



WONDERINTEREST
TRADING LTD

WORLD'S TOP ESG COMPANIES 2024

*Studies mapping the success of global companies listed on the MSCI
World ESG Leaders ranking, and the opportunities and risks they face*



Dear friends, colleagues, investors and traders,

To start 2024, we present you with a study that examines our long-term theme of business sustainability and responsibility from a strategic point of view. Therefore, not only have we provided a summary of the performance of companies regarded as world leaders in ESG, but we also assessed their future prospects, including their commitments to sustainability and responsibility. We monitor not just the opportunities they can capture, but also the risks they encounter and may continue to struggle with.*

I wish your investments to be not only successful, but also responsible and sustainable, because this is the only way to achieve long-term satisfaction with the invested capital.

Olivia Lacenová

Chief analyst

Wonderinterest Trading Ltd.

Firms valued for their responsibility grew faster than the overall market once again. However, new global challenges may reverse this trend.

Before we look at the individual results and future prospects of companies listed on the World TOP ESG ranking, we will first compare their overall performance in each of the past three years. These years have witnessed unprecedented events, including the Covid-19 pandemic and the largest military conflict in Europe since the end of World War II.

We will also briefly evaluate what strategies these companies are adopting to prepare for an equally turbulent future and thus ensuring a long-term, sustainable position at the forefront of global business.

MSCI World ESG Leaders and MSCI World annual performance comparison in %*

	2021	2022	2023
MSCI World ESG Leaders	25.29	-19.17	26.02
MSCI World	22.35	-17.73	24.42

Data source: MSCI World ESG Leaders Index (USD)
<https://www.msci.com/documents/10199/db88cb95-3bf3-424c-b776-bfdc-ca67d460>

Looking at the gross returns of the MSCI World ESG Leaders index, we can see that it reached \$506.84 in December 2023, demonstrating an annualized performance of 26% for the entire past year. The index ended the year at a higher value than that of its parent index, whose gross returns reached \$498.59 and a total annual performance of 24%. This is undoubtedly due to the fact that companies guided by ESG criteria show better resilience in times of market fluctuations, attracting more investors that are interested in making their investments in accordance with these criteria. In the long term, we can generally observe that the ESG version of the index has consistently outperformed the parent index.*

Despite this, we can see that 2022 was a challenging and turbulent year not only for the markets but also for the value of the MSCI World ESG Leaders Index, which lost more than 19% over the year; a bigger drop in value than that of the parent index.* This may also indicate that ESG-oriented companies lost more in crisis situations, which was manifested, among other things, by dramatic fluctuations in energy markets, rising prices and shortages of raw materials, disruption of transport routes, and supply chain failures. Nevertheless, the past year brought their rapid recovery. Since the outlook for the new year of 2024 is so far positive considering that central banks do not plan to raise interest rates further and inflation is slowly recovering from its high values, there is no reason why the positive development of the ESG version of the index should not continue in the short term. [1]

How do top ESG companies invest, and are they prepared for an era of turbulence?

We have shifted our long-term analysis to focus on the quality of sustainability and individual company investment strategies.

There are different ways in which the world's ESG leaders approach sustainable investment strategy. For some, climate change and its risks and opportunities are a cornerstone of action. Microsoft and Alphabet are clearly more focused on this area than on areas related to the direct impact of their strong businesses on customers, the market and regulation.

The second approach, as we can see in the cases of Johnson & Johnson, Lilly or Home Depot, inherently links sustainability to business goals. An extreme case is Tesla, where sustainability objectives are seamlessly integrated with business goals, as are forecasts of future EV sales.

In general, top ESG leaders with strengths in the environmental and social aspects of sustainability are role models for the global business community. On the other hand, we still do not see significant reflections of the huge challenges that have appeared in recent years as a result of the pandemic and war conflicts.

360° sustainable companies will have to solve supply chain problems in the long term, as well as address access to raw materials or flexible readiness for potential government procurements resulting from the needs of the "war economy". In our opinion, the current global security situation is underestimated by markets and business sectors in free-market economies.

TOP ESG companies*

1	 Microsoft	MICROSOFT Corporation
2	NVIDIA	NVIDIA Corporation
3	Alphabet	Alphabet Inc
4	 TESLA	Tesla Inc
5	<i>Lilly</i>	LILLY (ELI) & COMPANY
6	 VISA	VISA Inc
7	<i>Johnson & Johnson</i>	JOHNSON & JOHNSON
8	 P&G	PROCTER & GAMBLE CO
9	 THE HOME DEPOT	HOME DEPOT

MICROSOFT Corporation

The multinational technology company, Microsoft Corporation, was founded in 1975 by Bill Gates and Paul Allen. Based in Redmond, Washington, USA, it is mainly known for its software products, but also operates in other branches of business.

