



#climateaction

# Climate Action Portfolios

## Q4 2024 update

The EQ Climate Action portfolios allow you to align your financial goals with the global effort to reduce climate change risks and reach net zero. In these quarterly updates we showcase examples of 'transition', 'low-carbon leader', and 'solution' companies and funds to which investors gain exposure.



Climate transition companies are either those on a credible science-based path to decarbonising their business model or those that need investor engagement to put them on a pathway to net zero. Our transition company showcase this quarter is [T-Mobile](#).

# T-Mobile®

T-Mobile is a telecommunications company that provides mobile network services. It offers cellular plans, smartphones, and wireless solutions, focusing on national coverage, 5G network expansion, and innovative digital services.

T-Mobile has had its near-term, long-term, and net zero targets externally certified, by the Science Based Target Initiative, since 2022. T-Mobile has committed to reach net-zero across the value chain by 2040. It has a near term target to reduce absolute scope 1,2, and 3 emissions by 55% (2020 baseline), by 2030, and a long-term target to reduce emissions by 90% by 2040. Both these targets are aligned to the [Paris Agreement 1.5 degree goal](#).

The business is already on a good path to reaching its targets, having reduced its 2020 emissions by 30%.

### FUND IN FOCUS

Aviva



T-Mobile receives investment through the Aviva Climate Transition Global Equity Fund, which looks to invest in transition-oriented and climate solution companies. Other examples of their transition-oriented holdings include [Procter and Gamble](#) and [Merck & Co.](#)

T-Mobile's reductions have come from improving energy efficiency across its operations, sourcing renewable energy equivalent to 100% its total purchased electricity. The company has engaged with suppliers across its value chain to understand where emissions are the highest.

99% of the T-Mobile's carbon footprint comes from its Scope 3 emissions, so this has been a big focus for the company. The company has managed to effectively reduce scope 3 emissions from purchased goods, services, and capital goods [by 940,000 metric tonnes of CO2e through reducing its spending](#). Furthermore, it managed to significantly reduce emissions associated with transportation and shipping. This is because T-Mobile has removed 100 trucks and vans from the road through decommission activity and improving logistical efficiency.

Whilst it still has work to do in other Scope 3 categories, T-Mobile is well on its way to reaching its targets and transitioning into a net-zero business.

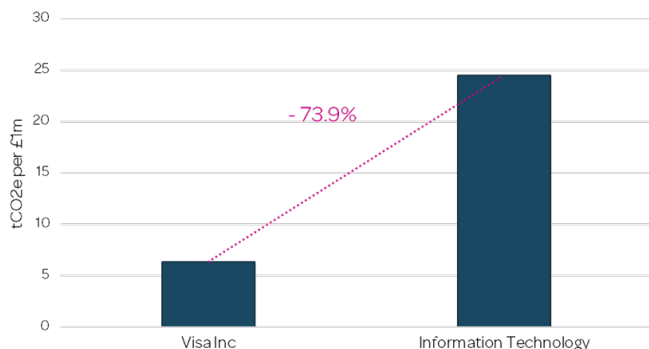




Companies that fall into the low-carbon leader category are those that are ahead of the curve in carbon efficiency, with at least 33% lower emission intensity than their industry peers. Our low-carbon leader company showcase this quarter is [Visa](#).



Visa stands out as low carbon leader in the information technology sector with its current emissions 73.9% lower than its industry peers. The company achieved carbon neutrality across its [global operations in 2020](#), fuelled by using 100% renewable electricity in its offices and data centres. [Visa has committed to achieving net-zero carbon emissions by 2040](#), targeting reductions in its greenhouse gas emissions and offsetting residual emissions through various global projects, including [reforestation efforts in Uruguay](#). Visa's proactive approach extends beyond its own footprint, focusing on facilitating sustainable consumer behaviours across its vast payments network.



