with our asset managers to push for change on a range of ESG issues.

No company is perfect. Our analysis considers the whole value chain where companies operate. Through this holistic assessment, we identify milestones that we would like our investments to move towards. In this report you will see our progress towards these milestones which result from our engagement activities.

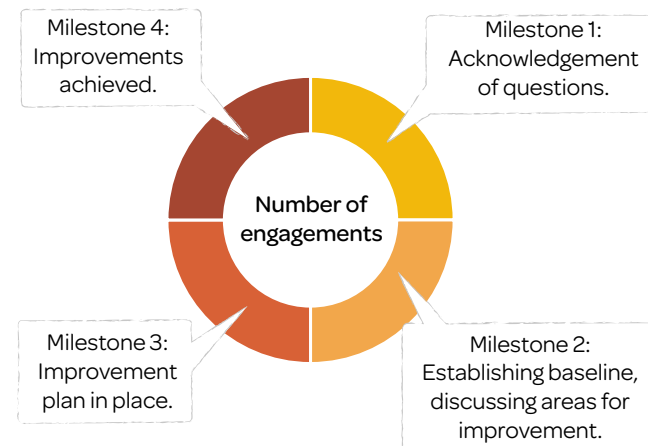
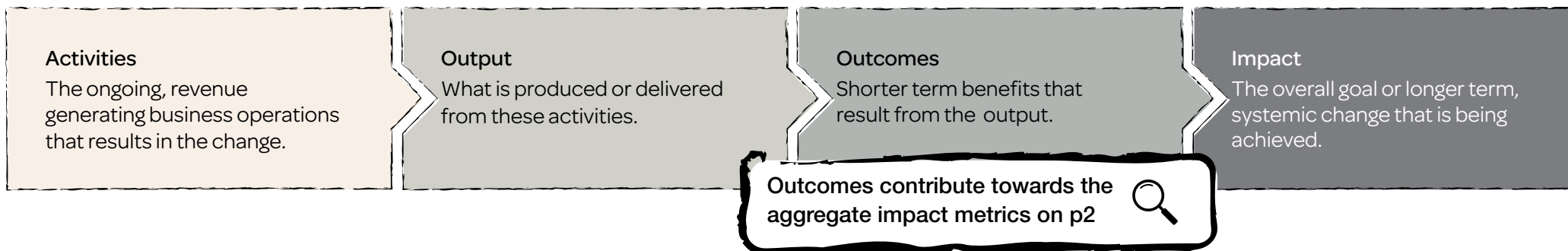


Figure 1. Understanding theories of change



# Investing for the climate

Society's over-reliance on fossil fuels, coupled with the harmful effects of their use requires urgent action from many industries to preserve a habitable planet for our future generations.

## Our solutions

EQ Positive Impact invests in businesses that are actively helping to reduce emissions through the production of renewable energy, green grids, electric transport, and technologies that improve energy efficiency.

**NEXT ENERGY**  
SOLAR FUND

### Activities

Next Energy Solar is a solar infrastructure investment company, focused on the UK, with a diversified portfolio of 90 individual solar plants.

### Output

Next Energy Solar own 865MW of renewable energy capacity, and enhance local biodiversity where their assets are located, thereby contributing to a zero-carbon future.

In the last year, they generated a total of 773,000 MWh of electricity.

### Outcomes

In 2021 their renewable energy capacity has enabled them to power the equivalent of 185,000 UK homes with clean energy and avoid 317,000 tonnes of CO<sub>2</sub> emissions by substituting more fossil fuel based sources of electricity.

### Impact

7 AFFORDABLE AND CLEAN ENERGY



Progress towards UN Target 7.2:  
By 2030, increase substantially the share of renewable energy in the global energy mix.

