

# SFDR PAI Statement

## AXA Investment Managers Paris SA

[LEI: 969500S4JU30ML1J3P20]



## Summary

AXA Investment Managers Paris SA [LEI: 969500S4JU30ML1J3P20 (hereafter “AXA IM Paris”) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of AXA IM Paris<sup>1</sup>.

This 2023 statement on principal adverse impacts (PAIs) on sustainability factors covers the reference period from 1 January 2022 to 31 December 2023, while in the 2022 statement the reported PAIs covered the reference period from 1 January 2022 to 31 December 2022.

The principle adverse impacts are described in the AXA IM Sustainable Finance Disclosure Statement (see Section II regarding AXA IM approach to consider adverse sustainability impacts, and Appendix 1 regarding consideration of PAIs at both entity and product levels) and measured below. More details are available on AXA IM website: <https://www.axa-im.com/important-information/sfdr>

As described in this statement, AXA IM Paris considers and discloses the following PAI:

| ESG thematic   | PAI indicator   |
|--|---|
| <b>Mandatory indicators applicable to investee companies</b>                           |   |
| <b>Greenhouse gas emissions</b>  | 1. GHG emissions  |
|  | 2. Carbon footprint   |
|  | 3. GHG intensity of investee companies  |
|  | 4. Exposure to companies active in the fossil fuel sector   |
|  | 5. Share of non-renewable energy consumption and production   |
|  | 6. Energy consumption intensity per high impact climate sector  |
| <b>Biodiversity</b>  | 7. Activities negatively affecting biodiversity-sensitive areas   |
| <b>Water</b>   | 8. Emissions to water   |
| <b>Waste</b>   | 9. Hazardous waste and radioactive waste ratio  |
| <b>Social and employee matters</b>   | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises  |
|  | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises |
|  | 12. Unadjusted gender pay gap   |
|  | 13. Board gender diversity  |
|  | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)                                  |
| <b>Mandatory indicators applicable to investments in sovereigns and supranationals</b> |   |

<sup>1</sup> As at end of 2023, AXA IM Paris managed c. €379bn of assets, and c. €360bn as at end of 2022. This only includes investment management services, including investment management by delegation (i.e., excluding advisory, execution and other accounting and/or administration services).

|  |   |
|--|---|
| Environmental  | 15. GHG intensity                                     |
| Social   | 16. Investee countries subject to social violations   |
| <b>Additional climate and other environment-related indicators</b>   |   |
| Water, waste and material emissions  | 6. Water usage and recycling                          |
| <b>Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b> |   |
| Anti-corruption and anti-bribery   | 15. Lack of anti-corruption and anti-bribery policies |

**Résumé**

AXA Investment Managers Paris S. A. [LEI : 969500S4JU30ML1J3P20] (« AXA IM Paris ») considère les principaux impacts négatifs de ses décisions d’investissement sur les facteurs de durabilité. La présente déclaration est la déclaration consolidée sur les principaux effets négatifs (ou incidences négatives) des facteurs de durabilité d’AXA IM Paris<sup>2</sup>.

La présente déclaration de 2023 relative aux principales incidences négatives (PAI) sur les facteurs de durabilité couvre la période de référence allant du 1<sup>er</sup> janvier 2022 au 31 décembre 2023, tandis que dans la déclaration de 2022 les PAI couvrait la période de référence allant du 1<sup>er</sup> janvier 2022 au 31 décembre 2022 uniquement.

Les principaux impacts négatifs sont décrits dans la Déclaration de Finance Durable d’AXA IM (voir la Section II concernant l’approche d’AXA IM pour prendre en compte les impacts négatifs sur le développement durable, et l’Annexe 1 concernant la prise en compte du PAI au niveau de l’entité et du produit) et mesurés ci-dessous. La Déclaration de Finance Durable d’AXA IM est disponible sur le site Internet d’AXA IM : <https://www.axa-im.com/important-information/sfdr>

Au sein de la présente déclaration sur les PAI, AXA IM Paris considère et divulgue les PAI suivants :

| Thématique ESG   | Indicateur PAI  |
|--|---|
| <b>Indicateurs obligatoires applicables aux investissements dans les entreprises investies</b> |   |
| Emissions de GES   | 1. Emissions de GES   |
|  | 2. Empreinte carbone  |
|  | 3. Intensité de GES des entreprises détenues                                      |
|  | 4. Exposition à des entreprises actives dans le secteur des combustibles fossiles |
|  | 5. Part de la consommation et de la production d’énergie non renouvelable         |
|  | 6. Intensité de la consommation d’énergie par secteur à fort impact climatique    |

<sup>2</sup> A fin 2023, AXA IM Paris gérait environ 379 milliards d’€ d’actifs, et environ 360 milliards d’€ à fin 2022. Cela inclut uniquement les services de gestion d’investissement, y compris la gestion d’investissement par délégation (c’est-à-dire à l’exclusion des services de conseil, d’exécution et autres services comptables et/ou administratifs).

