

The EQ Positive Impact Offshore 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 bi-annual updates feature examples of these companies and funds; here we will focus on three relating to goals 3 - Good Health and Well-being, 9 - Industry, Innovation and Infrastructure, and 13 - Climate Action.



### Tackling the diabetes crisis

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](#). Research has shown that obesity is one of the leading causes of type 2 diabetes, with lifestyle interventions such as dieting, physical activity and sustained weight loss needed to prevent the disease.

#### FUND IN FOCUS

#### M&G Positive Impact Fund



Novo Nordisk receives investment from the M&G Positive Impact Fund, which invests in sustainable quality companies with a positive societal impact, addressing the world's big social and environmental challenges. Other examples of healthcare companies held in the fund are [Grifols](#) and [Quest Diagnostics](#).

#### COMPANY

#### Novo Nordisk



Novo Nordisk primarily serves patients with diabetes. It supplies products across the treatment ladder, from the delivery of human insulin to developing preventative interventions.

[The company reaches 36.3 million people annually with its essential insulin products and helps 1.8 million patients living in developing countries access these at no or subsidised cost.](#) 2022 marked the scale-up of "Wegovy", Novo Nordisk's highly effective obesity treatment, fighting this leading cause of diabetes. The company also has another weight loss drug called Ozempic. This drug has been approved by the US Food and Drug Administration (FDA) since 2017 and has seen great success. The medication helps the pancreas produce more insulin, which can help those with diabetes manage their blood sugar level.

Through insulin replacement therapies, diabetes patients reduce the occurrences of severe fluctuations in blood sugar levels, which can lead to organ failure in their worst cases. By treating obesity, Novo Nordisk's weight loss treatment alleviates significant healthcare burdens linked to this – far beyond diabetes symptoms.





## Promoting better access to finance

Micro, Small, and Medium Enterprises (MSMEs) significantly contribute to Indonesia's national economy, accounting for [61%](#)

[of Indonesia's GDP](#), while supplying employment opportunities to much of Indonesia's workforce ([97% of Indonesia's domestic employment](#)).

Although the impact MSMEs have on the Indonesian economy is clear, a financing gap remains due to MSMEs traditionally being ignored due to a lack of credit data and perceived risk. More than 70% of MSMEs lack access to credit. The funding gap is estimated to be worth [\\$60 billion](#), and [77% of the adult population](#) is either entirely unbanked or underbanked.

Furthermore, geographical constraints are also a hurdle for Indonesia. The country has more than 10,000 inhabited islands, many of which are remote and lack access to the internet or a physical bank.

### COMPANY

#### Bank Rakyat Indonesia



Your Bank of Choice

Bank Rakyat Indonesia (BRI) provides banking and financial services, including savings accounts, loans, and microfinance, focusing on supporting rural and small-scale businesses.

In [2022](#), Bank Rakyat extended microloans to [35.3 million borrowers](#) and micro savings accounts to approximately [100 million savers](#). It also offered microinsurance to [35.6 million policyholders](#). BRI became the first bank to buy a private satellite to secure national connection coverage to reach customers with mobile banking across the country's many islands. Furthermore, BRI also has "floating banks". These vessels are equipped with ATMs and travel to several remote islands off Jakarta's coast during the week.

BRI plays a crucial role in promoting financial inclusion. Enhancing financial inclusivity empowers individuals to boost financial stability and seize economic prospects. This helps Indonesia's socioeconomic development, given that small businesses make up most of the country's GDP and employment opportunities.

### FUND IN FOCUS

#### Baillie Gifford Positive Change Fund



BRI receives investment from the Baillie Gifford Positive Change Fund, which invests in innovative companies that supply unique solutions to the world's social and environmental challenges. Other solutions for social inclusion challenges are [Nu Holdings](#) and [Duolingo](#).







## Decarbonising aviation

Since 2000, roughly [5% of global greenhouse gas \(GHG\) emissions](#) have come from the aviation sector. The aviation

industry is committed to achieving net-zero flying by 2050; however, the path is still challenging and complex.

Aviation is considered one of the most difficult sectors to decarbonise because of weight and size constraints, long innovation cycles, and critical technologies, such as sustainable aviation fuels, which are relatively costly and are yet to be scaled. The aviation industry is committed to achieving net-zero flying by 2050; however, the path remains challenging and complex. Aviation is considered one of the most difficult sectors to decarbonise because of weight and size constraints, long innovation cycles, and critical technologies, such as sustainable aviation fuels, which are relatively costly and are yet to be scaled.

The aviation industry is expected to continue to grow over the coming years due to increased demand for air travel worldwide and aviation industries beginning to flourish in developing countries. As a result, if the aviation industry continues as business as usual it would be one of the fastest growing sources of GHG emissions. The cost of sustainable aviation fuels (SAF) remains significantly higher than traditional fossil fuel-based jet fuels; therefore, continued innovation is needed in this area to make SAFs more cost-competitive so that the aviation sector can grow and decarbonise simultaneously.

### COMPANY

**Ansys**



Ansys is a leading simulation software company, contributing to the environmental space by enabling engineers and researchers to model and analyse complex environmental phenomena, such as fluid dynamics, heat transfer, and pollutant dispersion. This aids in designing sustainable solutions for renewable energy, pollution control, and climate change mitigation.

[One example of Ansys' work is its collaboration in the aviation sector on zero-carbon jets.](#) University of Central Florida (UCF) researchers have been working on replacing traditional jet fuel with liquid ammonia (NH<sub>3</sub>). This type of sustainable aviation fuel would mean planes would avoid emitting carbon dioxide into the atmosphere. UCF needs help simulating the complex chemical reactions to help understand if the concept they have can be turned into a reality.

This is where Ansys comes in. Ansys has a fluid dynamics simulation tool that UCF can use to understand how complex chemical reactions work. During this initial innovation period, using a simulation tool that gives realistic results is invaluable. Ansys's tools are playing a crucial role in innovation in the environmental space.

### FUND IN FOCUS

**Regnan Global Equity Impact Solutions Fund**



Ansys receives investment from the Regnan Global Equity Impact Solutions Fund, which invests in global companies that create positive impacts through their core products and services. Other examples of environmental solution companies include [Tomra Systems](#) and [Umicore](#).



*Want to learn more about the UN Goals, and why we use them? Ask a copy of our latest annual Impact Report at your financial adviser.*

## 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 Offshore Portfolios are available in four different risk profiles.

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