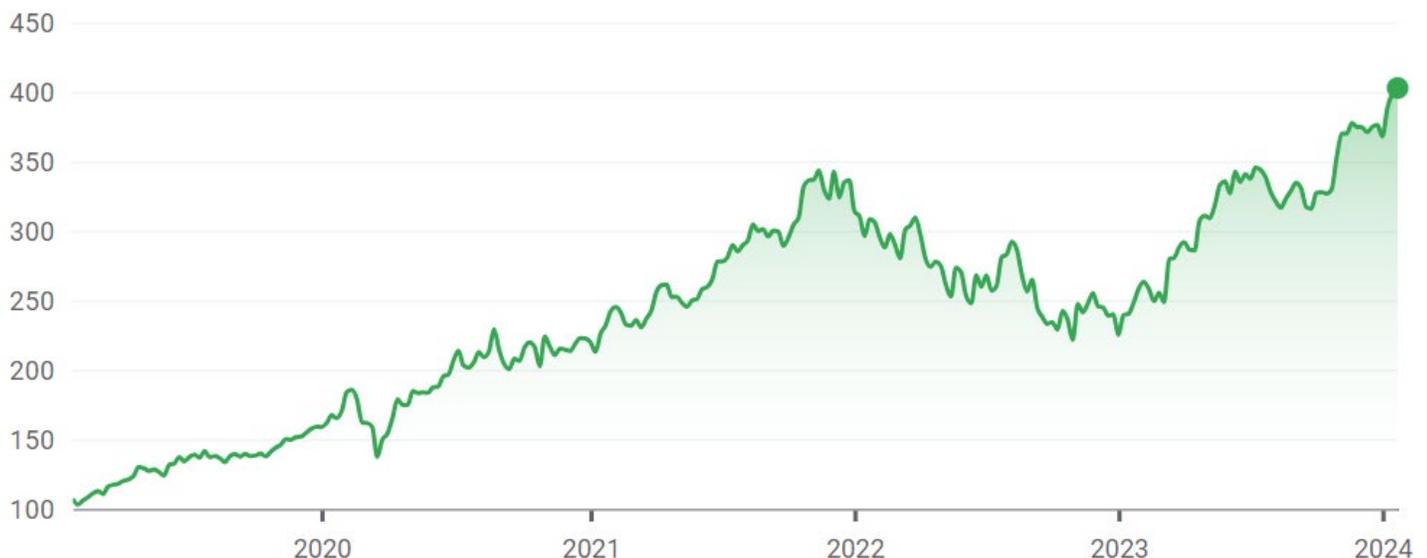


Financial results

Looking at the financial indicators, we can see that the company has been doing really well during the last three years, which can be attributed not only to the development of digitization but also to investments in artificial intelligence. The company's annual revenue in 2023 was \$211.915 billion, up 6.88% from 2022's \$198.27 billion and up 17.96% from 2021's figure. The company's 2023 annual gross profit was \$146.052 billion, up 7.69% from 2022's \$135.62 billion and up 17.06% from 2021.*

Market capitalization development

Together with Apple and Saudi Aramco, Microsoft ranked among the companies with the highest market capitalization in the world in 2023, occupying the 2nd position with a total valuation of \$2.79 trillion at the end of 2023. Looking into previous years, we can see that in early January 2022, the company's market capitalization reached \$2.35 trillion. However, by the same period in 2023, it had declined to \$1.67 trillion. During the year, however, it reversed this decline in value and surpassed its previous valuations. In January 2024, its value underwent a slight correction, reaching the level of \$2.76 trillion, with the price per share on the NASDAQ exchange hovering around \$370.*



Microsoft Corporation (MSFT) stock price performance over the past 5 years. (Source: <https://www.google.com/finance>)*

Sustainability and investment strategy

The largest ESG Leaders company is Microsoft. In the area of sustainability, the footprint of its founder, Bill Gates, is still evident. Microsoft is thus focusing its investments on the fight against climate change. What lies ahead for the world's software leader in the field of sustainable investments, and how can its relevant strategy affect the company's position in the market?

Microsoft is investing in accelerating climate innovation through its \$1 billion Climate Innovation Fund. The fund targets innovative technologies and business models that have the potential to have a measurable impact on the climate by 2030. Since its inception in 2020, Microsoft has allocated more than \$600 million to a global portfolio of more than 50 investments, including sustainable solutions in energy, industry and natural systems.

Through 2030, Microsoft will continue to invest in three key areas that will enable the range of sustainability solutions needed to address the

climate crisis:

- Advances in AI solutions for greater climate impact
- Accelerating the development of sustainability markets through investments
- Creating tools that improve emissions measurement and compliance

A new market area, technology and digital solutions for the risks and opportunities related to climate change can offset the company's costs associated with its own ESG commitments by 2030.

On the environmental front, these include becoming a water-positive, zero-waste company, and achieving carbon negativity by 2030. In addition, Microsoft is committed to removing the equivalent of all the carbon dioxide it has emitted since its establishment in 1975 (either directly or through electricity consumption) from the atmosphere by 2050.

Management responsible for sustainability goals:

Brad Smith, Vice President and President

Melanie Nakagawa, Chief Sustainability Officer

Source: Environmental Sustainability Report 2022



Source: shutterstock.com

NVIDIA Corporation

NVIDIA Corporation is an American technology company founded in 1993 in California by a trio of engineers Jensen Huang, Chris Malachowsky and Curtis Priem. Their goal was to create higher-performance graphics technologies. The company is primarily known for its graphics processing units (GPUs) for computers and other devices. It is currently one of the leading technology companies with a strong influence in GPU and computing. Its technologies are used in the gaming industry, computational graphics, scientific research and artificial intelligence.

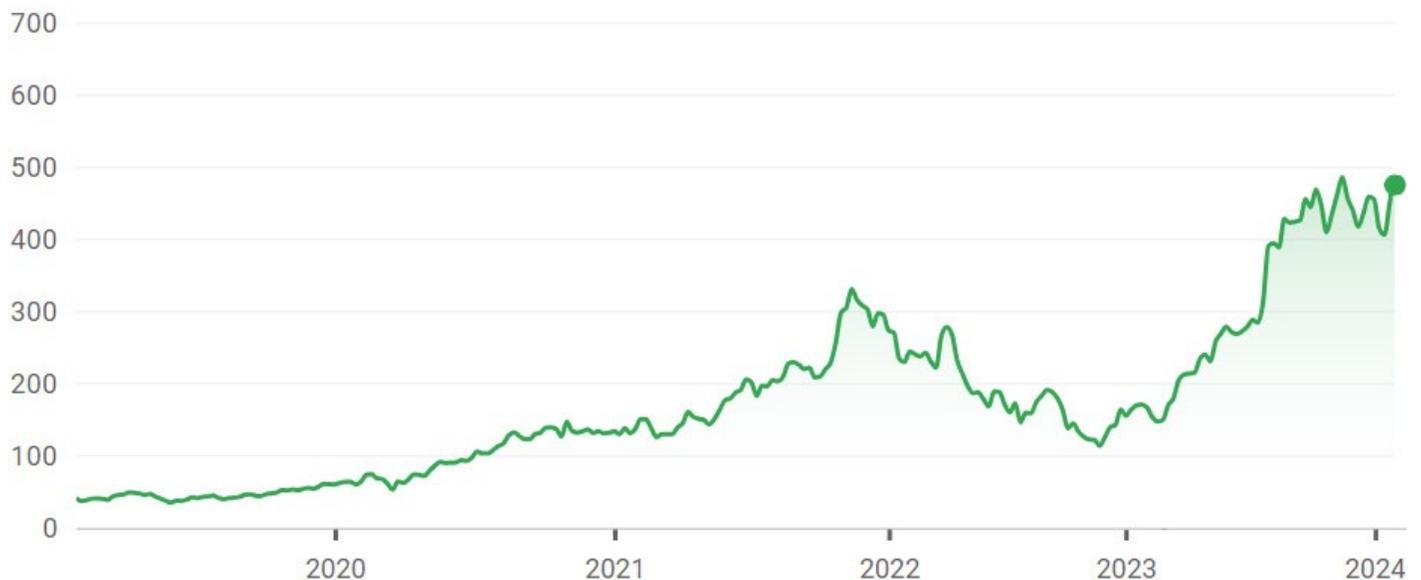
NVIDIA

Financial results

The company has faced many challenges in recent years, such as insufficient chip production, or restrictions on exports from the US to some countries such as China, where it had a strong position. Nevertheless, NVIDIA achieved remarkable financial results. Analysts estimate that NVIDIA is poised to make up for its shortfalls in alternative regions with growing demand. In 2023, the company generated \$26.97 billion in revenue, a 0.22% increase from 2022. The annual revenue for 2022 was \$26.914 billion, up 61.4% from 2021. NVIDIA's gross profit for 2023 was \$15.356 billion, representing a 12.13% decrease from 2022's profit of \$17.475 billion but representing a 68.09% increase from 2021 levels.*