|   |   |
|---|---|
| <b>Biodiversité</b>   | 7. Activités ayant une incidence négative sur les zones sensibles du point de vue de la biodiversité  |
| <b>Eau</b>  | 8. Émissions dans l'eau   |
| <b>Déchets</b>  | 9. Taux de déchets dangereux et de déchets radioactifs  |
| <b>Social et droit du travail</b>   | 10. Violations des principes du Pacte mondial des Nations unies et des principes directeurs de l'Organisation de coopération et de développement économiques (OCDE) à l'intention des entreprises multinationales |
|   | 11. Absence de processus et de mécanismes de contrôle du respect des principes du Pacte mondial des Nations unies et des principes directeurs de l'OCDE à l'intention des entreprises multinationales             |
|   | 12. Écart de rémunération entre les hommes et les femmes  |
|   | 13. Diversité des genres au conseil d'administration  |
|   | 14. Exposition à des armes controversées (mines antipersonnel, armes à sous-munitions, armes chimiques et biologiques)  |
| <b>Indicateurs obligatoires applicables aux investissements dans des entités souveraines et supranationales</b>   |   |
| <b>Climat</b>   | 15. Intensité de GES  |
| <b>Social</b>   | 16. Pays investis concernés par des violations sociales   |
| <b>Indicateurs supplémentaires relatifs au climat et à l'environnement</b>  |   |
| <b>Eau, déchets et émissions des matériaux</b>  | 6. Utilisation et récupération de l'eau   |
| <b>Indicateurs supplémentaires pour les questions sociales et d'emploi, le respect des droits de l'homme, la lutte contre la corruption et la lutte contre les pratiques frauduleuses</b> |   |
| <b>Lutte contre la corruption et les pratiques frauduleuses</b>   | 15. Absence de politiques de lutte contre la corruption et les pratiques frauduleuses   |

## Description of the principal adverse impacts on sustainability factors

### *Methodological approach*<sup>3</sup>

Figures disclosed in this report can either be based on the “**current value of all investments**” as defined by the Regulation, or on “**eligible assets with available data only**” where relevant. For the purpose of this report, “eligible assets with available data only” refers to all investments (*i.e.*, investee companies, or sovereign and supranational, or real estate assets, depending on the PAI), excluding derivatives, cash and cash equivalent and eligible assets without available data. “Eligible assets without available data” refers to assets that have insufficient data and/or low data quality for a specific investment. The attention of the recipient is drawn to the fact that for some specific PAIs (*i.e.*, PAIs which are relative i) to investee companies’ revenue or ii) to non-monetary units), the calculation is rebased on eligible assets with available data only for data quality and comparability purposes.

<sup>3</sup> The methodological approach has been partially reviewed for some PAI compared to the one used as for the 2022 PAI Statement.

Such exclusion is reflected and disclosed through the coverage ratios for the relevant indicators (disclosed in the column “Explanation” in the table below): the coverage disclosed in this report reflects the proportion of eligible assets for which data is available and provided in this report; in addition, to ensure full transparency on the scope of assets where PAIs are disclosed, the coverage based on the current value of all investments is disclosed for all PAIs.

| Reported PAI indicators based on the current value of all investments  | Reported PAI indicators based on eligible assets, excluding eligible assets with no available data <sup>4</sup> |
|--|---|
| Mandatory PAIs 2, 4, 7, 8, 9, 10, 11, 14, and additional social PAI 15 | Mandatory PAIs 3, 5, 6, 12, 13 and 15, and additional environmental PAI 6                                       |

More details on our methodologies to account and disclose PAIs are available in AXA IM ESG Methodologies Handbook available on AXA IM website: [Sustainability Policies and Reports | AXA IM Corporate \(axa-im.com\)](#)

#### *Data sources*

For PAI computation, we rely on S&P Global Trucost for traditional asset classes (*i.e.*, fixed income and listed equity), on FinDox for leveraged loans, and on S&P Global Trucost, MSCI Carbon Delta, and Bloomberg for other alternative credit asset classes (*e.g.*, asset-backed securities, insurance-linked securities, and RegCap) – unless specified differently in the column “Explanation”.

#### *Governance validation process*

This statement has been reviewed and validated under AXA IM RI Governance process<sup>5</sup>, and validated by AXA IM Management Board in June 2024. AXA IM RI Governance structure, as being the top-level ESG-related governance structure within AXA IM, is embedded within AXA IM Paris’ strategy and applicable for all AXA IM Paris’ in-scope business for this statement.

<sup>4</sup> Mandatory PAIs 1 and 16 are not based neither on any of these two approaches as being PAIs in absolute values (also relative to the number of invested countries as for the mandatory PAI 16), *i.e.*, having no denominator in their formula.