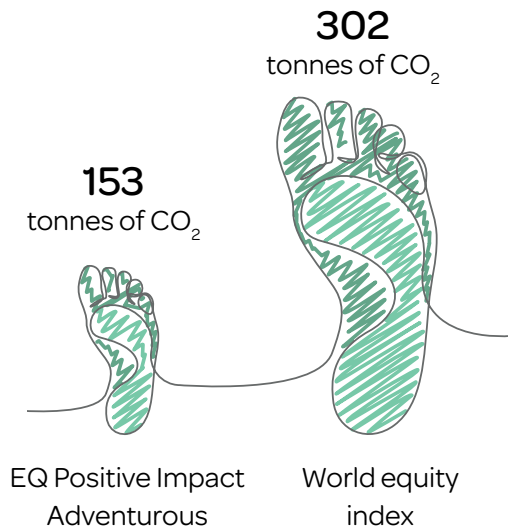
Contributes towards the renewable energy generated metric



## Portfolio carbon footprint

All companies are responsible for some carbon emissions. This year we launched a tool that allows us to compare the carbon footprint of any of our investment portfolios against a benchmark of global companies. This shows that, for example, the EQ Positive Impact Adventurous portfolio has approximately half the carbon intensity of the global equity index.

Combined annual emissions associated with £1m investment



Emissions breakdown: Scopes 1 & 2: 23.7 tonnes (EQ), 43.7 tonnes (Index); Scope 3: 128.9 tonnes (EQ), 258.2 tonnes (Index). Data source: MSCI

Data source: [www.nextenergysolarfund.com](http://www.nextenergysolarfund.com)

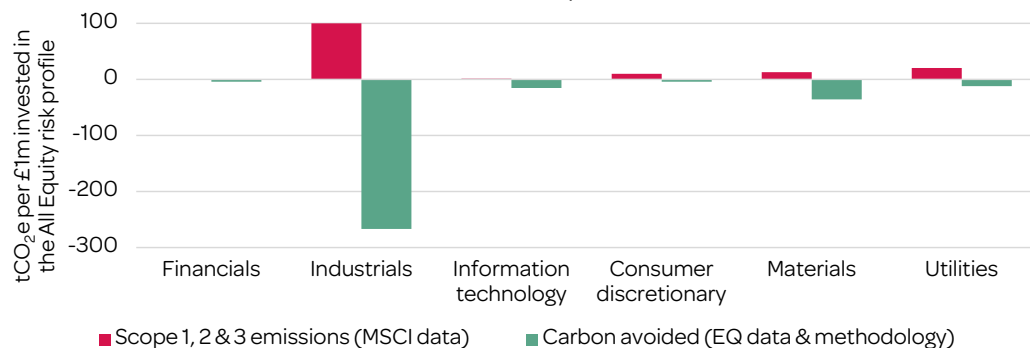


# Avoiding emissions

EQ Positive Impact invests in businesses whose products and services help to avoid real world emissions, thereby helping to tackle the climate crisis.

The graph below shows that the scale of these avoided emissions can outweigh the overall emissions produced by that sector.

