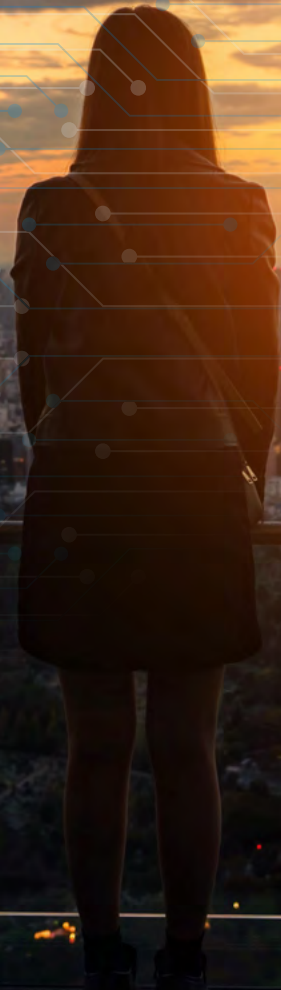


EQ investors • VISION | IFP



# EQ Vision Sustainable Report 2026

Certified



Corporation

# Welcome to the first EQ Vision Sustainable Report



*Our EQ Vision Sustainable strategy is built on three pillars: responsible corporate leadership (ESG Leaders), direct action on the energy transition (Climate Focus), and measurable real-world impact (Impact Solutions).*

*This report sets out how we translate that strategy into measurable, real-world outcomes*

*The world is more divided and volatile. Our investment philosophy isn't. Companies that are responsibly managed are more resilient, less likely to face scandals, regulatory setbacks, or reputational damage. That means fewer downside risks for your portfolio. And companies developing innovative solutions to social and environmental challenges are well-positioned to grow over the long term.*

*Where we invest matters. How we use our influence matters too.*

*This report sets out the progress we've made on delivering on our dual objective: strong financial returns, and a positive outcome for people and planet.*

*Thank you for investing with that purpose.*

**Sophie Kennedy,**  
Joint CEO & Head of Investment,

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# Investing for a sustainable future

Your investments are managed with two goals in mind: long-term growth and meaningful sustainability outcomes

Built around three pillars: ESG Leaders, Climate Focus, and Impact Solutions, the EQ Vision Sustainable strategy reflects deep expertise and rigorous research across each area, developed over more than a decade of focused investment.

## Pillar 1

### ESG Leaders

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

#### Portfolio objective:

Lower ESG risk than benchmark



Find out more on page 4.

## Pillar 2

### 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.

#### Portfolio objective:

Lower carbon footprint vs benchmark & achieve SBTi alignment by 2040



Find out more on page 7.

## Pillar 3

### Impact Solutions

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

#### Portfolio objective:

Higher SDG alignment vs benchmark

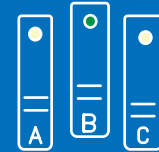


Find out more on page 8.

## Engage for positive outcomes

We engage directly with companies on your behalf, pushing for meaningful change on the issues that matter most to responsible investors. Find out more on pages 10-11.