Market capitalization development

With a market capitalization of \$1.17 trillion as of early January 2024, NVIDIA is one of the largest AI companies. In the same period a year ago, this value was much lower, at \$369.54 billion. By adapting to the market and overcoming all challenges, the company was able to offset its revenue losses and completely reversed the decline that occurred in 2022, which started when its market cap was \$680 billion. The stock price on the NASDAQ stock exchange reached \$476.71 at the beginning of January 2024.*



NVIDIA Corporation (NVDA) stock price performance over the past 5 years. (Source: <https://www.google.com/finance>)*

Sustainability and investment strategy

The second company from the top list of ESG leaders*, NVIDIA, adheres to the material principles of non-financial statements, focusing its corporate responsibility on the growing energy demands related to computing technology. In terms of its own carbon footprint, NVIDIA has set a goal of net-zero greenhouse gas emissions by 2050; a less ambitious goal compared to other ESG leaders.

Data centers already account for approximately 1–2% of global electricity consumption, and this consumption is expected to continue to grow. “This continued growth is unsustainable,” points out Jensen Huang, the company’s CEO. He envisions: “Accelerated computing is now the most sustainable way to advance computing. Two decades ago, NVIDIA invented accelerated computing to solve problems that ordinary computers couldn’t. Through full-fledged inventions from chips, systems, networks, acceleration libraries to refactoring applications, we can charge them with much better energy efficiency than traditional CPUs. Acceleration is the best way to get energy and achieve sustainability and net zero.”

NVIDIA’s approach to reducing costs through computational savings is fundamentally in line with the company’s business strategy. It aims to invest in the aerospace and electronics industries, where solutions simulating the flow of liquids and gases are key to understanding turbulence during flight or managing the heat generated by a mobile phone. Through these approaches they can reduce energy consumption up to 17 times.

In the semiconductor industry, computational lithography dramatically improves chip design accuracy. It’s an emerging field, but it already consumes tens of billions of CPU hours per year. NVIDIA accelerates these workloads 40 times faster than CPUs, while the industry leader TSMC has seen a 10-fold reduction in power requirements.

NVIDIA’s Earth-2 initiative aims to be the planet’s digital twin. This simulation, similar to Microsoft’s efforts, promises to help predict the complex multi-physics of the Earth’s atmosphere, soil, sea and glaciers at high enough resolution. This will allow us to better predict the regional impacts of human actions over decades.

NVIDIA’s new AI capabilities also address challenges in the healthcare industry. NVIDIA and Medtronic, one of the world’s largest healthcare technology providers, are investing in an AI platform for software-defined healthcare devices. This includes an AI-enhanced colonoscopy tool that detects 50% more lesions – improving the early detection of colorectal

cancer, which is regarded as the second leading cause of cancer deaths in the US. For the first time, Orthopedic Relief Services International used NVIDIA’s Clara Holoscan to perform an augmented reality procedure to remove a patient’s kidney cancer tumor.

New investments in artificial intelligence are aimed at expanding from cutting-edge research to useful and effective applications. “The potential of AI for humanity is incredible,” says Jensen Huang: “Unlocking it will require continued advances in accelerated computing, the most sustainable computing today, as well as improvements in AI capabilities and security.”

Management responsible for sustainability goals:

Jensen Huang, CEO and Co-Founder, NVIDIA

Source: Fiscal Year Corporate Responsibility Report 2023



Source: shutterstock.com

Alphabet Inc

Alphabet is an American holding company that was founded in 2015 as the parent company of Google. Google was founded by Larry Page and Sergey Brin in their garage in Menlo Park, California, in 1998. Their goal was to create an effective search engine. Google quickly gained popularity as the leading search engine on the internet and expanded its services to include Gmail, Google Drive, Google Maps or Google News. Alphabet also oversees various divisions, including Waymo (autonomous vehicles) and Verily (biotech).

Alphabet

Financial results

The company's 2023 revenue (twelve months to September 30) reached \$297.132 billion, representing a year-over-year increase of 5.32%. In 2022, it stood at \$282.836 billion, which translates to an increase of 9.78% compared to 2021. As for the company's earnings for the period under review - gross profit in 2023 (for the twelve months to September 30) reached \$166.033 billion, representing a 4.91% year-over-year increase from 2022 when it stood at \$156.633 billion, representing a 6.77% increase from 2021.*

Market capitalization development

The company's market capitalization amounted to \$1.74 trillion at the start of January 2024, which means it has grown over the past year from the \$1.13 trillion figure achieved in the same period in 2023. During the same period in 2022, it reached the slightly higher valuation of \$1.2 trillion. Alphabet's market capitalization reached its highest value in 2021 at \$1.917 billion. Despite the subsequent decline as shown by the data, the company was able to erase most of these losses, which, like other companies, occurred due to weak economic indicators. At the beginning of 2024, Alphabet stock was valued at \$138 per share on the NASDAQ exchange.*



Alphabet Inc Class C (GOOG) share price performance over the past 5 years. (Source: <https://www.google.com/finance>)*

Sustainability and investment strategy

Focusing on environmental impact in addition to its sustainability investments, the company estimates it will spend around \$10 billion on clean energy purchases by 2040. Alphabet's management expects that the new era of technological innovation will open up greater opportunities to accelerate systemic change, a prerequisite for achieving internationally agreed climate goals.

Among Alphabet's 2030 climate goals are the commitments to reduce overall greenhouse gas emissions by 50% and to "operate on carbon-free energy 24/7 in every network where we [Alphabet] operate."

