

The EQ Positive Impact Portfolios invest in funds that are making a positive impact on society and the environment by investing in companies that provide solutions to real world problems. We use the United Nations Sustainable Development Goals as a way to map this impact of their products and services.

Our quarterly updates feature examples of these companies and funds; here we will focus on three examples relating to Goals 7 – Affordable and clean energy; 10 – Reduced inequalities; and 12 – Responsible consumption and production.

7 AFFORDABLE AND CLEAN ENERGY



Making buildings more energy efficient

With buildings contributing about 28% of global carbon emissions, the construction sector must play a significant role in the transition to a low-carbon economy. Some

progress has already been made to reduce the energy footprint of buildings, encouraged by the adoption of green building standards. With most heating systems around the world still powered by fossil fuels, improving thermal insulation can have a significant impact on reducing building emissions.

FUND IN FOCUS

Impax Environmental Leaders



Kingspan received investments from the Impax Environmental Leaders fund which invests in companies that are specialised on tackling environmental challenges globally. Other holding companies providing products and services that enable more energy efficient buildings are Acuity Brands and Signify (formerly Phillips Lighting).

EXAMPLE HOLDING

Kingspan



Contributing to reducing the CO₂ footprint of the buildings sector, the Irish based company Kingspan has built a core business offering in high-efficiency insulation materials and panels.

These products result in up to 69% reduction in heat loss compared to standard insulation materials. By reducing the energy demand of buildings, Kingspan insulation systems have saved 149 million MWh of energy globally, and about 29 million tonnes of CO₂ emissions per year (2015). This is equivalent to supplying an additional 7.2 million average UK households with heating and electricity for the year.

With a business model dedicated to sustainable buildings, Kingspan now works directly with developers on passive houses, a construction standard that integrates innovative technologies to create buildings that need almost no energy input to regulate room temperatures.





Supporting rural low carbon development

Even the most developed countries display significant differences in regional development, access to key enabling infrastructure and employment opportunities.

Multiple rural development support programmes have been initiated by the UK government to address the remaining gaps, such as the LEADER funding scheme targeting support to rural communities. The private sector can also be a source of additional financing.

FUND IN FOCUS

Rathbone Ethical Bond

Rathbones

Look forward

Coigach Community Development Company received investments from the Rathbone Ethical Bond Fund which invest in companies or institutions helping to tackle social and environmental issues, mainly in the UK. Aside from Coigach, the fund finances multiple other community-focused organisations, including those providing affordable housing for people with disabilities and dementia, such as Golden Lane Housing or Greensleeves Homes.

EXAMPLE HOLDING

Coigach Community Development Company



Community members from Coigach, a rural peninsula in North-Western Scotland, started the Coigach Community Development Company – whose funding is dependent on the electricity generated by a wind turbine.

By refinancing the wind turbine asset, they retain some profits from the electricity sold while also redeeming the bond via instalments over a 12 year period. Not only does this project increase the renewable energy supply to the grid, but it also supports community-driven development projects that target the funding gaps left by public initiatives.

Some of the most pressing issues that the Coigach community faces are the retention of local employment opportunities and maintaining educational facilities for the local youth. As a result, some of the project's profits are dedicated to regenerate the local harbour facilities to support the fishing fleet and related employment, and provide bursaries to young people to access training and career support.

Want to learn more about the UN Goals, and why we use them? Take a look at our 2018 Impact Report – and calculate the impact of your own portfolio online – at eqinvestors.co.uk

SUSTAINABLE DEVELOPMENT GOALS



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Developing alternative materials for sustainable fashion

The damaging environmental impact of 'fast fashion' – inexpensive clothing produced rapidly by mass-market retailers in response to the latest trends – has risen in public and regulatory attention. The supply chains and manufacturing processes for most textiles have growing negative environmental footprints, and mass consume-and-throw habits result in large waste streams. With fossil-fuel based textiles increasing their market share, and cotton products relying on increasingly vulnerable water sources for production, alternatives are desirable.

FUND IN FOCUS

FP WHEB Sustainability



Lenzing received investments from the FP Wheb Sustainability fund which invests in companies that are providing solutions to social and environmental needs globally. The fund also holds other companies

that are innovators in sectors enabling responsible consumption and production, including sustainable packaging (Smurfit Kappa) and sustainable consumer and healthcare products (Royal DSM).