Ensure fund managers have engagement and voting ambition



Use portfolio monitoring to engage on emerging flags

Engage proactively on strategic themes across all relevant fund managers



Collaboratively engage with other investors on companies

Practice AGM activism, asking questions directly to company boards



Find out more on pages 10-11

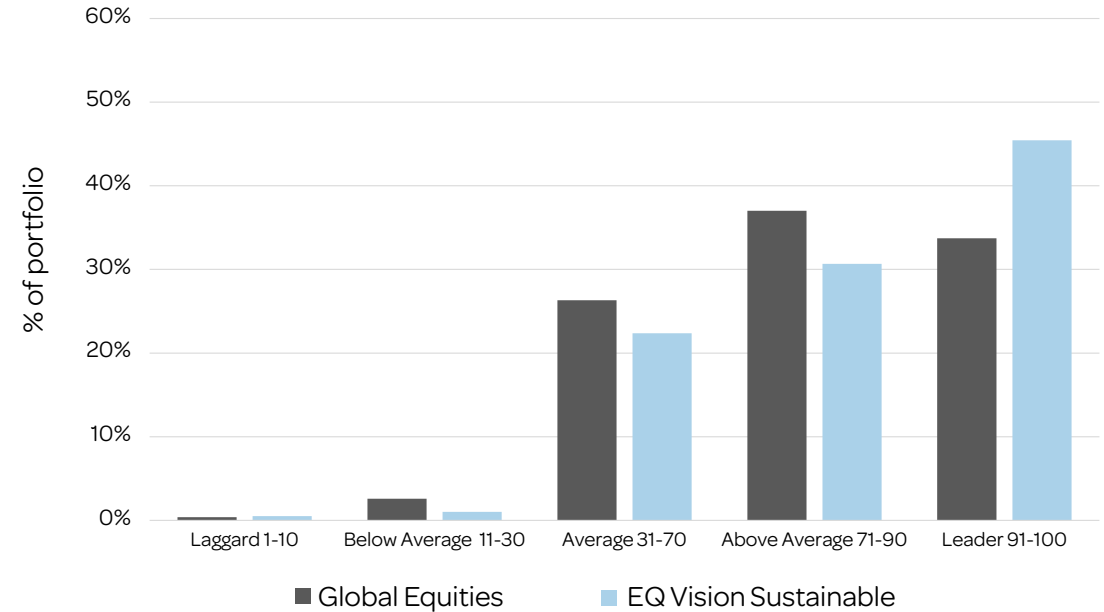
# Investing in responsible companies

Your portfolio is constructed and managed with ESG at its core

We invest in companies that respect the environment, treat people fairly, and are run with integrity. These businesses tend to perform better over the long term, and are less exposed to the risks, whether fines, scandals, or poor governance, that can erode returns.

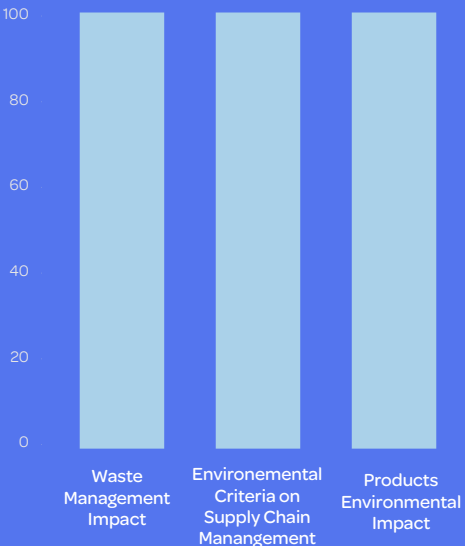
Assessing this requires judgement, not just data. We use ESG scores as a structured way to evaluate how responsibly a company is run relative to its peers, giving us a consistent basis for comparison across industries.

ESG rating bands



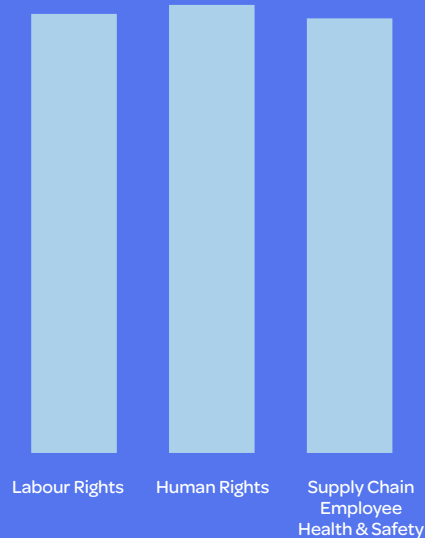
## Environmental:

Assesses how effectively a business stewards the natural environment.



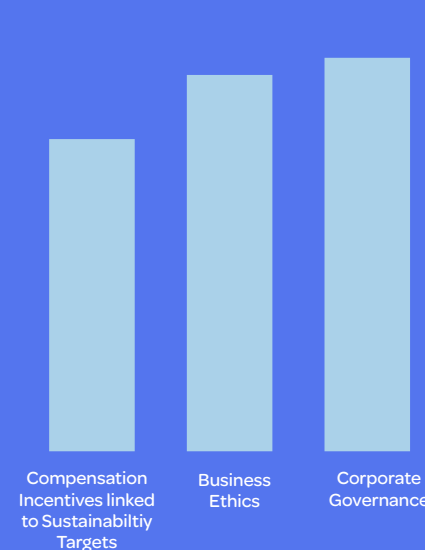
## Social:

Examines how a company treats its employees, customers, and local communities.