In water management, there is a commitment to replenish 120% of the water the company consumes by 2030.

In waste management and circular economy, the company sets all its main goals for 2025. One of the most important goals, impacting customers around the world, will be 100% plastic-free product packaging.

Management responsible for sustainability goals:

Benedict Gomes Senior Vice President of Education and Sustainability

Kate E. Brandt, Chief Sustainability Officer

Source: Environmental report 2023 Executive Summary



Source: shutterstock.com

Tesla Inc

Tesla, originally known as Tesla Motors, was founded in 2003 in Silicon Valley, California, by engineers Martin Eberhard and Marc Tarpenning, who envisioned creating electric vehicles. Elon Musk joined the company in 2004 and became its main investor and visionary. Tesla designs and manufactures electric cars and trucks, stationary battery energy storage devices, solar panels, solar roof tiles, and other products. The company's innovations in the field of autonomous technology development and its ambitions to transform the automotive industry significantly shape its future.

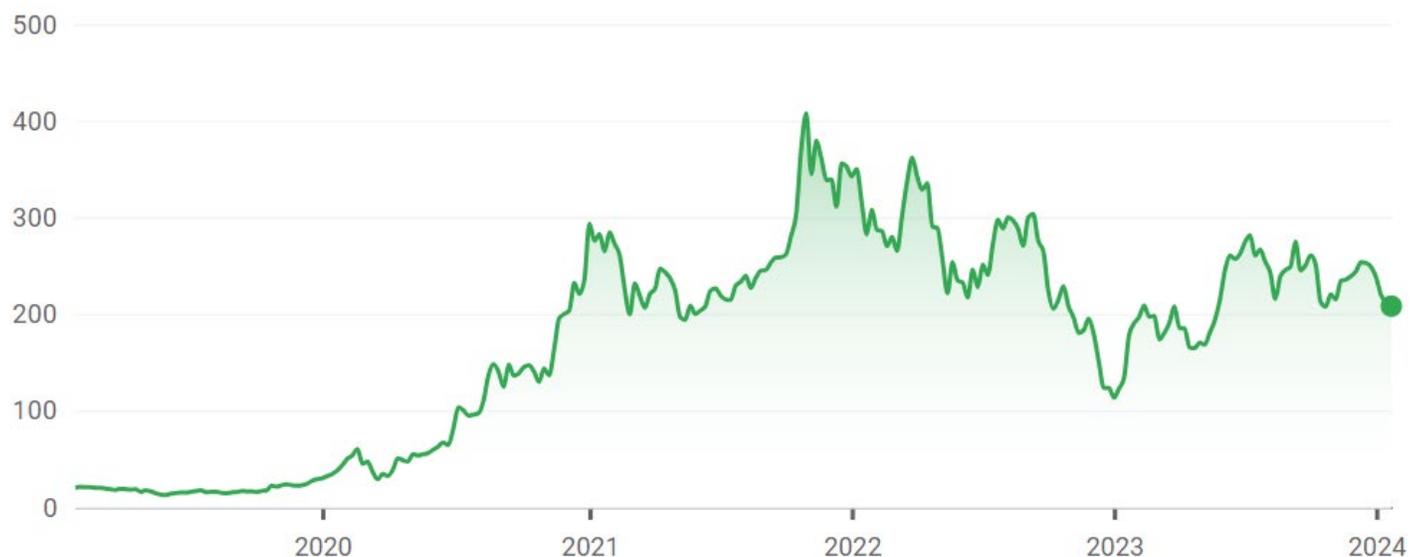


Financial results

The company's 2023 revenue (twelve months ended September 30) was \$95.924 billion, representing a year-on-year increase of 28.13% when compared to the same period last year. The annual revenue for 2022 was \$81.462 billion, a 51.35% increase from 2021. So, we can see that the company has enjoyed steady growth in recent years. The company's gross profit in 2023 reached \$18.999 billion, which represents a year-on-year growth of 4.64%. In 2022, gross profit was \$20.853 billion, a growth of 53.26% compared to 2021.*

Market capitalization development

The company's market value amounted to \$758.01 billion as of early January 2024, representing significant year-on-year growth compared to \$357 billion in early 2023. However, this is still significantly less than in 2022 when the company's valuation exceeded \$1 trillion in early January. Shares were trading at around \$250 per share on NASDAQ in early 2024.*



Tesla Inc (TSLA) stock price performance over the past 5 years. (Source: <https://www.google.com/finance>)*

Sustainability and investment strategy

The company seamlessly integrates its business and sustainability goals. Electric car production reduces greenhouse gas emissions (55 tons of CO2 equivalent per car, according to the company) and the same goes for its supply chain and energy supply.

In addition to 100% renewable energy consumption, which has already been achieved by the company, the main sustainable goals based on material commitments for the future are as follows:

- Achieving 20 terawatt hours of annual battery production by 2030, which is enough to power 40 million vehicles.
- Reduce the cost of battery cells and kits by more than 50%.
- Increasing the recycling rate of Tesla batteries to reuse up to 92% of their raw metals.

Management responsible for sustainability goals:

The Tesla Impact Report is a report “without a name”. The company says that sustainability is everyone’s business. Therefore, the highest responsibility can be attributed to the chairwoman of the board, Robyn Denholm.

Source: 2022 Tesla Impact Report



Source: shutterstock.com

LILLY (ELI) & COMPANY

Eli Lilly and Company is an American pharmaceutical company headquartered in Indianapolis, Indiana. The company focuses on the development and research of medicines for a variety of diseases, including diabetes, cancer, diseases related to the central nervous system, osteoporosis and other medical conditions. It has a global distribution network, engages in activities in more than 125 countries around the world, and the company strives for a responsible approach to environmental and social initiatives. It focuses on sustainable practices and ethical trading. Among their most famous medications are drugs such as Humalog insulin for diabetes, Prozac for depression, and cancer drugs such as Cynamza or Verzenio.