<sup>5</sup> AXA IM RI Governance structure is detailed in AXA IM SFDR entity disclosure (see section I.3. “Governance & internal controls”), available on AXA IM website: <https://www.axa-im.com/important-information/sfdr>

## PAIs in 2022 and 2023

| Indicators applicable to investments in investee companies <sup>6</sup> |                     |   |                            |             |   |  |
|---|---------------------|---|----------------------------|-------------|---|--|
| Adverse sustainability indicator  | Metric              | Impact [2023] <sup>7</sup>                  | Impact [2022] <sup>8</sup> | Explanation | Actions taken, and actions planned and targets set for the next reference period  |  |
| <b>Climate and other environment-related indicators</b>                 |                     |   |                            |             |   |  |
| Greenhouse gas emissions  | 1. GHG emissions    | Scope 1 GHG emissions (tCO <sub>2</sub> eq) | 7 211 168                  | 8 120 904   | <u>Data coverage (based on total investee companies)<sup>9</sup></u> : 85%<br><u>Data coverage on total investments<sup>10</sup></u> : 49%  | <p>AXA IM is committed to achieving net zero emissions across our portfolios by 2050 or sooner, as well as playing a key role in helping our clients better understand climate change and how it may impact their portfolios and supporting them in adapting their investment decisions accordingly. AXA IM published its first Net Zero target in October 2021, as part of the first NZAMI progress report, committing to apply net zero approaches on 15% of its AUMs. This target was subsequently revised in April 2022, to cover 65% of the AuM. Accordingly, we have developed a net zero framework on applied to traditional asset classes and real estate assets which follows industry standards considering internal and external information to determine the net zero profile of companies.</p> <p>Overall, for all traditional asset classes, AXA IM monitors on an annual basis at minimum the GHG emissions of its worldwide holdings, as well as a selection of other climate-related indicators depending on the asset class.</p> <p>Over the years, we also have implemented:</p> <ul style="list-style-type: none"> <li>- exclusion criteria on the energy sector as part of our Climate Risks policy;</li> <li>- specific engagement on climate transition;</li> <li>- specific low-carbon, carbon transition and carbon offset strategies at fund-level.</li> </ul> |
|   |                     | Scope 2 GHG emissions (tCO <sub>2</sub> eq) | 2 037 077                  | 2 074 063   | <u>Data coverage (based on all investments in investee companies)</u> : 85%<br><u>Data coverage (based on all investments)</u> : 49%  |  |
|   |                     | Scope 3 GHG emissions (tCO <sub>2</sub> eq) | 73 937 834                 | 78 289 639  | <u>Data coverage (based on all investments in investee companies)</u> : 81%<br><u>Data coverage (based on all investments)</u> : 46%  |  |
|   |                     | Total GHG emissions (tCO <sub>2</sub> eq)   | 82 431 575                 | 87 844 628  | <u>Data coverage (based on all investments in investee companies)</u> : 81%<br><u>Data coverage (based on all investments)</u> : 46%<br>The reported coverages account for assets reporting on both Scope 1 + 2 + 3 separately (not only on any of the 3 scopes). |  |
|   | 2. Carbon footprint | Carbon footprint (tCO <sub>2</sub> eq/€M)   | 223                        | 244         | <u>Data coverage (based on all investments in investee companies)</u> : 81%<br><u>Data coverage (based on all investments)</u> : 46%<br>Reported impacts should be viewed in the context of a comprehensive coverage of Scope 3                                   |  |

<sup>6</sup> Please note that these indicators only apply to corporate assets, representing 57% (c. €216bn) of the AuM managed by AXA IM Paris as at end of 2023 (51% from AXA IM Core (Listed Equity and Fixed Income), 6% from AXA IM Alts (Alternative credit, Natural capital & Impact)), and 56% (€203bn) as at end of 2022 (50% from AXA IM Core, 6% from AXA IM Alts).

<sup>7</sup> Average of impacts taken as at 31 March, 30 June, 30 September and 31 December 2023.

<sup>8</sup> Impact as at 31/12/2022. For 2022 reporting, AXA IM Paris is not in position to report average of impacts for 31 March, 30 June, 30 September, and 31 December 2022. Please refer to important notice at the end of this report.

<sup>9</sup> The data coverage on eligible assets disclosed in this report reflects the proportion of eligible assets for which data is available and provided in this report as for 2023 impacts, as an average taken as at 31 March, 30 June, 30 September and 31 December 2023. Eligible assets refer to all investments in the relevant asset class (*i.e.*, total investee companies, or total sovereign and supranational assets, or total real estate assets, depending on the PAI). This applies to all disclosed PAIs.

<sup>10</sup> The data coverage on total investments disclosed in this report reflects the proportion of total AuM managed by AXA Investment Managers Paris for which data is available and provided in this report as for 2023 impacts, as an average taken as at 31 March, 30 June, 30 September and 31 December 2023. Therefore, this data coverage is not supposed to reach 100% in the mid nor long term. This applies to all disclosed PAIs.

