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EQ Investors | Sustainable World

Q1 2025 update

This quarterly update for the EQ Sustainable World portfolio showcases case studies from the three key pillars: Impact Solutions, ESG Leaders & Climate Focus.

Impact Solutions

We select specialist impact fund managers that invest in companies whose core products & services contribute towards the UN Development Goals.

ESG Leaders

By focusing on ESG Leaders, these funds invest in companies that are best managing environmental, social and governance risks (ESG).

Climate Focus

Invest in funds investing in companies that show climate change leadership.

This includes climate solutions, low carbon leaders and those on a science-based pathway to transition.

Impact Solutions

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.

FUND IN FOCUS



CT Sustainable Global Equity Income

BRI receives investment from the CT Sustainable Global Equity Income Fund, which invests in dividend-paying companies that help address social and environmental challenges. Another company addressing financial inclusion challenges is [Grupo Banorte](#).

COMPANY Bank Rakyat

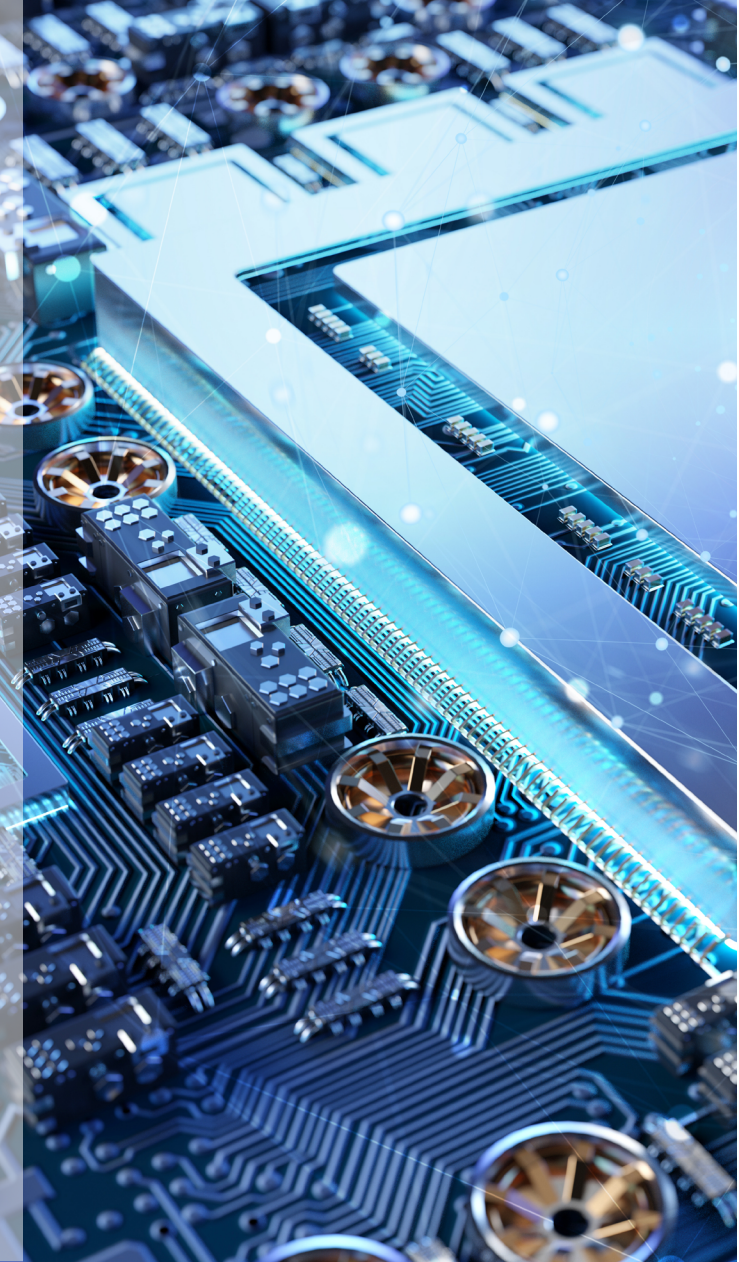


Your Bank of Choice

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

In [2023](#), [Bank Rakyat extended microloans to 36.9 million borrowers](#). It also offered [microinsurance to 14.6 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.