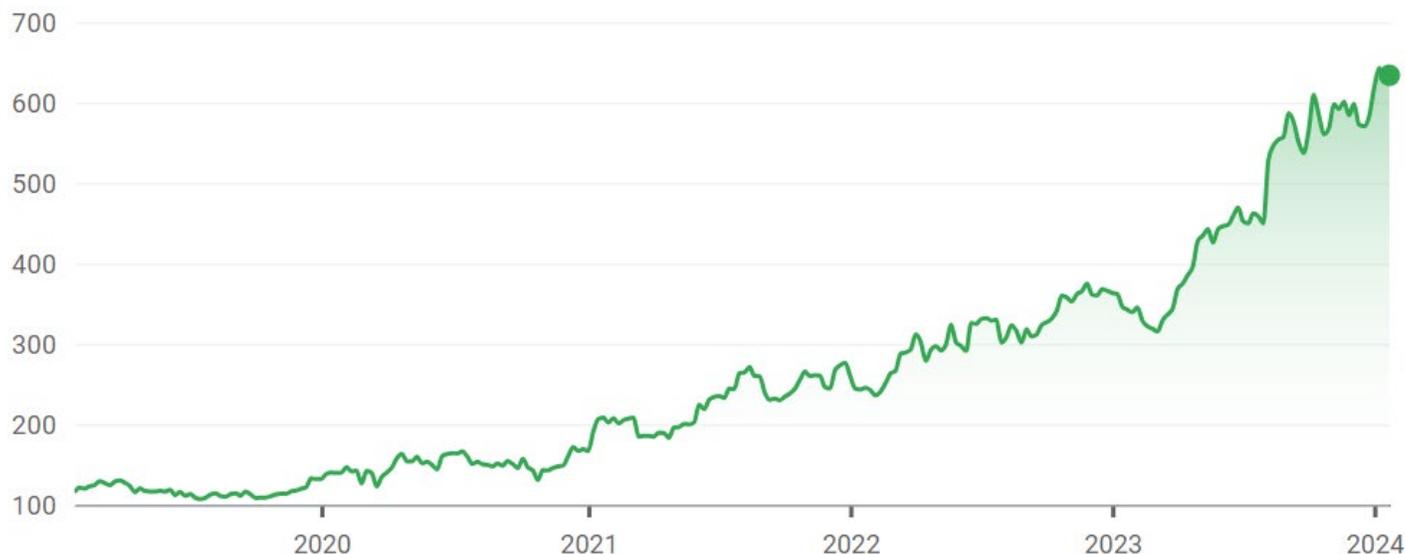


Financial results

Eli Lilly generated revenue of \$32.073 billion in 2023 (twelve months ended September 30), a 9.69% year-on-year increase from the same period last year. The annual revenue for 2022 was \$28.541 billion, representing a 0.79% increase from 2021. As for the company's earnings, we can observe a considerable increase over the past year. In 2023, for the twelve months to September 30, gross profit reached \$25.23 billion, representing year-on-year growth of 14%. For 2022, gross profit reached \$21.9 billion, which represents an increase of 4.3% compared to 2021.*

Market capitalization development

The performance of the company's market capitalization follows a long-term inverse curve. In January 2024, the company's market capitalization reached \$583 billion, while it was valued at \$327 billion in the same period in 2023. In the comparable period in 2022, it was "only" \$234 billion. During the first trading days of the new year, the company's stock price was hovering around \$618 per share on the NYSE.*



Eli Lilly and Company (LLY) stock price performance over the past 5 years. (Source: <https://www.google.com/finance>)*



Sustainability and investment strategy

“We have set aggressive goals; we proceed transparently and bear responsibility. This puts us on a firmer footing to discover and develop new medicines and serve the patients who need them,” outlines Lilly’s sustainable strategy David A. Ricks, the company’s CEO, who also outlined the goal of increasing the number of patients within Lilly’s Global Health to reach 13 million.

The axis of Lilly’s sustainable efforts is the 30x30 program:

Through investments in people, medicines

and health systems, the company aims to improve access to quality health care for 30 million people living in resource-limited environments every year by 2030. To achieve this goal, Lilly leverages company resources and partners with leading healthcare organizations to increase access to Lilly’s medicines and address complex global health issues. Lilly improves the level of health in three areas of influence:

Pipeline – drug discovery, repurposing internal assets and supporting external pipelines.

Programs – strengthening and creating new

programs that help improve access to Lilly medicines.

Partnerships – building partnerships that strengthen health systems, improve access to medicines and improve healthcare.

In each of these areas, the company operates on the solid foundations of its core business.

Management responsible for sustainability goals:

David A. Ricks, CEO

Source: 2022 ESG Report



Source: shutterstock.com

VISA Inc

Visa was founded in 1958 as BankAmericard and later expanded globally under the name Visa. Since the 1970s, it has become one of the most important global payment systems. Over time, it has innovated in electronic payments and expanded into various sectors including contactless and mobile payments. It currently plays a key role in the global financial ecosystem.