|  |   |  |  |   |   |  |
|--|---|--|--|---|---|--|
|  |   |  |  |   | emissions (both on upstream and on downstream GHG emissions, and across all Scope 3 categories), as reported on PAI1.   | For more details, see <b>Appendix 1 of AXA IM Sustainable Finance Disclosure Statement</b> related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a> |
| 3. GHG intensity of investee companies                         | GHG intensity of investee companies (tCO <sub>2</sub> e/€M)   | <b>1 188</b>   | <b>1 248</b>   | <b>Data coverage (based on all investments in investee companies):</b> 82%<br><b>Data coverage (based on all investments):</b> 47%  | Reported impacts should be viewed in the context of a comprehensive coverage of Scope 3 emissions (both on upstream and on downstream GHG emissions, and across all Scope 3 categories), as reported on PAI1. |  |
| 4. Exposure to companies active in the fossil fuel sector      | Share of investments in companies active in the fossil fuel sector (%)  | <b>4.70</b>  | <b>5.12</b>  | <b>Data coverage (based on all investments in investee companies):</b> 86%<br><b>Data coverage (based on all investments):</b> 50%  |   |  |
| 5. Share of non-renewable energy consumption and production    | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (%) | <b>61.18</b>   | <b>64.33</b>   | <b>Data coverage (based on all investments in investee companies):</b> 42%<br><b>Data coverage (based on all investments):</b> 25%  |   |  |
| 6. Energy consumption intensity per high impact climate sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/€M)   | <b>A: 0.33</b><br><b>B: 1.07</b><br><b>C: 1.98</b><br><b>D: 3.88</b><br><b>E: 1.94</b><br><b>F: 0.31</b><br><b>G: 0.18</b><br><b>H: 1.16</b><br><b>L: 0.27</b> | <b>A: 0.32</b><br><b>B: 1.15</b><br><b>C: 2.23</b><br><b>D: 4.23</b><br><b>E: 2.26</b><br><b>F: 0.30</b><br><b>G: 0.16</b><br><b>H: 1.37</b><br><b>L: 0.24</b> | <b>Data coverage (based on all investments in investee companies):</b><br>- Sector A: 43%<br>- Sector B: 77%<br>- Sector C: 91%<br>- Sector D: 81%<br>- Sector E: 86%<br>- Sector F: 83%<br>- Sector G: 89%<br>- Sector H: 72%<br>- Sector L: 82% | Data coverage on eligible is here the coverage on each NACE sector.<br><b>Data coverage (based on all investments):</b> 23% (cross-sectoral)  |  |

|   |   |   |              |              |   |  |
|---|---|---|--------------|--------------|---|--|
| <p><b>Biodiversity</b></p>  | <p>7. Activities negatively affecting biodiversity-sensitive areas</p>  | <p>Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%)</p> | <p>5.70</p>  | <p>2.26</p>  | <p><b>Data coverage (based on all investments in investee companies):</b> 11%<br/> <b>Data coverage (based on all investments):</b> 6%<br/>           Reported impacts are still pending methodological harmonization across third-party data providers as current methodologies to account for PAI7 vary depending on the providers. Therefore, and as our coverage on this PAI is currently very low, reported impacts on PAI7 should be considered cautiously.</p> | <p>AXA IM have strengthened its strategy to better integrate the challenges relating to biodiversity protection in our investment process, fundamental research and our engagement strategy. We now report on our biodiversity footprint which represents an aggregation of various PAI, i.e., the pressures on ecosystems generated by human activities, among them: water and air pollution; land artificialization, exploitation and pollution; and climate change.</p> |
| <p><b>Water</b></p>   | <p>8. Emissions to water</p>  | <p>Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/€M)</p>  | <p>0.013</p> | <p>0.009</p> | <p><b>Data coverage (based on all investments in investee companies):</b> 23%<br/> <b>Data coverage (based on all investments):</b> 13%<br/>           Reported impacts are still pending methodological harmonization across third-party data providers as current methodologies to account for PAI8 vary depending on the providers.</p>  | <p>In the past years, we also have implemented:<br/>           - exclusion criteria on sector related to deforestation as part of our Ecosystem protection &amp; Deforestation policy;<br/>           - specific engagement on biodiversity;<br/>           - specific biodiversity, plastic &amp; waste transition at fund-level.</p>   |
| <p><b>Waste</b></p>   | <p>9. Hazardous waste and radioactive waste ratio</p>   | <p>Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (t/€M)</p>   | <p>4.92</p>  | <p>4.58</p>  | <p><b>Data coverage (based on all investments in investee companies):</b> 42%<br/> <b>Data coverage (based on all investments):</b> 24%<br/>           Reported impacts are still pending methodological harmonization across third-party data providers as current methodologies to account for PAI9 vary depending on the providers.</p>  | <p>For more details, see <b>Appendix 1 of AXA IM Sustainable Finance Disclosure Statement</b> related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a></p>  |
| <p align="center"><b>Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters</b></p> |   |   |              |              |   |  |
| <p><b>Social and employee matters</b></p>   | <p>10. Violations of United Nations Global Compact (UNGC) principles and Organisation for Economic Cooperation and Development (OECD)</p> | <p>Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)</p>                                       | <p>0.11</p>  | <p>0.05</p>  | <p><b>Data coverage (based on all investments in investee companies):</b> 99%<br/> <b>Data coverage (based on all investments):</b> 57%<br/>           Reported data are based on data provided by Sustainalytics as for companies assessed as being “non-compliant” with the UNGC, OECD guidelines for MNE, ILO Conventions or UNGP for Business and Human Rights, completed by</p>  | <p>As part of our ESG Standards policy<sup>11</sup>, since 2021, we avoid investing in companies which cause, contribute or are linked to violations of international norms and standards in a material manner, focusing in particular on UN’s Global Compact Principles, International Labor Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).</p>                      |