## Governance:

Evaluates how a business governs itself, with policies to prevent corruption and uphold high standards.



Here we show how the companies in your portfolio rank against their peers across key environmental, social, and governance (E, S, and G) indicators. A score of 100 indicates the highest possible rank. The graph displays the average ranking across your portfolio.

Source: Clarity AI, EQ Analysis, March 2026



# Success stories

Two portfolio holdings showcasing standout ESG leadership

## ASML

[ASML](#) is a critical supplier of advanced lithography systems which are used to manufacture semiconductors.



### Environmental:

[ASML aims for net-zero emissions across its value chain](#) by 2040 and zero operational waste to landfill or incineration. To get there, it applies circular economy principles, refurbishes and recycles components, and works with suppliers to reduce packaging and material waste.



### Social:

ASML's rapid growth makes talent attraction, retention, and inclusion a strategic priority. The company invests in employee development and community programs, including [refugee technical training in the Netherlands](#), mentoring in the USA, and support for food banks in Taiwan, strengthening a diverse talent pipeline while addressing local societal needs.



### Governance:

[ASML's two-tier governance](#) includes a Board of Management for operations and strategy and a Supervisory Board for independent oversight. Within the latter, the ESG Committee monitors climate and social targets and holds management accountable for progress.



mastercard

[Mastercard](#) operates a global technology network, facilitating electronic payments as an intermediary for credit, debit, and prepaid cards.



### Environmental:

Mastercard has committed to reach net-zero emissions across its value chain by 2040, with interim 2025 science-based targets set against a 2016 baseline.

Data centres account for 60% of Scope 1 and 2 emissions, yet operational emissions remained flat in 2024 through the introduction of 112,910 MWh of renewable electricity. Since 2020, [Mastercard has maintained carbon-neutral operations](#) via efficiency, 100% renewable energy, and high-quality carbon credits.



### Social:

Mastercard advances financial inclusion by connecting individuals and small businesses to the digital economy and fostering an inclusive culture internally. Its Kids4Tech and Girls4Tech programs reached 309,000 students in 2024 and over 12 million since 2014, building STEM skills and expanding access to tech careers.



### Governance:

Mastercard's governance links board oversight to sustainability, risk, and long-term strategy. With independent board meetings, annual performance reviews, and integrated risk management it embeds sustainability objectives throughout.



# Climate at the core

Climate change drives both investment opportunities and portfolio risk management

As global temperatures rise and policies vary, we invest in companies best positioned for the low-carbon transition.

To demonstrate that your investments are made with climate in mind, we identify leadership in companies with respect to the climate change challenge, and we target a high alignment to these.

Compared to traditional benchmarks, your portfolio holds more climate solutions & low-carbon leaders.

## Climate exposures

### Low Carbon: 33%

Leaders in carbon efficiency, with emissions at least 33% lower than their industry peers.

### Transition: 17%

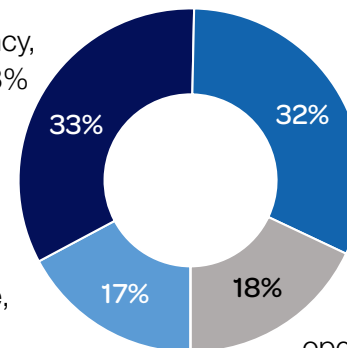
Companies on a credible, science-based path to decarbonising their business models.