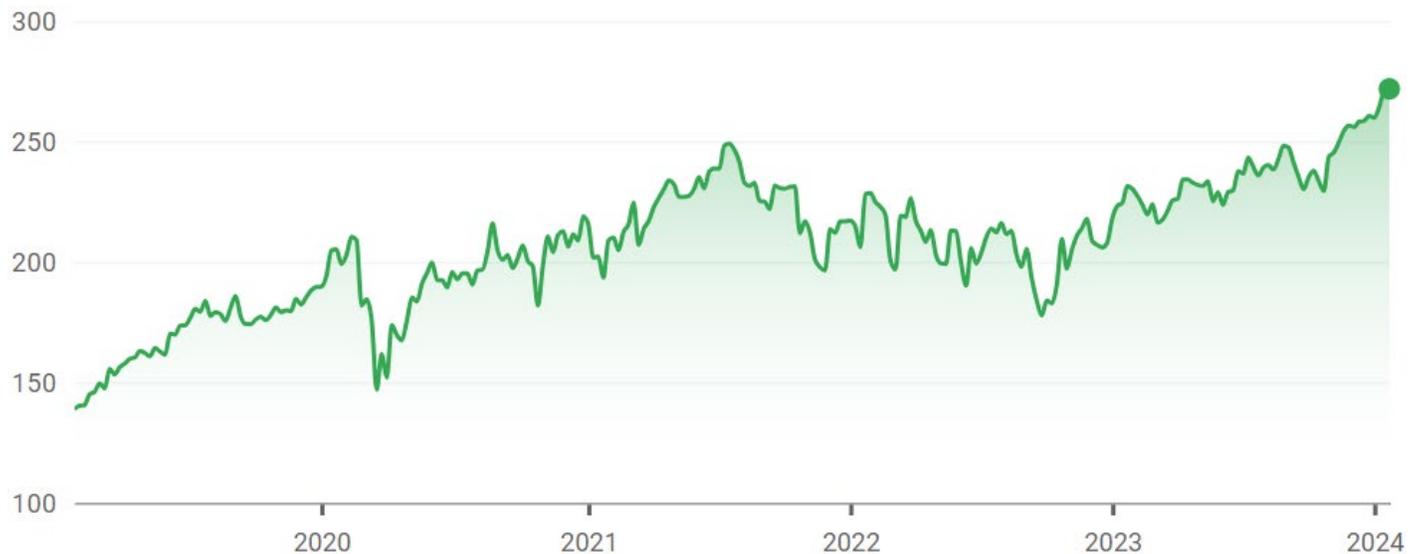


Financial results

In 2023, Visa's total revenue reached \$32.65 billion, which is an 11.41% year-on-year increase. In 2022, it generated \$29.31 billion in revenue, an increase of 21.59% over the previous year. Overall, the company has recorded stable revenue growth, apart from the pandemic year of 2020, when profits fell by 10.05% compared to the previous year. Annual gross profit for 2022 was \$29.31 billion, up 21.59% from 2021.*

Market capitalization development

On the stock exchange, the company's value has maintained a stable growth trend. At the beginning of January 2024, the market capitalization of the company stood at \$476 billion. In 2023, it dropped slightly, to \$409 billion, while in 2022, it grew slightly, to \$414 billion. The value of one share during the first trading day on the NYSE was around \$259, and the share recorded a relatively stable growth curve.*



Performance of the stock price of Visa Inc Class A (V) over the last 5 years. (Source: <https://www.google.com/finance>)*



Sustainability and investment strategy

Internally, and through cooperation with clients and partners, Visa is committed to advancing sustainability. Having achieved 100% renewable electricity and carbon-neutral operations, the global payments organization continues to make progress towards its goal of becoming a net-zero company by 2040.

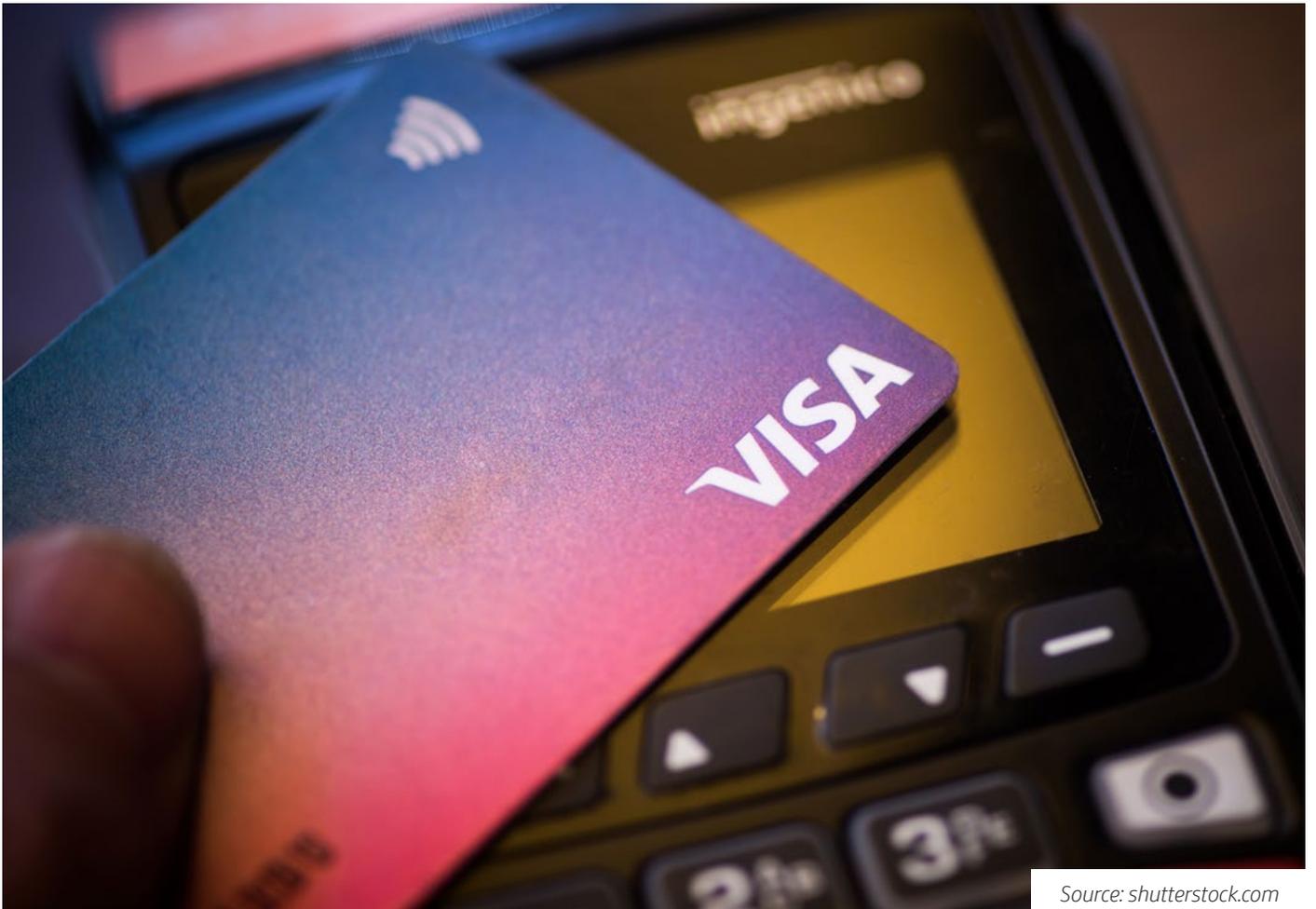
“Payments play a key role in driving the modern global economy,” says Ryan McInerney, CEO of Visa, and notes: “We believe Visa can help others reduce CO2 emissions and enable

a shift towards more sustainable consumer behavior. Beyond our operational footprint, we continue to forge partnerships and develop new products and services that help consumers and businesses make sustainable choices.”

Management responsible for sustainability goals:

Ryan McInerney, CEO

Source: ESG Summary 2022



Source: shutterstock.com

JOHNSON & JOHNSON

The US-based international company with headquarters in New Jersey was founded in 1886. It is one of the largest companies in the world that specializes in the production of medicines, medical devices (surgical instruments, implants and even diagnostic devices) and consumer products for healthcare (Johnson & Johnson's brands include Baby or Listerine). Their portfolio includes drugs such as Tylenol (paracetamol) or Remicade (drug for autoimmune diseases). At the same time, the company engages in sustainable practices and responsible business operations in order to minimize its environmental impact.