[Visa launched its Eco Benefits program in 2021](#), allowing cardholders to track their carbon footprint, access education on sustainable consumption, and support reforestation with purchases. This program responds to growing demand for eco-conscious banking, especially amongst younger users. With features such as carbon footprint tracking and offsets, Visa aims to make sustainable living a core part of financial transactions, setting a benchmark for environmentally responsible payment systems. By embedding sustainability into its core services and encouraging eco-friendly practices among users, Visa is driving toward a low-carbon future.

Visa also issued its inaugural green bond in 2021. [To date Visa has allocated \\$391 million raised by the bond](#), into supporting renewable energy, energy efficiency, and green buildings projects. This investment underscores Visa's commitment to funding climate positive projects that help reduce its environmental impact within its operations and beyond. For example, the bonds proceeds helped fund Visa's new global headquarters building in San Francisco which is projected to achieve LEED Gold certification and to be Energy Star certified, which recognise high standards in energy efficiency and sustainability.



#### FUND IN FOCUS

[M&G Global Sustain Paris Aligned Fund](#)



Visa receives investment from the M&G Global Sustain Paris Aligned Fund which invests in transition-oriented and low-carbon companies. Other examples of low carbon companies the fund invests in are [Kuehne + Nagel International](#) and [UnitedHealth Group](#).



Climate solution companies are those whose products and services provide solutions to decarbonisation. It also includes financing targeted at green projects. Our climate solution company showcase this quarter is [Prysmian](#).



Whilst renewables only account for [30% of the current electricity generation mix](#), it's expected to reach [70% by 2050](#). Additionally, electricity consumption is expected to rise by 30% by 2030. Existing grids often struggle with inefficiencies and power losses, especially when integrating renewable energy systems. Overcoming these barriers requires advanced transmission technologies that can efficiently connect renewable energy source power grids, reduce transmission losses, and support resilient expansive energy systems for sustainable growth.

Prysmian is a global leader in cables manufacturing, which play a crucial role in renewable energy generation, energy storage, and the overall decarbonisation of power networks.

One example of its products includes its high-performance cables used for onshore and offshore wind farms, helping to transfer the electricity generated from the wind power to the grid. The cables are designed to withstand harsh environmental conditions, ensuring long term reliability and performance in renewable energy projects. Prysmian is involved in providing its [high-tech P-Laser cables for the German corridor projects](#), which involves the installation of three underground cables systems that will carry power from

renewable sources over hundreds of kilometres across Germany. The high-tech cables are 100% recyclable, can operate at higher temperature than other cables giving them better power transmission performance, and have a simpler manufacturing process than previous product.

The products Prysmian provides are crucial to our global decarbonisation efforts, helping countries to match their increasing electricity demand with a supply of renewable energy, as well as upgrading the efficiency and resilience of power grids.

#### FUND IN FOCUS

[Storebrand Global ESG Plus Fund](#)



## storebrand

Prysmian receives investment through the Storebrand Global ESG Plus Fund, which looks to mirror the MSCI World Index whilst excluding fossil fuel related industries and an overweight to climate solution companies. Other examples of climate solutions in the fund include [Broadcom Inc](#) and [Tesla](#).





## SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. Science-based targets show companies and financial institutions how much and how quickly they need to reduce their greenhouse gas emissions to prevent the worst effects of climate change.

### The Science Based Targets initiative (SBTi):

- Defines and promotes best practice in emissions reductions and net-zero targets in line with climate science.
- Provides technical assistance and expert resources to companies who set science-based targets in line with the latest climate science.
- Brings together a team of experts to provide companies with independent assessment and validation of targets.
- The SBTi is the lead partner of the Business Ambition for 1.5°C campaign - an urgent call to action from a global coalition of UN agencies and businesses, mobilizing companies to set net-zero science-based targets in line with a 1.5°C future.

The change has already begun and action is gaining pace. Over 2,000 organizations worldwide are leading the transition to a net-zero economy by setting emissions reduction targets grounded in climate science through the SBTi.

Within the EQ Climate Action Portfolios, EQ Investors uses the Science-based targets initiative as the gold standard framework to evaluate companies' climate ambitions.

Find out more: <https://sciencebasedtargets.org/>

#### 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 Climate Action Portfolios are available in seven different risk profiles.

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