### Climate Solutions: 32%

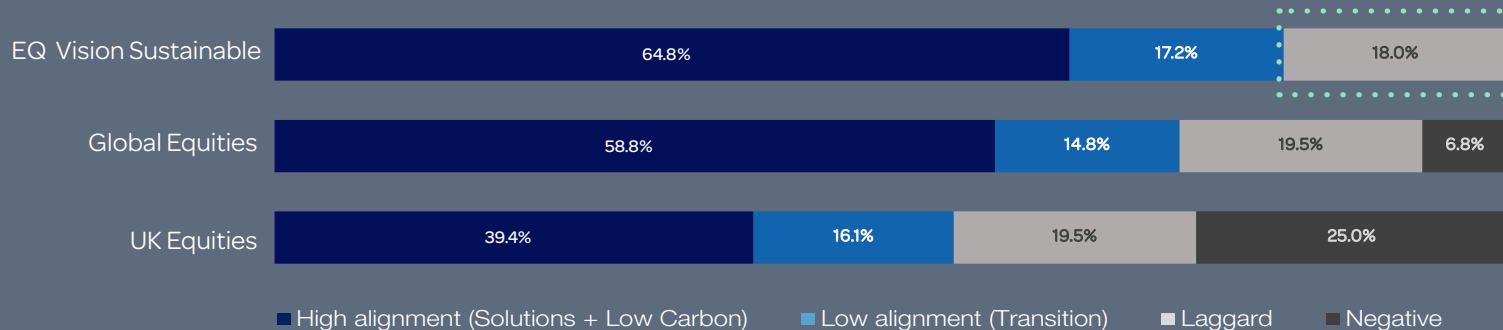
Companies whose products & services provide solutions to decarbonisation and where financing is targeted at green projects.

### Laggards: 18%

Either companies whose operations or whose products & services are not aligned to a net zero scenario.



## Portfolio climate comparison to Global Equities & UK Equities



The small allocation to laggards can be explained by fund managers using active engagement to drive real-world improvements in their climate alignment.

Data source: Clarity AI, Analysis: EQ Investors, data as at May 2026. To calculate the alignment for 'Global Equities' and 'UK Equities', we use data from ETFs tracking the performance of MSCI ACWI and FTSE 100, respectively. Climate exposures reference the equity portion of the portfolio only. Percentages may not add up to 100% as they are rounded to the nearest decimal. All percentages are rescaled to exclude any unmapped exposures.



# Success stories

Two portfolio holdings showcasing climate leadership



**Carrefour**

Carrefour is aligning with a [1.5°C pathway](#), with SBTi-validated targets across scopes 1, 2, and 3. [It aims for 100% renewable electricity by 2030](#), low-carbon technologies in 80% of franchise stores, and a 30% reduction in value chain emissions versus 2019, focusing on goods, services, and agriculture.

Initiatives include [the “20 Megatons” programme](#), Food Transition Pact, and deforestation-free sourcing via a Forest Transparency Platform and targeted beef and soy strategies. We engage with Carrefour via Climate Action 100+ to accelerate SBTi-aligned target delivery, enhance climate disclosure, and strengthen its transition plan.



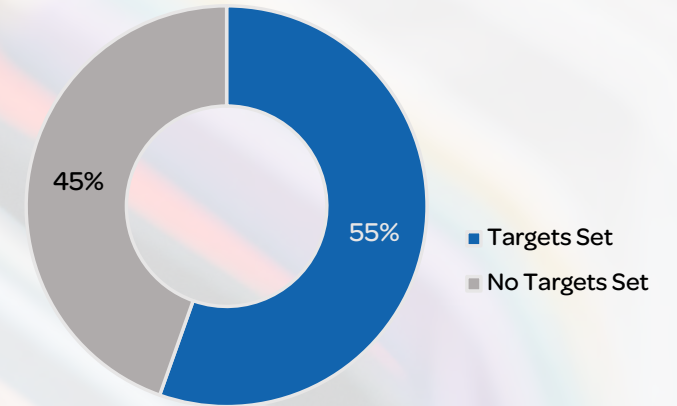
Shopify is an e-commerce platform enabling online and in-person sales through its stores, social media, and marketplaces.

As a low-carbon leader, Shopify keeps emissions low despite growth. In 2024, total emissions were approximately 24,000 tonnes CO<sub>2</sub>e, with Scopes 1 and 2 under 700 tonnes. Most emissions come from indirect sources like commuting, which fell [16% year-on-year](#) thanks to remote work, smaller offices, and low-carbon transport options.

The company sources clean electricity, improves office efficiency, reduces travel, and invests in high-quality carbon removal through its [Sustainability Fund](#) and the [“Planet” app, which offsets shipping emissions](#) for merchants.