Financial results

Johnson & Johnson generated revenues of \$99.128 billion in 2023 (twelve months ended September 30), up 7.46% year-on-year from 2022's \$94.943 billion. In 2022, sales increased by only 1.25% compared to the same time in the previous year. In 2023, the company's gross profit achieved an equally moderate, albeit positive, development. Gross profit amounted to \$66.515 billion (for the twelve months to September 30), which is a year-on-year increase of 6.25% compared to the \$63.854 billion achieved in the previous year. Profit in 2022 saw a 0.1% decrease when compared to that of 2021.*

Market capitalization development

In January 2024, the company's market capitalization reached \$386.68 billion, which represents some decline in value from the same period in 2023 when the company's valuation reached \$469.64 billion, and from 2022 when the company was valued at \$457.35 billion. While it enjoyed an upward trend in previous years, the company's value was hit hard last year. Its stock traded on the NYSE at \$161 per share in early January.*



Johnson & Johnson (JNJ) stock price performance over the past 5 years. (Source: <https://www.google.com/finance>)*

Sustainability and investment strategy

The company says it has focused its efforts on areas where it is well-positioned to make the biggest impact: “advancing global health equity, empowering our employees and improving environmental health”.

The goals of Health for Humanity 2025, Johnson & Johnson’s sustainability strategy, supports 11 of the 17 UN Sustainable Development Goals. This is regarded as an ambitious global agenda that aims to achieve a sustainable future by 2030.

The main areas of investment to achieve the goals include core business focused on:

- Access to HIV treatment
- Access to tuberculosis treatment
- Access to the treatment of schizophrenia

Other investment areas, focusing on employees and the environment, cover objectives such as:

- Reaching 50% of women in management positions worldwide by 2025
- Obtaining 100% of electricity from renewable sources by 2025
- Achieving carbon neutrality for all operations by 2030, exceeding its science-based target of reducing absolute scope 1 and 2 emissions by 60% compared to 2016 levels

Management responsible for sustainability goals:

Since management has not been named in the report, we attribute this role to the Chairman and CEO, Joaquin Duat.

Source: ESG Summary 2022



Source: shutterstock.com

PROCTER & GAMBLE CO

Founded in 1837 and headquartered in Cincinnati, Ohio, the multinational Procter & Gamble (P&G) has a long history of innovation and marketing strategies that have made it a market leader in consumer and personal products such as hygiene, cleaning and body care products.

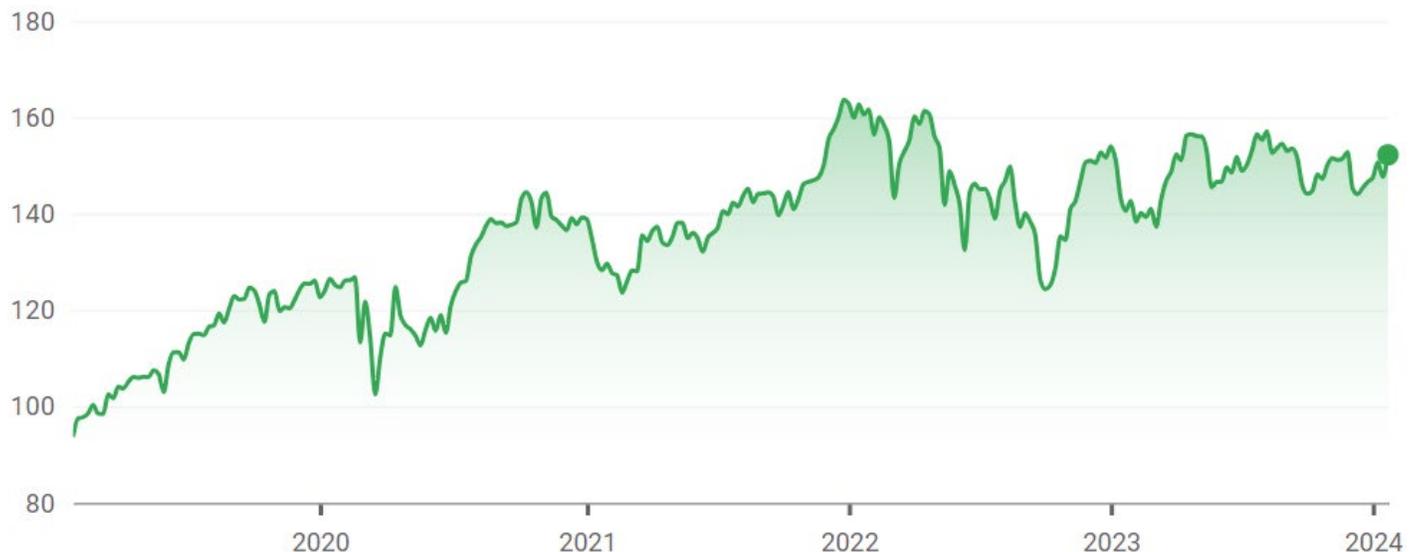


Financial results

Procter & Gamble's 2023 annual revenue is projected to reach \$82 billion, an increase of 2.27% from 2022, while the company's sales in 2022 grew by 5.35% over 2021. Looking at the annual gross profit, we can see that it was \$39.246 billion in 2023, up 3.2% from 2022. The annual gross profit for 2022 reached \$38.03 billion, down 2.51% from 2021.*

Market capitalization development

The company's market capitalization has been on a downward trend over the past two years. In January 2024, it reached the level of \$348 billion, while in the same period in 2023, it amounted to \$363 billion and \$390 billion in January 2022. The stock value, which is traded on the NYSE exchange, reached the price of \$148 per share during the first trading day in 2024.*



Procter & Gamble Company (PG) stock price performance over the past 5 years. (Source: <https://www.google.com/finance>)*



Sustainability and investment strategy

“In the increasingly complex world we live in, it’s not just the top and bottom lines that need to be balanced. We must strive to balance the needs of consumers, customers, employees, society and shareholders. Serving and balancing these needs will not be easy, but it is necessary—and those who do it best, and I expect us to be, should prosper,” said Jon R. Moeller, CEO of P&G, on the FMCG (fast-moving consumer goods) industry giant’s sustainability strategy.