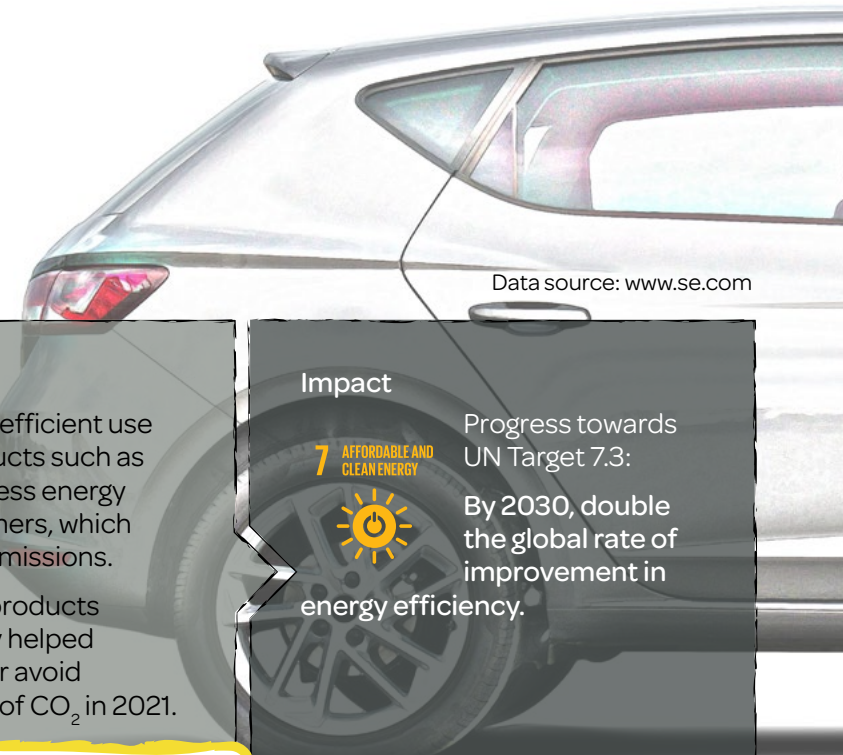
This data shows combined emissions, and avoided emissions associated with a £1m investment in the EQ Positive Impact All Equity portfolio.



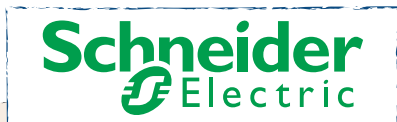
## Sectors we avoid

EQ Positive Impact avoids investing in the following sectors due to their dominant negative impact on the climate:

- ✗ Air freight
- ✗ Fossil fuel extraction and production
- ✗ Fossil fuel services
- ✗ Thermal coal



Data source: www.se.com



### Activities

Schneider Electric specialises in digital automation and energy management. This company implements efficient energy technologies with real-time automation to homes, buildings and data centres, all with the aim of addressing carbon inefficiencies and helping electrification.

### Output

Schneider sells products such as the C-Bus automation system which incorporates light level, temperature, and occupancy sensors to make your home operate more efficiently. They also sell products related to electric vehicle infrastructure such as charging stations.

### Outcomes

By enabling more efficient use of electrical products such as lights or heaters, less energy is used by consumers, which reduces carbon emissions.  
  
Through all their products and services, they helped customers save or avoid 84 million tonnes of CO<sub>2</sub> in 2021.

### Impact

7 AFFORDABLE AND CLEAN ENERGY



Progress towards UN Target 7.3:

By 2030, double the global rate of improvement in energy efficiency.

Contributes towards the carbon avoided impact metric





# Climate engagement

At the UN climate conference 'COP26' in Glasgow, finance industry leaders came together to show their commitment to act on climate change.

About 74% of the asset managers we invest with through EQ Positive Impact have committed to achieve zero carbon emissions by 2050 across all of their investments through the Net Zero Asset Managers Initiative (NZAM).<sup>1</sup>

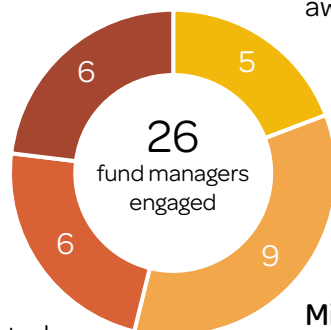
However, this high-level commitment is not uniformly implemented so our engagement this year has focused on encouraging a range of best practices that are grounded in creating ambitious changes in the real world.

## Milestone 4:

Evidence of implementation of best practice suggestions. Examples shown on the right hand side.

## Milestone 1:

Indication of interest to engage; awaiting discussions.

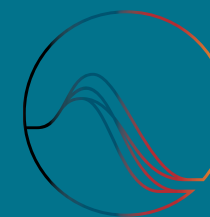


## Milestone 3:

Commitment to implement suggested changes. This includes: establish or improve scope of net-zero targets, sign NZAM commitments, agree to include EQ feedback in setting their net-zero targets and strategy.