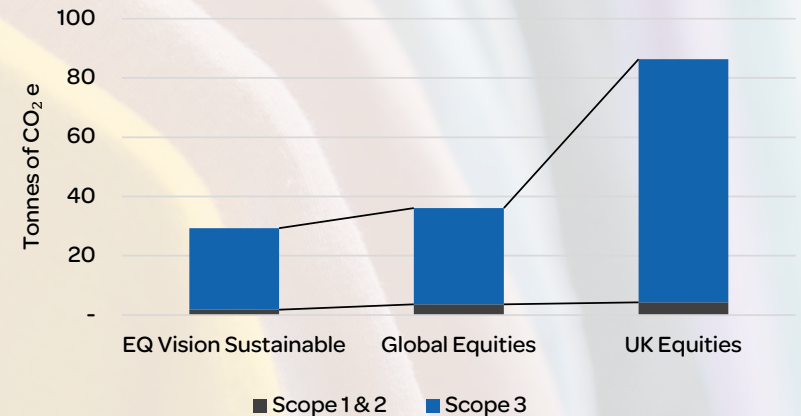
## Climate performance at the portfolio level

Proportion of portfolio invested in companies with a science-based decarbonisation target



## Portfolio's lower carbon footprint vs. market benchmarks

Emissions per £100,000 invested



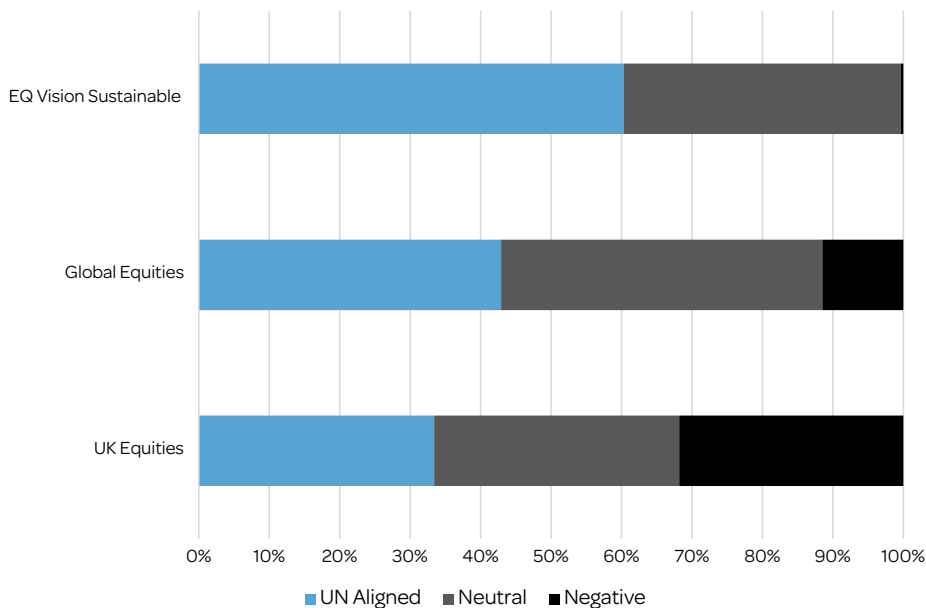
Source: Clarity AI, March 2026. Based on the equity portion of the Adventurous portfolio and benchmarks.

# Invest in purpose-driven solution companies

Targeting portfolio impact alignment to the UN Sustainable Development Goals

The SDGs guide our analysis of whether companies deliver meaningful social and environmental impact.

**Your portfolio's stronger alignment to the SDGs vs traditional market benchmarks**



The portfolios invest in solutions across key SDG themes, including climate, natural capital, health and well-being, and social inclusion.

Source: EQ investors, March 2026. Based on the full Adventurous portfolio and benchmarks.



The UN Sustainable Development Goals provide a global framework for addressing the world's most urgent social and environmental challenges.



# Success stories


We categorise solution companies and projects into four key themes, and here we show you some examples from your portfolio

## Climate

Those companies advancing society's climate change mitigation by providing products and services that avoid carbon emissions, reducing society's dependency on fossil fuels.

 **Trane Technologies** – Designs (HVAC) systems (Green Buildings)


 **Brookfield Renewable Partners** – Renewable power assets operator (Renewables & Electric infrastructure )

 **Schneider Electric** - Energy management (Industrial Automation)

## Health & Wellbeing

Healthcare companies spanning prevention, innovation, and treatment.


