



Future Leaders Portfolios

Q2 2025 update

Achieve long term capital growth at low cost by investing responsibly

Managed by EQ Investors, a leading investment firm with over 10 years' experience in sustainable investing, the EQ Future Leaders portfolios are managed with a dual mandate to achieve long term capital growth at low cost by investing responsibly. We achieve this by building a portfolio with higher environmental, social and governance (ESG) characteristics than traditional benchmarks, whilst avoiding the most harmful businesses in the market. These quarterly updates demonstrate ESG characteristics of companies held in the portfolios, and an example of the sustainable bonds we hold.



ESG Leader: Sony

SONY

Sony is a Japanese multinational conglomerate known for its diverse operations across consumer electronics, gaming, movies, music, and financial services.

FUND IN FOCUS

Nordea Betaplus Enhanced Global Sustainable fund

Nordea

Sony receives investment through the Nordea Betaplus Enhanced Global Sustainable fund, which holds global stocks with a tilt towards those with stronger ESG performance and which are not involved in any controversial activities.



Environment

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

Sony aims to achieve carbon neutrality by 2040. A key milestone was achieving 35% renewable electricity usage - two years ahead of schedule. [It plans to have 100% renewable energy usage in its operations, by 2030.](#) The company has expanded on-site solar energy at production facilities and signed virtual power purchase agreements (PPAs), ensuring a stable supply of green energy. These efforts reduce emissions and align with Sony's "Road to Zero" strategy.



Social

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

Sony shows leading practices in supply chain sourcing through its commitment to ethical procurement, transparency, and environmental stewardship. The [Sony Supplier Code of Conduct](#) aligns to international standards such as the [Responsible Business Alliance \(RBA\) Code](#). Sony conducts regular supplier audits, focusing on human rights, labour conditions, and environmental compliance. It also promotes responsible sourcing of minerals, particularly in conflict-affected area, using third-party verification schemes to ensure human rights risk are sufficiently assessed.



Governance

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

Sony have set up a ["Sustainability Department"](#), under the supervision of the Senior Executive, which ensures that sustainability-related initiatives are implemented all in departments. It identifies sustainability issues that need to be addressed by Sony as well as formulating group policies on these issues. Each year the department detail the headway made on each material sustainability topic and set targets for the next fiscal year.



ESG Leader: Adidas



Adidas is a globally recognised sport brand that designs and manufactures footwear, apparel, and accessories.

FUND IN FOCUS

Nordea Betaplus Enhanced Global Sustainable fund

Nordea

Adidas receives investment through the Nordea Betaplus Enhanced Global Sustainable fund, which holds global stocks with a tilt towards those with stronger ESG performance and which are not involved in any controversial activities.



Environment

Adidas has implemented a comprehensive waste diversion program across its supply chain to optimise waste management and reduce environmental impact.

The company developed waste management guidelines to help suppliers in improving waste segregation, prioritising recycling and reuse of non-hazardous waste. In collaboration with co-processing partners in major sourcing countries, non-recyclable manufacturing waste is utilised in energy production, reducing pollution and landfill usage.

As a result, suppliers enrolled in Adidas' [environmental program collectively achieved a 96% landfill diversion rate in 2023](#).



Social

Adidas has engaged extensively with manufacturers in their supply chain to ensure that workers have the right channels to be able to feedback to Adidas directly. Workers can use the WOVO app, which provides tools for workers to connect with their companies, to share feedback, report issues, and access learning materials.

Adidas has progressively improved and expanded the use of this grievance mechanism, and in 2024, more than [400,000 workers employed in 105 manufacturing facilities across 16 countries](#) had access to the app.



Governance

Adidas has established a robust governance structure to oversee its sustainability initiatives. The Head of Sustainability reports directly to the Executive Board member responsible for [Global Operations and leads the Sustainability Sponsor Board \(SSB\)](#).

The SSB, composed of senior representatives from various functions, ensures cross-functional alignment and execution of sustainability goals. Additionally, a separate compliance function, ran as the Social and Environmental Affairs (SEA) Team, monitors supplier-facing social and environmental compliance performance and human rights impacts, reporting to the CEO through the General Counsel.



Sustainability outcomes

Bonds can be used by governments, companies or organisations to raise capital for specific social and environmental causes – these are also called social, sustainable or green bonds. While the financial characteristics of these bonds do not differ from standard bonds from the same issuer, they contribute to improvement in sustainability outcomes and are thus a key way EQ Future Leaders invests.

Greening the UK's grids

With fossil fuels accounting for over [75% of global GhG emissions as well as 90% of CO2 emissions today](#), the urgency for alternative, renewable energy sources are at an all-time high. With the Scottish Parliament saying that Scotland's electricity infrastructure desperately requires further capacity in order to reach net-zero commitments, Scotland is not an exception to this concern ([The Scottish Parliament](#)). In fact, to spur on these developments the Scottish government has set a target to attain an overall renewable energy contribution of [50% of the country's total consumption \(currently 29.5% as of 2024\) by 2030](#).

COMPANY

Scottish Hydro-Electric Transmission PLC



Scottish Hydro Electric Transmission PLC, a subsidiary of SSEN, plays a crucial role in the electricity transmission network across the north of Scotland. It focused on supporting and building-out essential high voltage infrastructure, which is crucial for providing nationwide energy security.

The company has issued a series of green bonds between 2019 and 2024, amounting to a total of £1bn, with proceeds used to fund both onshore and offshore renewable projects as well as connecting distribution plans.

The largest of these projects is the Shetland HVDC Link, which connects Shetland, an archipelago approximately 100 miles north of Scotland to the country's mainland territory. This includes approximately 260km of underwater, high voltage direct current cabling, as well

Scotland specifically holds a geographical predisposition as a hotspot for renewable wind-based projects, as well as ongoing initiatives such as Scottish & Southern Electricity Networks' (SSEN) Pathway to 2030, which includes £20bn+ in committed investment towards upgrading network infrastructure across the north of Scotland. SSEN is currently responsible for the delivery of electricity to a total of 3,900,000 businesses and households across the south of England and north of Scotland.

FUND IN FOCUS

NT Global Green Bond Index fund



The Scottish Hydro-Electric Transmission green bond receives investment through the NT Global Green Bond Index fund, which holds green bonds from a range of issuers, contributing to measurable positive environmental outcomes.

as a substation and converter station in Shetland.

The result of this project is the noteworthy connection of the 443MW Viking Windfarm towards the UK's GB grid, playing an essential role in the attainment of net-zero emission targets ([SSEN](#)).

While there is still considerable work to be done, the SSEN is successfully using green bond issuance to contribute towards reaching Scotland's current net-zero emission targets as well as widespread integration of renewable energy sources.



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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