<sup>11</sup> AXA IM ESG Standards policy apply to i) all AXA IM ESG and Responsible Investment (RI) open-ended funds, which include all funds classified as Art.8 or Art.9 under SFDR and ii) on an opt-in basis, any other dedicated fund and mandate under AXA IM management.



|  |  |  |       |       |   |  |
|--|--|--|-------|-------|---|--|
|  | Guidelines for Multinational Enterprises   |  |       |       | internal AXA IM assessment which applies to all AXA IM Paris assets: as part for AXA IM ESG Standards policy, AXA IM may override Sustainalytics’s assessment regarding violations of international norms and standards, based on a qualitative analysis.   | For more details, see <b>Appendix 1 of AXA IM Sustainable Finance Disclosure Statement</b> related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a>   |
|  | 11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%) | 16.24 | 16.85 | <u>Data coverage (based on all investments in investee companies):</u> 81%<br><u>Data coverage (based on all investments):</u> 47%  |  |
|  | 12. Unadjusted gender pay gap  | Average unadjusted gender pay gap of investee companies (%)  | 14.88 | 14.85 | <u>Data coverage (based on all investments in investee companies):</u> 75%<br><u>Data coverage (based on all investments):</u> 43%  | AXA IM has included gender diversity criteria in its voting policy since 2020. In line with the French Rixain Law, we have committed to improving the representation of women among those making investment decisions from 20% to 25% by 2030.   |
|  | 13. Board gender diversity   | Average ratio of female board members in investee companies, expressed as a percentage of all board members (%)  | 36.53 | 36.06 | <u>Data coverage (based on all investments in investee companies):</u> 83%<br><u>Data coverage (based on all investments):</u> 48%  | As part of our engagement strategy, since 2021, we deploy a systemic voting criterion linked with board gender diversity: a 33% diversity target for OECD countries, and with targeted companies in emerging markets on gender diversity issues.<br><br>For more details, see <b>Appendix 1 of AXA IM Sustainable Finance Disclosure Statement</b> related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a> |
|  | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)                     | Share of investments in investee companies involved in the manufacture or selling of controversial weapons (%)   | 0.00  | 0.00  | <u>Data coverage (based on all investments in investee companies):</u> 99%<br><u>Data coverage (based on all investments):</u> 57%<br>Reported data and coverage are not based on data provided by third parties but rather on the implementation of AXA IM Controversial weapons policy which applies to all assets. | As part of our Controversial weapons policy, we avoid investing in controversial weapons regulated by international conventions, i.e., anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons.<br><br>For more details, see <b>Appendix 1 of AXA IM Sustainable Finance Disclosure Statement</b> related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR   |

|   |   |  |   |   |  | entity disclosure”): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a>   |
|---|---|--|---|---|--|--|
| Indicators applicable to investments in sovereigns and supranationals <sup>12</sup> |   |  |   |   |  |  |
| Adverse sustainability indicator  | Metric  | Impact [2023]  | Impact [2022]                                   | Explanation                                     | Actions taken, and actions planned and targets set for the next reference period   |  |
| Environmental   | 15. GHG intensity <sup>13</sup>                     | GHG intensity of investee countries (tCO <sub>2</sub> e/€M)  | 389   | 397   | <p><b>Data coverage (based on all investments in sovereigns and supranationals):</b> 92%</p> <p><b>Data coverage (based on all investments):</b> 36%</p> <p>Both territorial and imports emissions are included.</p> | <p>AXA IM has defined a specific climate target for sovereign assets, following the Net Zero Investment Framework (NZIF) target setting guidance and the guidance by UN-led ASCOR project, which consists in beating our main global benchmark on the GermanWatch’s Climate Change Performance Index (CCPI) weighted average score.</p> <p>Involvement with policymakers and industry groups is also a key part of our active ownership and stewardship strategy.</p> <p>For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a></p> |
| Social  | 16. Investee countries subject to social violations | Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law | 2 countries;<br>1.15% of all investee countries | 2 countries;<br>1.19% of all investee countries | <p><b>Data coverage (based on all investments in sovereigns and supranationals):</b> 92%</p> <p><b>Data coverage (based on all investments):</b> 36%</p>   | <p>As part of our ESG standards policy, we avoid investing in countries with severe human rights violations.</p> <p>For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a></p>  |
| Indicators applicable to investments in real estate assets                          |   |  |   |   |  |  |
| Adverse sustainability indicator  | Metric  | Impact [2023]  | Impact [2022]                                   | Explanation                                     | Actions taken, and actions planned and targets set for the next reference period   |  |

<sup>12</sup> Please note that these indicators only apply to sovereign and supranationals assets, representing 40% (c. €150bn) of the AuM managed by AXA IM Paris as at end of 2023, and 41% (c. €147bn) as at end of 2022. Subnational assets (i.e., regional, municipal and other local authorities’ bonds) and other assimilated sovereign assets such as public-owned companies are accounted in reported indicators applicable to investments in investee companies.