 **Cardinal Health** –Healthcare services and products (Pharmaceuticals)

 **Medtronic** - Device-based therapies (Medical Equipment & Services)


 **Welltower Inc** – Healthcare infrastructure (Managed Care)

## Natural Capital

Companies tackling pollution, managing wastewater, and advancing a circular economy to minimise environmental harm.

 **Pentair** – Filtration systems and water pumps (Water)


 **Waste Management** –Waste collection, recycling, and disposal services (Circular Economy)

 **CMPC** (Green Bond)- Makes tissue, packaging, and forestry products (Restoration)

## Social Inclusion

Companies advancing education, digital access, and financial inclusion for underserved communities.

 **HDFC Bank** - Indian Bank (Financial Empowerment)

 **CrowdStrike** – Cybersecurity company (Digital Inclusion & Safety)

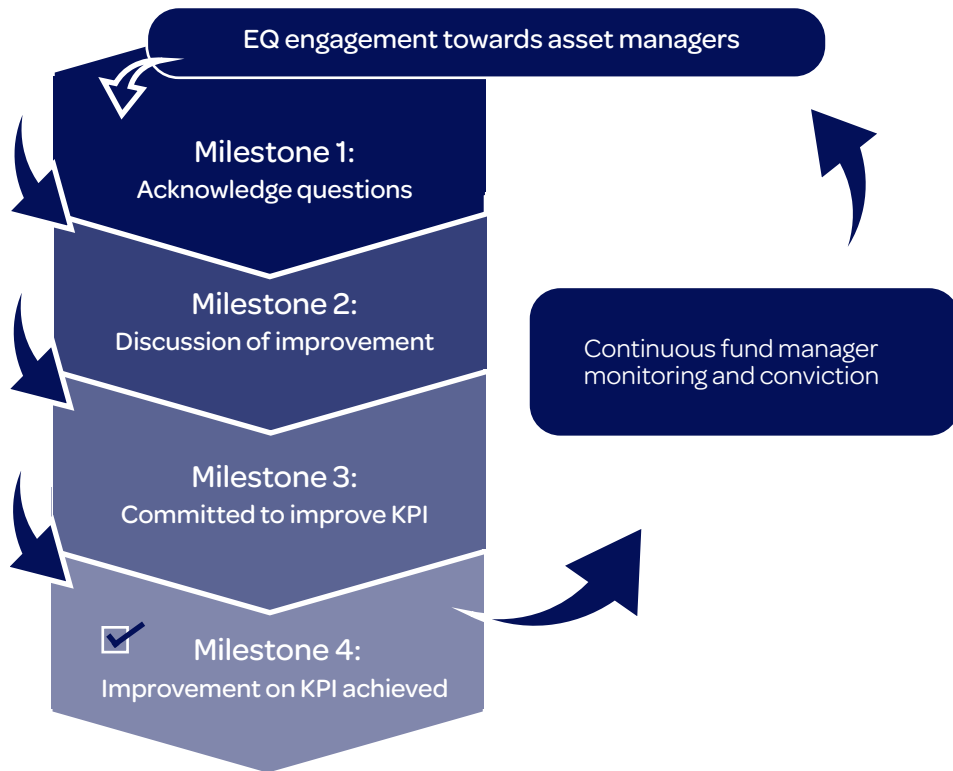
 **HICL Infrastructure** – Social Infrastructure (Affordable Housing)