P&G has set a new goal of achieving net-zero greenhouse gas emissions across all of its operations and supply chain, from raw materials

to retailers, by 2040. P&G’s Climate Change Action Plan covers the entire lifecycle of its product and packaging emissions, across its supply chain, operations and product consumption.

Another climate goal is to purchase 100% renewable electricity worldwide by 2030.

An important area of sustainability for this type of industry is waste management. P&G is committed to having 100% of consumer packaging designed to be recycled or reused by 2030.

When it comes to biodiversity and forest con-

servation, P&G supports projects and partners on the ground. It aims to protect, restore or improve more than 1.5 million acres of land important to people, biodiversity and P&G.

Management responsible for sustainability goals:

Jon R. Moeller, Chairman, President and CEO

Virginie Helias Chief Sustainability Officer

Source: Citizenship Report 2022



Source: shutterstock.com

HOME DEPOT

Home Depot is an American retail chain that operates in various countries around the world. It is also the largest household goods retailer in the United States. It offers a wide range of building materials, tools and equipment, including garden equipment, lighting, furniture, decorations and other home equipment.

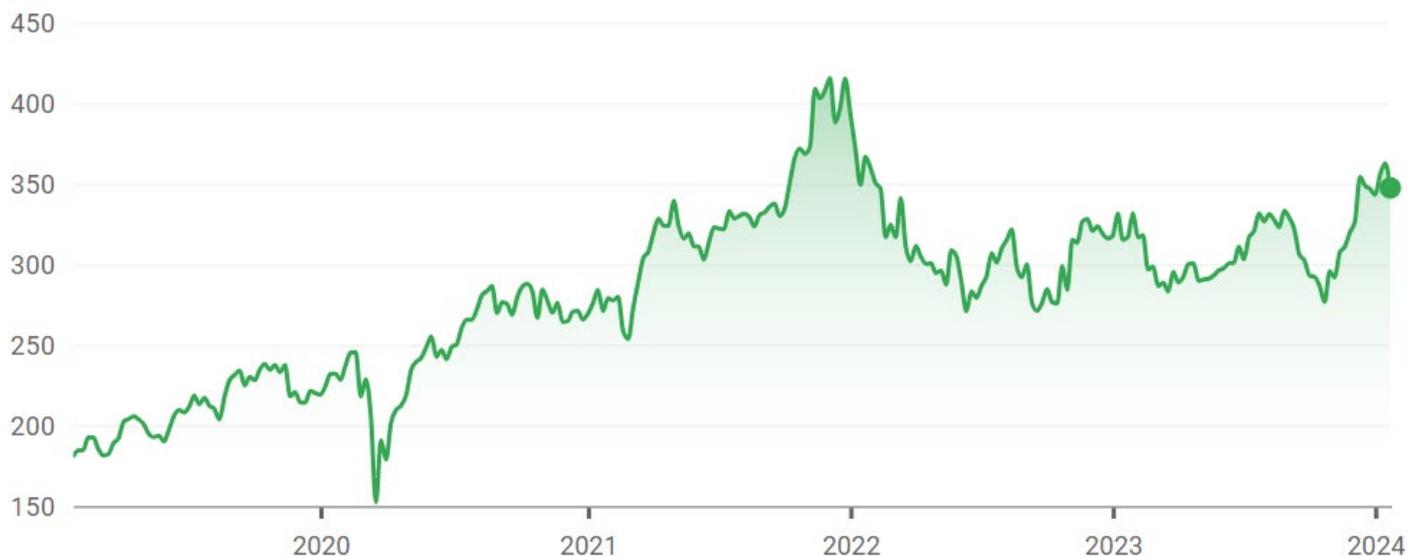


Financial results

Home Depot's 2023 annual revenue was \$157.403 billion, up 4.13% from 2022. In 2022, Home Depot's annual sales reached more than \$157 billion, up from 2021's total sales of \$147.69 billion.* Home Depot's gross profit in 2023 was \$52.778 billion, up 3.83% from 2022's \$50.832 billion. The profit in 2022 was 13.33% higher than that of 2021.*

Market capitalization development

The company's shares are traded on the NYSE. At the beginning of January 2024, their price was \$342 per share. The company's market capitalization fell to \$325 billion in January 2023 from \$414 billion in the same period in 2022. However, it has grown over the past year and saw some increase again in January 2024, reaching \$336 billion.*



Home Depot Inc (HD) stock price performance over the past 5 years. (Source: <https://www.google.com/finance>)*



Sustainability and investment strategy

According to Ted Decker, CEO of Home Depot, as a major player in the home retail market, the company's sustainable development stems from three strategic pillars: focusing on employees, ensuring sustainable operations and strengthening its communities.

The company projects clear calculable goals based on these three pillars. In addition to the training and advancement of employees, new significant investments must work towards:

- Scientifically-based targets of reducing emissions in scope 1 and 2 by 42% by 2030 compared to the base year of 2020
- 90% of forklifts in major US distribution

centers being hydrogen-powered by 2029

- 85% of in-store and online sales (combined) of handheld lawn mowers and handheld outdoor equipment coming from rechargeable battery technology by 2028

Customers can also expect savings:

- Helping customers save \$600 million in energy costs by 2026, starting in 2023
- Helping customers reduce water use by 100 billion gallons by 2026, starting in 2023

Moreover, supplies should be more open to different suppliers:

- Achieving \$5 billion in total annual combined spending across Tier 1 and Tier 2 suppliers by 2025

Management responsible for sustainability goals: Ted Decker, Chairman, President and CEO

Source: ESG Report 2023



Source: shutterstock.com

Sources: Data on the market capitalization of the development of sales and profits: Marcotrends.net, Investing.com, Companiesmarketcap.com

The data is from January 2nd to 5th, 2024.

MSCI performance and development data: msci.com

**We followed 9 company leaders from the TOP ESG Leaders ranking based on the MSCI World ESG Leaders Index. It represents the performance of companies selected from the MSCI World parent index based on environmental, social and governance (ESG) criteria. It consists of large and mid-cap companies in 23 developed market countries (see list below). The construction of the index aims to cover 50% of the freely-traded market capitalization of each sector according to the Global Industry Classification Standard (GICS®).*

At the turn of the year 23/24, we recorded a change in the top ranking, when Procter & Gamble no longer appeared in it, and the Mastercard company has made it to the list. This change is not reflected in the study.

Countries with developed markets include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and USA.



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Contact us

Email: support@wonderinterest.com

Tel: +357 25 056 419

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