## Milestone 2:

Discussion around current net zero targets, frameworks and timelines for implementation if these are lacking. Sharing of EQ's best practices to influence target and strategy revisions.

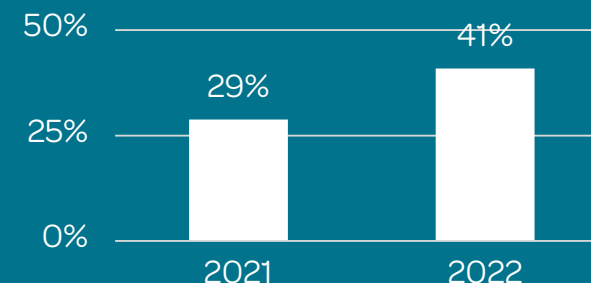


SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## What good looks like

We were encouraged to see an increase in the number of our underlying holding companies that have committed to setting science-based targets:



We are encouraging all our asset managers to:

- Increase the scope of their net-zero target to cover their entire assets, not just a portion.
- Develop clearly defined short, medium and longer-term targets for emission reductions.
- Apply frameworks from the Science Based Targets Initiative (SBTI) and the Paris Aligned Investor Initiative (PAII).
- Develop a strategic engagement plan, including an escalation process.
- Develop climate voting policies, including shareholder resolutions.
- Report on their progress towards these targets and their engagement milestones.

RACE TO ZERO

<sup>1</sup> NZAM is a formal partner of the UNFCCC's Race to Zero Campaign.

# Investing in natural capital

Our society is sustained by natural resources – the water, minerals, air and land we all depend on and create value from. But our overuse of this natural capital is destroying the potential to derive such value in the future.



## Our solutions

EQ Positive Impact targets companies providing solutions that prevent pollution and are involved in the circular economy, eliminating need for new raw extractions and associated environmental harms. Some impact opportunities also exist in restorative programmes, such as through green bonds.

## Protecting biodiversity

To build on our understanding of how investors can integrate, measure and engage on biodiversity risk, we joined the Forum of the Taskforce for Nature-related Financial Disclosures (TNFD). Through this collaboration we will feed into the development of the first biodiversity standard for investors, which in turn can be used to influence our fund managers' and companies' ambitions and reporting.

## Sectors we avoid

EQ Positive Impact avoids investing in some of the most prominent drivers of biodiversity loss, including:

- ✗ Animal farming
- ✗ Mining
- ✗ Ocean freight
- ✗ Palm oil
- ✗ Poor environmental practices



### Activities

The Government of Ireland issue green sovereign bonds to provide investors with financial features of a standard Irish government bond combined with the impact of financing only eligible green projects.

### Output

A proportion of the proceeds of this bond are used to provide payments to local landowners in exchange for planting native tree species on suitable land. Proceeds also supported Ireland's National Biodiversity Action Plan, including through biodiversity measurement projects.

### Outcomes

2,016 hectares of new forests were planted in Ireland by private landowners with government support in 2021, improving local biodiversity and sequestering carbon.

The collected biodiversity data showed that Ireland held 16,911 species, helping conservation project implementation.

### Impact

Multiple UN Targets including 15.2: By 2030, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.



Data source: [www.ntma.ie/uploads/publication-articles/ISGB-Allocation-report-2021-Final.pdf](http://www.ntma.ie/uploads/publication-articles/ISGB-Allocation-report-2021-Final.pdf)



Data source: www.umicore.com

### Activities

Umicore is a global materials technology recycling group which aims to enable circularity for critical metals, accelerate the electrification of transport and cater for the growing need of advanced materials. The company operates the world's largest precious metal recycling plant.

### Output

In the last year, 7,000 tonnes of material were recycled by Umicore.