# Fund manager engagement

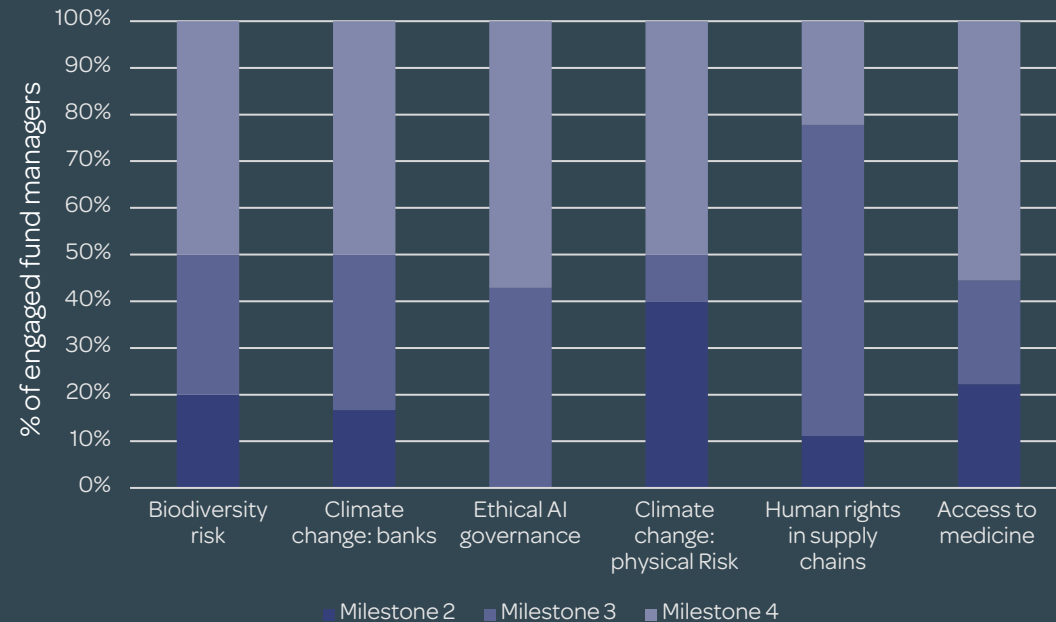
We leverage our influence to drive change with fund managers across key strategic themes

For each theme, EQ develops a KPI checklist of best practices, evaluates fund managers against it, and engages on any gaps. Progress is then reported through the milestone framework below.

This year we engaged with fund managers held in your portfolio, on a total of 49 engagements.



Progress milestones reached by EQ Engagement theme



# Collaborative & hands-on engagement

We also engage companies directly via collaborations and AGMs



## Banks and Climate

In 2025, several major banks weakened their climate targets, including for financed emissions. Since 2023, EQ has worked with ShareAction's investor group to promote stronger climate commitments in the industry.

Last year, we co-signed AGM statements at HSBC, Barclays, and Standard Chartered, urging sustainable finance and loan book decarbonisation, and met with Heads of Sustainability to reinforce credible, science-based transition plans toward net-zero.



## Responsible AI

Artificial intelligence has significant potential to benefit society, but responsible governance is essential to prevent unintended harms.

EQ has been a member of the World Benchmarking Alliance's (WBA) Ethical AI Collective Impact Coalition (formerly the Digital Inclusion Coalition) since 2022, working to encourage ethical and transparent AI practices across the digital sector. We have supported investor engagements with companies including BT Group, PayPal, and Apple.

In 2025, EQ attended BT Group's AGM to raise a question on responsible AI. As the CEO highlighted AI's growing role, investors seized the opportunity to demand ethical safeguards in the company's innovation approach.

## Other engagements & AGMs:



ShareAction»

ATNi and Shareaction healthy markets: engaging with Unilever, Tesco & Sainsburys.



UN PRI Advance: engaging with E.On on human rights management best-practice.



## AGM:

Used AGM activism to improve practices at AstraZeneca, GSK, Unilever, Kingfisher, M&S.





*Contact your financial adviser to invest sustainably with credibility and integrity*

## About EQ

EQ Investors (EQ) is one of the UK's leading specialists in ESG, impact and sustainable investing. EQ is a founding certified B Corporation and proudly holds one of the highest B Corp scores among UK firms - a testament to our commitment to doing business as a force for good.

EQ has always been at the forefront of innovation. We first began investing in with a sustainability lens over a decade ago and have continued to adapt with the global economy.

### Certified



Corporation

As a leading Certified B Corporation, EQ is committed to sustainability and positive impact. Part-owned by its sister charity, the EQ Foundation, it channels profits to support good causes and drive charitable innovation.

EQ is dedicated to achieving net-zero emissions by 2030, rigorously measuring and offsetting its carbon footprint. As a staff-owned business, it champions diversity, equity, and inclusion, with ambitious targets for female leadership and partnerships to attract diverse talent. EQ Investors blends responsible investment with a strong social and environmental purpose.

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