<sup>13</sup> Investee countries’ GHG intensity is computed based on countries’ growth domestic product (GDP) and not purchasing power parities (PPP) adjusted GDP.

|                          |   |  |     |     |   |     |
|--------------------------|---|--|-----|-----|---|-----|
| <b>Fossil fuels</b>      | 17. Exposure to fossil fuels through real estate assets | Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels (%) | n/a | n/a | AXA IM Paris has not performed any investment in real estate assets in 2022 and 2023. | n/a |
| <b>Energy efficiency</b> | 18. Exposure to energy-inefficient real estate assets   | Share of investments in energy-inefficient real estate assets (%)  | n/a | n/a |   |     |

### Other indicators for principal adverse impacts on sustainability factors

#### Additional climate and other environment-related indicators

| Adverse sustainability indicator           |  | Metric  | Impact [2023] | Impact [2022] | Explanation   | Actions taken, and actions planned and targets set for the next reference period                              |
|--|--|---|---------------|---------------|---|---|
| <b>Water, waste and material emissions</b> | 6. Water usage and recycling <sup>14</sup> | 1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies (m <sup>3</sup> /€M) | 7 914         | 7 861         | <p><u>Data coverage (based on all investments in investee companies): 77%</u></p> <p><u>Data coverage (based on all investments): 44%</u></p> | Water consumption & stress is a key pillar of the ESG scoring methodology used for traditional asset classes. |

#### Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

| Adverse sustainability indicator        |   | Metric   | Impact [2023] | Impact [2022] | Explanation   | Actions taken, and actions planned and targets set for the next reference period   |
|---|---|--|---------------|---------------|---|--|
| <b>Anti-corruption and anti-bribery</b> | 15. Lack of anti-corruption and anti-bribery policies <sup>15</sup> | Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption (%) | 4.18          | 4.60          | <p><u>Data coverage (based on all investments in investee companies): 77%</u></p> <p><u>Data coverage (based on all investments): 44%</u></p> | <p>As part of our ESG Standards policy, we avoid investing in companies involved in incidents and events that pose a severe business or reputation risk to a company due to the impact on stakeholders or the environment, which can include corruption and bribery.</p> <p>For more details, see <b>Appendix 1 of AXA IM Sustainable Finance Disclosure Statement</b> related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see "SFDR entity disclosure"): <a href="https://www.axa-im.com/important-information/sfdr">https://www.axa-im.com/important-information/sfdr</a></p> |

<sup>14</sup> Please note that these indicators only apply to corporate assets, representing 57% (c. €216bn) of the AuM managed by AXA IM Paris as at end of 2023 (51% from AXA IM Core (Listed Equity & Fixed Income), 6% from AXA IM Alts (Alternative credit, Natural capital & Impact)) and 56% (€203bn) as at end of 2022 (50% from AXA IM Core, 6% from AXA IM Alts).

<sup>15</sup> *Idem*.

## Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Policies related to actions taken, and actions planned and targets set for the next reference period, and described in Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels, have been approved the relevant governing bodies in a continuous manner in the previous years under the AXA IM RI Governance process, and – where relevant – shared or validated by AXA IM Management Board. The relevant governing bodies are described in sub-section “Governance & committees” of section I regarding AXA IM approach to integrate sustainability risks.

Methodologies and data sources to select, identify, and assess the PAI are mentioned in sub-section 1. “Identification and prioritization of PAI” of Section II of AXA IM Sustainable Finance Disclosure Statement. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website: <https://www.axa-im.com/important-information/sfd>

To report on margin of errors within the methodologies, we report in the present statement the data coverage for each PAI, with subsequent explanations regarding data quality in footnotes when relevant.

## Engagement & voting policies

AXA IM Paris has adopted a global engagement policy where we seek to improve issuers’ practices with a specific objective in mind., on behalf of our equity and bond holdings. We notably do this by exercising our voting rights as shareholders of our equity holdings. Engagement practices are accompanied and strengthened by focused stakeholder engagements and open dialogues, with specific approaches taken for each asset class:

- For traditional asset classes (listed equity and fixed income), we use direct dialogues with representatives from different levels to challenge investee companies on their strategy and performance, which includes non-financial performance and Environmental, Social and Governance (ESG) policies. The engagement process is guided by clear and meaningful objectives communicated beforehand to the management, which are used to measure and evaluate progress at regularly organized meetings. When progress has not been made within the defined timeline, we apply escalation techniques;
- For alternative credit assets, on the direct investment side (leverage loans and private debt), teams engage with companies, sponsors, and banks with respect to deal analysis and ongoing credit monitoring on a regular basis through an ESG questionnaire completed during the syndication period. On the secured finance side, we aim to leverage our size as one of the largest European investors in collateralized loan obligations (CLOs) to promote responsible investment practices, directing CLO managers towards higher standards in terms of ESG, both in their day-to-day corporate management as well as in their investment philosophy, and only investing with CLO managers that respect minimal ESG guidelines (i.e., as being signatory of a responsible investment international standard like UN PRI, having a carbon footprint reduction plan, an inclusion program and exclusion policies).