EXAMPLE HOLDING

Lenzing



Innovative by nature

Lenzing is an Austrian listed company and a global leader in the development and production of cellulose textile fibres, which are bought by fashion houses to create their garments. Lenzing's innovative products and processes carry large footprint reduction potentials for the fashion industry.

Lenzing produces fibres from certified, responsibly sourced wood pulp which is made from trees forested at renewable rates. Their manufacturing process reuses 90% of its chemicals in a closed-loop cycle, meaning that it disposes of much less hazardous waste. Compared to alternative bio-based textiles such as Viscose, Lenzing's process uses only 1/3 as much water.

Thinking ahead, the company is developing a recycling model for other bio-based clothing items, challenging the traditional throw-away culture that still dominates the fashion industry.

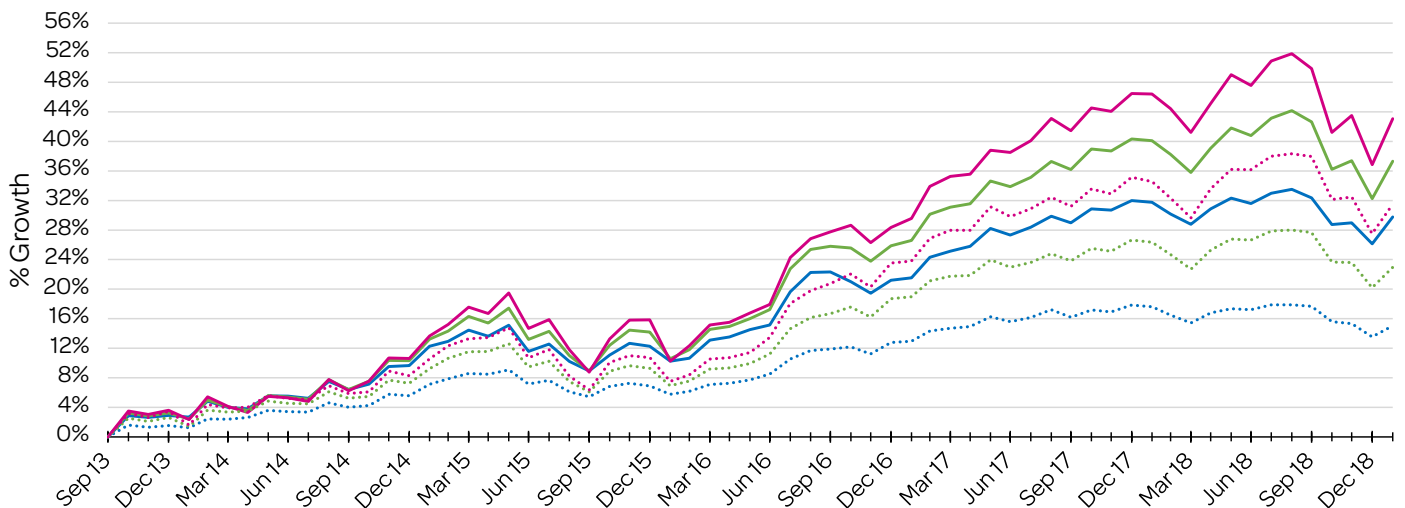








Next steps:

You can download a Positive Impact Portfolio brochure, view factsheets and invest online via the EQ website. Please get in touch for further information:

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Cumulative performance since inception 30/09/2013 to 31/01/2019



Annual performance		Feb 18 - Jan 19	Feb 17 - Jan 18	Feb 16 - Jan 17	Feb 15 - Jan 16
Positive Impact Cautious		-1.51%	8.41%	10.24%	-1.81%
ARC Cautious *		-2.21%	4.15%	6.78%	-1.28%
Positive Impact Balanced		-1.98%	10.68%	14.47%	-2.32%
ARC Balanced *		-2.69%	6.21%	11.25%	-2.11%
Positive Impact Adventurous		-2.30%	13.02%	17.53%	-3.00%
ARC Steady Growth *		-2.30%	8.69%	15.17%	-2.76%

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 Positive Impact Portfolios are available in seven different risk profiles, of which three are shown here. Inception dates may vary; please see factsheets for full details.