From their range of products such as battery components or catalysts, 54% of the materials are recycled (from in-house recycling plants) and 79% of their revenue was related to recycling.

### Outcomes

By encouraging a shift to a lower reliance on raw material mining, Umicore are avoiding ecosystem destruction and other controversies surrounding metal supply chains.

The reduction in mining activity and carbon avoided from the use of new materials in their products avoided ~8.7m tonnes of CO<sub>2</sub> in a year.

### Impact



Progress towards Target 12.5:

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Contributes towards the waste recycled impact metric



Data source: www.evoqua.com

### Activities

Evoqua Water Technologies is a leading provider of water and wastewater treatment solutions. Its products help utility and industrial companies increase water re-use and prevent any toxin release.

### Output

Evoqua's technologies helped to treat 86 million litres of water daily via the use of their various treatment products such as aerobic, anaerobic and disinfection systems.

### Outcomes

Through their services, Evoqua helped more than 38,000 customers at over 200,000 installations, safely delivering clean water outputs. This in turn prevents the pollution of freshwater ecosystems, thereby protecting the biodiversity in rivers and floodplains.

### Impact

Multiple UN Targets including 6.3:



By 2030, improve water quality by reducing pollution...

halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Contributes towards the clean water and wastewater impact metrics





# Biodiversity engagement

The drivers of biodiversity loss are just as systemic as those driving climate change. However, measurement of biodiversity impact is still in its infancy and investors are only just starting to think about it.

All businesses with a physical presence, or deep supply chains, have some relationship with biodiversity impact. For example, a renewable infrastructure company impacts local ecosystems when constructing new wind turbines.

Food companies depend on global agricultural supply chains, with associated risks around soil degradation and deforestation. Every dependency on nature can become a risk when it is exploited, unless business operations are carefully managed.

## Milestone 4:

Evidence of implementation of best practice suggestions. Includes: established biodiversity as strategic engagement theme, developed internal frameworks to measure biodiversity impacts, signed Finance for Biodiversity Pledge in 2022.



## Milestone 2:

Discussion around current biodiversity integration into company assessment and engagement priorities. Suggestions included: focus on Forest 500 companies, TNFD forum, Finance for Biodiversity Pledge.

## Milestone 3:

Commitment to implement suggested changes after feedback. Examples: signed up to TNFD forum, Forest500 company engagement, beginning to build internal tools for biodiversity loss evaluation.



## Preventing tropical deforestation

Tropical deforestation is one of the largest drivers of biodiversity loss. Forest500.org, an independent project by the Global Canopy charity, provides research and assessments on companies that have the power to transform dependent supply chains to prevent such loss.

This year we have measured our portfolio exposure to these companies – 18 in total. We worked with Forest500 research to identify weaknesses in how these are managing their supply chains in respect to biodiversity loss, and used this information to engage with our fund managers to push for change.

# Investing in health and well-being

Healthcare innovation has spurred remarkable achievements both in terms of life expectancy and quality of life. Still, healthcare challenges are plentiful and in desperate need of funding.

## Our solutions

EQ Positive Impact invests across the healthcare value chain: including in hospitals, drug manufacturers, diagnostics technology, biotech research and wellness programmes. These companies cover the full spectrum of preventative measures, healthcare innovations and treatments.

## Preparing for future challenges

The world is far off from providing 'health and well-being for all'. Opportunities to make additional impacts range from anticipating the next big public healthcare challenge of antimicrobial resistance, improving the efficiency of medical research to developing breakthrough, affordable cures to chronic illnesses.

## Sectors we avoid

EQ Positive Impact does not invest in the sectors that are associated with health risks or harm:

- ✗ Alcohol
- ✗ Tobacco
- ✗ Unhealthy food and beverages



### Contributes towards the medical interventions impact metric



#### Activities

Dexcom is a specialist in diabetes management. The company has developed a convenient, wearable blood-glucose monitor that provides access to real-time values, trends, and alerts through an intuitive user interface – a significant improvement over manual finger-prick methods of disease management.