Outside of improving the practices of our own holdings, we also desire to realise a broader market change through our public policy engagements. Such engagement mainly consists of involvement with policymakers and participation in stakeholder groups, with the aim of realising robust regulatory frameworks that promote an effective role of asset managers in the transition to a sustainable economy, as well as strengthening the link between sustainable finance and real economy initiatives.

AXA IM's **Engagement Policy** describes in more detail our engagement process with regards to individual holdings and collaborative initiatives. The results of our 2023 engagement and voting activities are detailed in our **2023 Stewardship report**.

More details on our engagement policy are available in sub-section 3 "Engagement policy" on Section II regarding AXA IM approach to consider adverse sustainability impacts of AXA IM Sustainable Finance Disclosure Statement. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website: <https://www.axa-im.com/important-information/sfdr>

Besides, how we use those voting rights to influence investee companies' strategic decisions and governance practices is explained in more detail in our **Corporate Governance and Voting policy**.

As for our engagement with corporates, our voting process is structured as follows:

1. Selection of priorities: We engage companies across our ESG thematic in a constructive manner with identified and achievable goals. We challenge companies on their strategy and risks, financial and non-financial performance, and their commitments to strong environmental, social, and governance philosophies;
2. Engagement priorities: sustainability dialogue (dialogue conducted with investee companies around their sustainability practices) is key in establishing and developing a constructive relationship with the company, as well as gaining insights its policies and practices. In the case of engagement with objectives, which seek to influence change at investee companies, we define targeted objectives related to the key ESG with clear targets, and the timeframe we consider appropriate to see progress depending on the nature of the objectives. This engagement policy, combined with our Corporate Governance and Voting policy, allows AXA IM Paris to consider adverse impacts;
3. Governance of the engagement process: For engagement with objectives, we share these objectives with investee companies at the outset of the engagement, and systematically track and record the progress of engagement as described below. While our belief is that long-running confidential and constructive discussions based on trust is often the most effective way to create change over time, we also value transparency and may communicate externally on our engagement activities in selected cases;
4. Tracking, escalation and conclusion of the engagement: Each and every time an interaction with a company is logged, an engagement report is uploaded and made visible to all AXA IM investment platforms. Escalation of the discussion through other means and/or at other levels of the hierarchy are options we can utilise in order to progress on our engagement asks. An escalation strategy is therefore determined for every engagement activity.

Our engagement policy combined with our Corporate Governance and Voting policy allow AXA IM Paris to consider several PAIs. For our corporate exposure, these are addressed as follows:

- On the Environmental side, our engagement with investee companies on their climate transition plans is an important tool for addressing **PAIs 1 to 6**. These PAIs are further addressed to our Three Strikes and You're Out policy which was launched in 2022 to put pressure on companies that lack a credible Net-Zero strategy or quantified emission reduction targets. We furthermore address **PAIs 7 to 9** through engagements shaped by our biodiversity footprint tool program developed in cooperation with Iceberg Data Lab (IDL), as well as through our specific engagement programs targeted at deforestation and pollution. Lastly, **additional environmental PAI 6** is not part of our engagement strategy, as it is mainly satisfied through our exclusion policy (water consumption & stress being a key pillar of the ESG scoring methodology used for traditional asset classes, and low ESG scores are excluded under AXA IM ESG Standards policy);

- On the Social side, engagement can be triggered reactively after indications of an investee company committing severe controversies and violations of international norms and standards such as the OECD Guidelines for MNE, or UNGC. This allows us to address **PAIs 10 to 12**. We furthermore address **PAI 13** through our co-creation of the 30% Club France Investor Group, which we use to call French companies on promoting gender diversity at the senior level in cooperation with other asset managers. **PAI 14** is not part of our engagement exercise as investing in controversial weapons is already avoided through our exclusion policy (AXA IM Controversial weapons policy);
- On the Governmental side, we address the **additional social PAI 15** by engaging with companies facing severe controversies regarding corruption and bribery, and may divest when necessary.

Secondly, with regards to our sovereign exposure, we address **PAIs 15 and 16** by our participation in industry initiatives at both the local and international level, aimed at lowering the GHG intensity of sovereigns and decreasing incidences of social violations.

### References to international standards

AXA IM seeks to comply and adhere to various principles, standards, and codes, considered best practices in the market, which govern our policies and practices. AXA IM is signatory of the following codes:

- **Principles for Responsible Investment (UN PRI)**, since May 2007;
- **Japanese Stewardship Code**, since 2014;
- **UK Stewardship Code**, since 2010 (and of the revised code in 2020);
- **Task Force on Climate-Related Financial Disclosure (TCFD) recommendations**, since 2017.

As part of the AXA Group, which is signatory of the United Nations Global Compact (UNGC), AXA IM follows these principles as part of its RI policy.

