



future leaders

Future Leaders Portfolios

Q1 2024 update

The EQ Future Leaders Portfolios invest in the sustainability leaders of tomorrow. The core of the portfolios invests in businesses that are strong performers when measured on environmental, social and governance (ESG) criteria. This is complemented by satellite investments in sustainable sectors, such as clean energy, healthcare, and green bonds. In these quarterly updates we showcase three examples of companies to which investors gain exposure.



ESG Leader: CRH



CRH is an international building materials company that operates across various segments, including aggregates, cement, asphalt, and ready-mix concrete. It supplies construction products to a global customer base, serving residential and commercial construction industries. CRH is known for its diverse range of products and services, which contribute to developing and maintaining infrastructure and buildings worldwide. CRH holds a AAA rating from MSCI ESG, recognising its commitment to sustainability, responsible business practices and efforts to reduce its environmental impact.

FUND IN FOCUS

Amundi MSCI Europe
SRI PAB Index



CRH PLC receives investment through the Amundi MSCI Europe SRI PAB Index, which holds large and midcap stocks in the European equity market with strong ESG performance and which are not involved in any controversial activities. Examples of some other holdings in the fund are [Givaudan](#) and [GEA Group](#).



Environment

The **environmental** pillar focuses on how a business performs as a steward of our natural environment.

In early 2023, the company revised its targets in line with the 1.5°C science-based framework, validated by the Science Based Targets initiative (SBTi). Beyond its own operations, CRH has been focused extensively on innovating low-carbon construction products. For example, CRH's Innovation Centre for Sustainable Construction has developed a low-carbon concrete solution with [a 65% lower carbon footprint than traditional concrete solutions](#).



Social

The **social** pillar focuses on how a company treats people, such as its employees, its customers, and its local community.

CRH creates positive relationships with the communities it works within by using its expertise in construction. For example, several of the subsidiary construction companies of CRH have partnered with [Habitat for Humanity](#). This non-profit organisation helps families in need build and improve their homes and supplies insulated concrete forms to build houses. These forms are extremely energy efficient and durable, providing excellent protection against severe weather conditions.



Governance

The **governance** pillar focuses on how the business polices itself by integrating policies to prevent corruption and ensure a high governing standard.

CRH has several board committees including the safety, environment and social responsibility committee. The committee meets at least three times per year to monitor health and safety, environmental and social responsibility across CRH. The committee reviews, sets targets and tracks performance on those areas on a regular basis.



ESG Leader:
The Home
Depot



The Home Depot is a retail company specialising in home improvement and construction products. It operates a chain of stores and an online platform, offering a wide range of goods, including tools, building materials, appliances, and garden supplies. Home Depot supplies products and services for homeowners, contractors, and DIY enthusiasts, making it a one-stop shop for various home improvement needs. The Home Depot obtained a AA rating from MSCI ESG due to its focus on improving stakeholder outcomes.

FUND IN FOCUS

Amundi MSCI USA SRI PAB Index

Amundi
ASSET MANAGEMENT

The Home Depot receives investment through Amundi MSCI USA SRI PAB Index, which holds large and midcap stocks in the US equity market with strong ESG performance and which are not involved in any controversial activities. Examples of some other holdings in the fund are [Zoetis](#) and [Illinois Tool Works](#).



Environment

Most of The Home Depot's emissions come from its Scope 3 emissions through both supply chain and products sold. The business has focused on working with its suppliers to improve its products' energy efficiency and promoting the sales of some of the high-efficient and electrified products that the business has. The business aims to help customers save [\\$600 million in energy costs by 2026](#).



Social

One impressive initiative Home Depot runs is The Homer Fund, an employee assistance program funded by employees and the company to help employees in need. Since 1999, [The Homer Fund has granted over \\$200 million to more than 165,000 associates in need](#). Employees struggling due to an unforeseen event causing financial hardship can apply for a grant. In 2022, over 12,000 grants were awarded, helping associates with illnesses or affected by hurricanes and wildfires, amongst other things.



Governance

Home Depot has an extensive list of ESG-related goals with timelines that have been set and are reported on every year in the company's ESG report. The company has an ESG Governance Committee, formed of representatives from across the different business functions, that looks to identify key ESG-related issues and coordinate ESG efforts that support the business and long-term value creation.



Sustainable theme: Healthcare

Type 2 diabetes is a chronic metabolic disorder characterised by high blood sugar levels. It can lead to serious health complications, including heart disease, kidney damage, blindness, and nerve problems, significantly reducing the quality and length of life. Diabetes is still a persistent issue in the UK, with [4.3 million people in the UK living with diabetes and potentially 2.4 million people at an increased risk of type 2 diabetes based on blood sugar levels. One leading contributor to the development of diabetes is obesity.](#)

Alzheimer's remains a persistent issue in the UK and globally. In the UK alone, there are estimated to be roughly [950,000 people living with the disease](#), and there is still no cure for it.

COMPANY

Eli Lilly



Eli Lilly is a US-based pharmaceutical company tackling diabetes and Alzheimer's.

Eli Lilly's [Mounjaro injections](#) have already been approved by the FDA for use on type 2 diabetes patients last year, and studies have shown it to be successful against obesity too. Studies showed the drug to achieve [over 20% weight loss after 12 weeks of intensive lifestyle change, and studies over longer periods having similar success.](#)

Focusing on another disease, early this year Eli Lilly's "[Donanemab](#)" had success in a phase 3 study on early Alzheimer's disease. The study showed that Donanemab significantly slowed down cognitive and functional decline in people with early symptomatic Alzheimer's disease. Eli Lilly will likely apply to the Medicines and Healthcare Products Regulatory Agency (MHRA) for the approval of Donanemab in the UK.

If approved, it will be reviewed by the National Institute for Health and Care Excellence (NICE). It would need to be approved by both these bodies before it could become available in the UK through the NHS. Although the drug is still in the preliminary stages, there is hope that it could be a significant breakthrough against the disease that is affecting so many worldwide.

FUND IN FOCUS

**L&G Global Health &
Pharma Index fund**



Eli Lilly receives investment from the L&G Global Health & Pharma Index fund, which holds global equities within the healthcare sector. Examples of other companies held in the fund are [M3 Inc](#) and [ResMed](#).



Want to learn more about the UN Goals, and invest in the sustainability leaders of tomorrow? Please do not hesitate to get in touch with your financial adviser.

We're always happy to hear from you.

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 Future Leaders Portfolios are available in seven different risk profiles.

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