#### Output

Dexcom's blood-glucose monitors are used by 1.25 million diabetes patients worldwide, enabling them to closely monitor their levels in a comfortable way, in turn improving their quality of life.

#### Outcomes

The international Diabetes Federation (IDF) estimates that there were 6.7 million deaths attributed to diabetes in 2021 between the ages 20-79, and improved blood glucose control has shown reduction in risk to diabetes-related complications by up to 50%. The work of Dexcom is crucial in preventing these complications.

#### Impact

Progress towards Target 3.4:  
By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

Data source: [www.dexcom.com/en-GB](http://www.dexcom.com/en-GB)



Data source: <https://corporate.m3.com/en/corporate>

**Activities**

M3, Inc. is a global medical services platform centred around its physician platform. This company provides online visits and professional advice for patients, the exchange of knowledge amongst medical professionals and recruitment for clinical trials.

**Output**

250,000 patients received online consultations since the start of the pandemic, and over 300,000 health questions have been answered by physicians on their platform. M3, Inc. have attained 9.2 million views of informative content for medical professionals.

**Outcomes**

Patients avoided approximately 23.7 million hours of waiting time in office lobbies, and medical professionals benefitted from increased knowledge-sharing on new medical devices and drugs.


**Impact**

Progress towards Target 3.8:



Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Contributes towards the preventative measures impact metric




Data source: [www.hologic.com](http://www.hologic.com)

**Activities**

Hologic is a medical devices business, focusing on women's health. Its products aim to improve women's health and well-being through early detection and treatment of breast and cervical cancers, sexually transmitted infections (STIs) and other significant medical conditions.

**Output**

Hologic products include devices like mammography and biopsy systems, and STI test kits, with a strong focus on accessible pricing. To best tailor its products to real needs, its "Hologic Global Women's Health Index" survey uncovers inequalities in women's healthcare across and within 122 countries.

**Outcomes**

In 2021, Hologic's solutions benefited 347 million women, contributing to early detection and treatment of chronic illnesses such as breast and cervical cancer, and lowering costs for healthcare providers. Its annual survey results help to target research and development on women's health issues.


**Impact**



Progress towards Target 3.7

By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.

Contributes towards the patients treated impact metric





# Healthcare engagement

While the healthcare sector can provide important solutions to prevent, manage and cure disease, we recognise that the most material and additional positive impacts can be created through the fair access to these solutions across the world, focusing on essential medicines<sup>1</sup> and WHO priority diseases.<sup>2</sup>

Promoting health and wellbeing for all is a core SDG. This year, EQ started an engagement focusing on the Access to Medicine Foundation's

research helping us bring more nuance to the healthcare solutions invested in by EQ Positive Impact.

## Milestone 4:

Demonstrated the use of the Access to Medicine Foundation research by joining investor collaboration, engagement reporting on material considerations.

## Milestone 3:

Commitment to use the Access to Medicine Foundation research, or their framework, to assess and engage with relevant companies.



## Milestone 1:

Indication of interest to engage; awaiting discussions.

## Milestone 2:

Discussion around current framework to evaluate healthcare stocks including access to medicine, priority diseases and WHO priority R&D areas including antimicrobial resistance.



## Leading access to healthcare

Every year the Access to Medicine Foundation publishes its Access to Medicine Index, which uses 33 metrics to examine how 20 pharmaceutical companies respond to the need for better access to medicine in 106 low- and middle-income countries and for 82 diseases, conditions and pathogens.

In 2021, GSK came in at first place in the Index – with encouraging findings showing that 'big pharma' is increasingly planning to ensure fair access to new products by putting in place strategies and delivery mechanisms in order to reach disadvantaged groups across the world.



