



futureleaders

Future Leaders Portfolios

Q4 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: Sage

Sage Group Plc provides software and services to help small and medium-sized businesses (SMBs) with their accounting, finance, HR, and payroll. It has a “AAA” rating from MSCI, making it a leader in the software and services industry, on environmental, social and governance practices.

FUND IN FOCUS

Amundi MSCI UK IMI SRI PAB Index

ASSET MANAGEMENT

Sage receives investment through the Amundi MSCI UK IMI SRI PAB Index, which holds large and midcap stocks in the UK equity market with strong ESG performance and are not involved in any controversial activities. Examples of some other holdings in the fund are [SSE](#) and [Taylor Wimpey](#).



Environment

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

[Sage has committed to 50% reduction in carbon emissions by 2023 and aims to be net zero by 2040.](#) These targets have been verified by the [Science Based Targets Initiative](#). This ambitious target includes collaboration with cloud providers to manage and decrease emissions from their software usage. Through its [“Sage Earth”](#) tool, Sage assists SMBs in tracking and reducing their carbon footprints, encouraging sustainable practices across its customer base.



Social

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

Sage has worked on reducing digital inequality, promoting skills for the future workforce, and supporting SMBs in underrepresented communities. The company’s [“Human by Design”](#) initiative focuses on workplace inclusivity and tech accessibility, especially for disadvantage groups, to ensure they have equal opportunities to success in the evolving digital economy. The [“Sage Pathways”](#) program, offers training and employment support to underrepresented groups, such as women returning to work and people with disabilities.



Governance

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

Sage’s Sustainability and Society Committee, which reports directly to the Board of Directors, oversees Sage’s ESG strategies and ensures transparency. This governance structure ensures the alignment of ESG targets with broader business goals. Currently 42% of Sage’s board are made of females, as well as 40% of the executive leadership team. This showcases Sage’s commitment to gender representation within its leadership structure.



ESG Leader: Ingersoll Rand



Ingersoll Rand is a global industrial company that provides products and services in air compression, fluid management, power tools, and material handling to enhance productivity and efficiency across various industries. It has “AA” MSCI ESG rating, making it a leader amongst its industrial machinery industry peers.

FUND IN FOCUS

Amundi MSCI USA SRI PAB Index



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



Environment

Ingersoll Rand has committed to achieving net-zero by 2050 and has a target in place to [reduce its absolute Scope 1 and 2 GHG emissions by 60% \(2020 baseline\) by 2030](#), having already achieved a 15% reduction. The company has already reduced its water consumption by 33.6% compared to its 2020 rate, exceeding the 17% reduction target it had in place. It is now re-focusing its water strategy to having specific targets, on sites where water scarcity might be a risk.



Social

Ingersoll Rand has demonstrated strong operational performance on the social side by focusing on employee welfare and community engagement. In 2023, the company surpassed the industry average in safety with a total recordable incident rate [73% better than the industry average](#). Furthermore, it has encouraged employee ownership, granting equity to over 23,000 workers since 2017. The value of the grants, if held, would be approximately \$980 million.



Governance

Ingersoll Rand demonstrates strong governance in its ESG strategy through its robust corporate oversight. It has a transparent and accountable approach to executive compensation, aligning its pay with long-term performance. This ensures that leadership is incentivised to prioritise sustainable growth. 33% of the board are women.



Sustainable theme: GE Vernova

Electrification and decarbonisation are essential to achieving a sustainable energy future but faces significant challenges, particularly in funding and technology deployment. [To meet the goal of net-zero emissions by 2050, the energy sector alone needs investments totalling \\$4 trillion annually](#), yet current levels fall short, especially in developing regions where clean energy adoption lags. The transition is complicated by gaps in scaling renewable technologies like green hydrogen and carbon capture, which remain costly and technically challenging to implement widely.

Investing in companies that specialise in electrification and decarbonisation tech is critical. These businesses drive the deployment of necessary infrastructure, and accelerate technology advancement, bridging the funding and deployment gaps. Continuing financial support for these companies not only support emissions reduction but also secures energy reliability and economic resilience in the face of the global energy transition.

COMPANY

GE Vernova



GE VERNOVA

GE Vernova is at the forefront of solving electrification and decarbonisation challenges by deploying clean energy technologies and modernising the global grid. [The company supports roughly 25% of the world's electricity production through its expansive portfolio, which includes over 55,000 wind turbines.](#)

[Committed to its own goal of becoming carbon neutral by 2030](#), GE Vernova is also pioneering grid modernisation and digital solutions that improve efficiency and stability, addressing the infrastructure gap that can impede large-scale electrification efforts. In 2023, the 29 GW of new generating capacity brought on by GE Vernova will help avoid an [estimated 20 million metric tonnes of CO₂ emissions per year](#). The business is also piloting a green hydrogen program at a site run by [Duke Energy](#). The project will use Duke Energy's installed solar to power the electrolyzers that create green hydrogen. The gas will be stored on site, and then used to power the gas turbine on site with up to 100% hydrogen fuel, helping meet demand for electricity during peak periods.

FUND IN FOCUS

ARK Environmental
Impact 100 ETF



ARK
INVEST

GE Vernova receives investment from the ARK Environmental Impact 100 ETF, which seeks to invest in the 100 most innovative and impactful companies that help to address the world's most pressing climatic and environmental challenges. Some examples of other companies held in the ETF include [Purecycle Technologies](#) and [Autodesk](#).



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.

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

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