A step forward for the
Semi-conductor supply
chain.



Texas Instruments (TI) designs and manufactures semiconductor products, including integrated circuits and microchips. From smartphones to industrial machinery, its chips power various applications, enabling functions like computing, communication, and control. TI holds a AAA rating from MSCI ESG.

FUND IN FOCUS

Amundi MSCI USA SRI PAB Index



Texas Instruments 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 [Amgen](#) and [Idex Group](#).



Environment

The semiconductor industry faces environmental risks due to chemical usage, energy consumption, and electronic waste generation, which contribute to pollution and resource depletion. TI employs proactive environmental management practices backed up by company targets to mitigate these risks. The company has made great progress in conserving energy and water and reducing energy consumption per chip produced. Since 2010 the company has 53% less GHG emissions per chip produced, and reduced the waste per chip by 63%.



Social

The Semiconductor Industry often faces social risks across its supply chain. TI evaluate suppliers on a yearly basis to make sure they are working in a responsible manner. In 2022, 98% of its suppliers met its rigorous performance expectations with the remaining 2% required to take corrective actions, such as more training and policy strengthening. TI will watch these suppliers to ensure they do not fail in future assessments.



Governance

33% of the TI's board is female and roughly 25% come from ethnic minorities. Out of the 12 board members, 10 are independent directors. Instead of having a separate ESG Committee, ESG issues are integrated into all committees. For example, the audit committee will review company practices with respect to risk assessment and management, including ESG risks deemed material to the business.



Putting the brakes on carbon

Autotrader is an American online marketplace for buyers and sellers of new and used vehicles. Most of Autotrader’s emissions come from downstream scope 3 emissions resulting from the use of sold products. In 2020, emissions from use of sold products equated to [302,267 tonnes of CO₂ equivalent](#).



[The company has managed to reduce this figure to 56,323 tonnes of CO₂ equivalent in 2023](#). The company has looked to support customers in making the switch to more environmentally friendly vehicles, whether that be electric vehicles or hybrids. The focus has been on pushing EV purchases through increased advertising and providing more information on battery range and charge time to promote adoption.

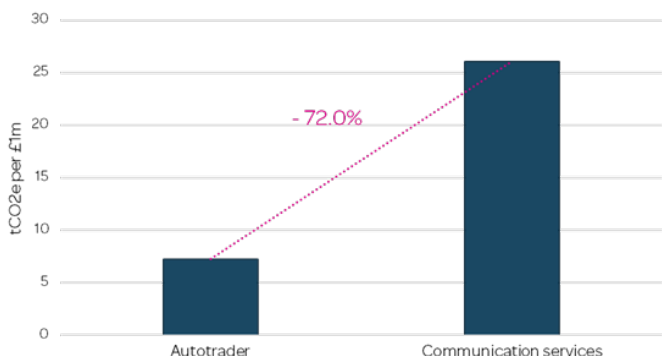


Science based targets

Autotrader committed to the [Science Based Targets Initiative \(SBTi\)](#) in 2021 and has committed to reaching net zero greenhouse gas emissions across its value chain by 2040. The company has a further medium target to reduce absolute scope 1 and 2 emissions by 50% by 2030 and reduce absolute scope 3 emissions by 46.2% over the same time frame.

Autotrader has also reduced its direct carbon footprint by having 99% of its energy usage coming from renewable energy tariffs, as well as switching all data centres to cloud computing infrastructure, improving efficiency.

All the policies and initiatives implemented by Autotrader show why it is considered a low carbon leader within its sector, with 72% lower emissions relative to its industry.



Data: MSCI, 2024

FUND IN FOCUS

[AB Low Carbon](#)



BERNSTEIN

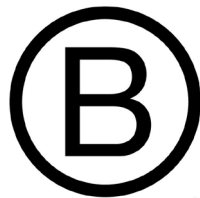
Autotrader receives investment through several different funds in the Climate Action portfolios, including the Alliance Bernstein Global Low Carbon Equity fund which holds other low carbon champions such as [Marsh & McLennan](#) and [Informa](#).





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Certified



Corporation

Past performance is not a guide to future performance. The value of investments and the income derived from them can go down as well as up, so you could get back less than you originally invested.

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