<sup>1</sup> [www.who.int/groups/expert-committee-on-selection-and-use-of-essential-medicines/essential-medicines-lists](http://www.who.int/groups/expert-committee-on-selection-and-use-of-essential-medicines/essential-medicines-lists)

<sup>2</sup> [www.who.int/activities/prioritizing-diseases-for-research-and-development-in-emergency-contexts](http://www.who.int/activities/prioritizing-diseases-for-research-and-development-in-emergency-contexts)

# Investing in social inclusion

In a world where both technology and connectivity are developing rapidly but inequality is widening, it has never been more important to invest in ideas that can close educational, financial and digital divides.

## Our solutions

EQ Positive Impact invests in a range of companies including affordable education services, companies extending internet and digital access to the underserved, and responsible banks unlocking financial access to customers in emerging markets. Alongside this, we invest in social housing and development bank bonds to help address inequalities in access to basic services.

## Tackling inequalities

From countries where a majority of the population is unbanked and lacks digital access, to developed markets like the UK where disadvantaged students still have a lower rate of progression to higher education, inclusive investment opportunities span a wide range of markets.

## Sectors we avoid

Our solutions-focused approach naturally avoids controversial sectors, including:

- ✗ Adult entertainment
- ✗ Armaments
- ✗ Gambling
- ✗ Military contracting
- ✗ Poor labour standards

Data source: [www.chegg.com](http://www.chegg.com)

# Chegg

### Activities

Chegg is an education company that provides affordable access to textbooks, help with homework online, proofreading, and exam prep and practice materials.

Chegg also supports the continuous journey of learning for people further along their careers to help them develop new skills.

### Output

Chegg's services helped 7.8 million monthly subscribers with their coursework and exams, providing 195 million hours of total education in the calendar year.

### Outcomes

Chegg's services have enabled students to perform better at a reasonable cost of £11.50 a month, with 94% of subscribers stating that it has helped them achieve better grades.

### Impact

4 QUALITY EDUCATION



Progress towards Target 4.3:

By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

Contributes towards the hours of education impact metric



# BRIDGES

Fund Management

(EQ Positive Impact Bespoke)

Data source: [www.westlondonzone.org](http://www.westlondonzone.org)

## Activities

Bridges Social Outcomes fund finances a social outcomes contract to provide starting capital to West London Zone. This charity is paid by the government upon delivery of benefits to society, focusing on their mission to address children from disadvantaged, poor areas in West London.

## Output

West London Zone delivers a two year personalised programme to support a child's needs, aspirations and strengths, pulling together support by schools, government and "Link workers". In 2021, 702 at-risk children benefited from the programme.

## Outcomes

The programme improves life chances of children most at risk of poor educational outcomes. 36% improved to get back on track with national standards targets for English. 25% improved up to national standards for maths. 75% of young people improved their mental health and confidence.

## Impact



Progress towards Target 4.1:

By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.



# GENTERA



for children and young people

Data source: [www.genera.com.mx/genera](http://www.genera.com.mx/genera)

## Activities

Genera is a financial institution that has been operating in Mexico and Peru for over 30 years. They offer loans, insurance, savings and payment channels to customers in order to provide more people access to the banking system.

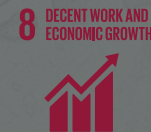
## Output

In 2021, Genera served nearly 3.2 million clients, disbursing over 11 million loans to underserved customers. One of their subsidiaries (ConCredito) has made strong strides to target female borrowers through its loans.

## Outcomes

There is a large gender divide in Mexico with only 33% of adult women having access to a bank account compared to 41% of adult men. ConCredito's loans portfolio has 60% allocated to women, in order to combat this.

## Impact



Progress towards Target 8.10:

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

Contributes towards the access to financial services in emerging markets impact metric





# Digital inclusion engagement

Digital technology is accelerating progress towards many UN Goals, but there are many barriers to access. EQ's engagement this year focused on research by the World Benchmarking Alliance's Digital Inclusion project.<sup>1</sup>

The framework assesses companies' commitment to enhance universal access,

improve all levels of digital skills, cybersecurity, and ethical innovation.

## Milestone 4:

Demonstrated use of the benchmark in engagement, joined the Ethical AI collaborative investor initiative.



## Milestone 2:

Discussion around findings of the digital inclusion benchmark for covered companies, and current framework to assess digital inclusion impact. Suggestion to join ethical AI initiative and use framework in ESG analysis.

## Milestone 3:

Commitment to engage on the weaknesses outlined by Digital Inclusion Benchmark Research in the next year, to integrate in ESG assessment of similar companies.



**World  
Benchmarking  
Alliance**

## Advancing ethical and responsible AI

Artificial Intelligence (AI) is proliferating across many domains and being integrated into many technology solutions, from healthcare to smart homes. Yet only 20 out of the 150 most influential technology firms disclose a commitment to ethical and responsible AI. Without safeguards in place, these companies increase risks of potential harms, from embedded bias and discrimination in automated systems to invasions of customer privacy, and the reputational damage this can cause.

As part of the World Benchmarking Alliance's Collective Impact Coalition for Digital Inclusion, EQ has joined a group of investors in 2022 to engage collaboratively on companies that could do better, such as Paypal and Alibaba.

<sup>1</sup> [www.worldbenchmarkingalliance.org/publication/digital-inclusion](http://www.worldbenchmarkingalliance.org/publication/digital-inclusion)

# Spotlight on EQ

EQ Investors was set up as a values-led investment management company, being one of the UK's first Certified B Corporations and part-owned by The EQ Foundation, our registered charity.

## Business as a force for good


As a Certified B Corporation we undertake a regular, in-depth assessment of our company's impact on all our key stakeholders – including our clients, employees, local community and our impact on the environment. To learn more about the B Impact Assessment and to view ours online, visit [bcorporation.uk](https://bcorporation.uk).

## Awarding improvement

In 2021 we recertified for the third time, scoring 151 points overall and winning a Best for the World for Customers award in 2022.



## Employee initiatives

 We're proud to have hired 10% of our workforce through the Resurgo Spear access to employment programme.



We support the Women In Finance Charter and achieved our target of 35% women in senior leadership roles by April 2022.



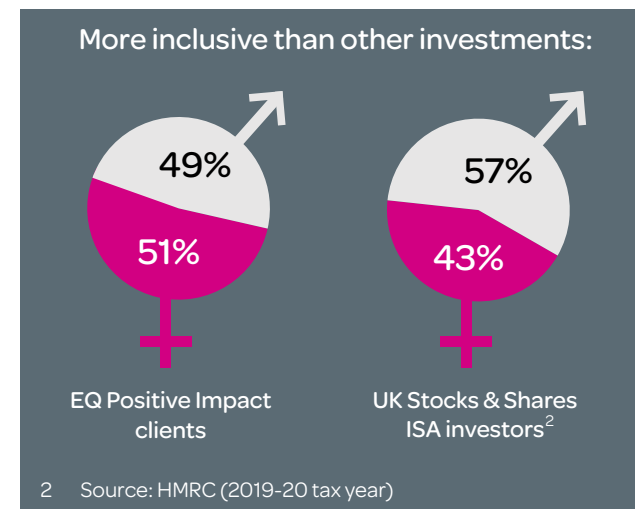
As a founding member of the 10,000 Black Interns programme, we supported a second internship during the summer of 2022.

## Charitable work

Our charity, The EQ Foundation, is transforming giving in the UK using an impact-driven approach. Visit [givingisgreat.org](https://givingisgreat.org) to find out how.



# Our clients



## Climate commitment

# NET ZERO | 2030

As part of the B Corp Climate Collective, EQ has committed to net-zero emissions by 2030 and is a Race to Zero business. In addition to our portfolio carbon reporting tool, we are working across our business to reduce, manage, and offset our operational carbon footprint.





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