The indicators, methodologies and data used to consider PAIs that measure the adherence or alignment with the abovementioned codes are detailed:

- As for the UN PRI, in [AXA IM 2023 PRI assessment report](#);
- As for the Japanese & UK Stewardship codes, in [AXA IM 2023 Stewardship report](#);

As for the TCFD recommendations, in [AXA IM 2023 TCFD/Art.29 report](#). Additionally, and with regards to the TCFD recommendations on climate risk management, AXA IM uses different forward-looking climate metrics to assess our investments at AXA IM or entity level. Firstly, since 2022, we use MSCI and Carbon Delta's Climate Value-at-Risk (CvaR) methodology for our investment portfolio's of corporate bonds and listed equity to estimate how the value of these portfolios could be (positively or negatively) impacted by climate policy risks, technology transition opportunities, and extreme weather events, based on the Network for Greening the Financial System (NGFS)'s scenarios<sup>16</sup>. Since 2021, we also use the MSCI Implied Temperature

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<sup>16</sup> The five NGFS scenarios used to assess the CvaR are : 'Net Zero 2050', 'Divergent Net Zero', 'Below 2°C', 'Delayed Transition', and 'NDC'.

Rise (ITR) metric to assess the alignment of our investment portfolios of corporate bonds and listed equities with global temperature targets. For sovereign assets, AXA IM measures the same indicator by leveraging the Climate Liabilities Assessment Integrated Methodology (CLAIM) model developed by Beyond Ratings.

For funds for which we disclose an ESG report<sup>17</sup>, we disclose the ITR on an annual basis. With the exception of these funds, we do not employ forward-looking climate metrics at the product level.

Further information on our adherence to responsible business codes & internationally recognised standards in the dedicated sub-section on Section II regarding AXA IM approach to consider adverse sustainability impacts of AXA IM Sustainable Finance Disclosure Statement. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website: <https://www.axa-im.com/important-information/sfdr>

## Historical comparison

This year's statement marks the first historical comparison against the previous reported periods as requested by the SFDR (i.e., calendar year 2023 compared to calendar year 2022 as for this year's statement).

As for mandatory PAIs applicable to investee companies:

- On climate- & energy-related PAIs (i.e., PAIs 1 to 6), we report a positive trend on PAIs 1 to 6 between 2022 and 2023, with:
  - A decrease of -6% of AXA IM Paris' AuM absolute total GHG emissions (**PAI 1**) that is mainly driven by a reduction of ownership in high emitting companies, with a decrease of Scope 3 emissions in particular, and a 3% decrease in coverage on eligible assets which is due to a slight decrease of estimated data from our data provider at end of 2023;
  - Our carbon footprint (**PAI 2**) benefits from the factors mentioned above as well as an overall increase in AuM leading to an 8% decrease, going from 244 to 223 tCO<sub>2</sub>eq/€M invested;
  - The average GHG intensity of investee companies (**PAI 3**) decreased by -5%, from 1 248 to 1 188 tCO<sub>2</sub>eq/€M of investee companies' revenues, which is mostly due to market effects: revenues – the denominator – have increased due to inflation, thus having a decreasing effect on the carbon intensity of investee companies;
  - AXA IM Paris' relative exposure to fossil fuels (**PAI 4**) also decreased from 5.12% to 4.7% of total AuM, and the share of investments with non-renewable energy sourcing (**PAI 5**) also decreased from c. 64% to c. 61%;
  - Lastly, the trend on the **PAI 6** varies depending on the sector, with a positive trend measured on all sectors except on the Agriculture, forestry and fishing, Construction, Wholesale and retail trade and Real estate sectors;
- On the biodiversity-related PAI (i.e., **PAI 7**): following significant evolutions in our data providers methodology (S&P Trucost and Findox), we report a relative exposure to activities negatively affecting biodiversity-sensitive areas increasing from c. 2.3% of total AuM in 2022 to c. 5.7% in 2023, but with very limited comparability as a result. Changes are also

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<sup>17</sup> All product-level ESG reports are available on AXA IM Fund Center: [AXA IM Fund Center - AXA IM FR \(axa-im.fr\)](https://www.axa-im.com/fund-center)

due to an increase in the data coverage (in particular from S&P Trucost) – although the data coverage remains particularly low on this PAI (only going from 5% in 2022 to 7% in 2023 on eligible assets). We will continue to engage with policy-makers, data providers and corporates to support enhanced usability and comparability of this metric;

- On the water-related PAI (i.e., **PAI 8**): we report an emissions to water ratio increasing from c. 0.011 t/€M invested in 2022 to c. 0.013 in 2023 (coverage decreasing slightly from 24% in 2022 to 23% in 2023 on eligible assets). These emissions remain very low but have to be nuanced by the low data coverage;
- On the waste-related PAI (i.e., **PAI 9**): we report a small impact increase from c. 4.6 t/€M invested in 2022 to c. 4.9 in 2023 – coverage remaining stable at 42% of eligible assets;
- On the social- & human and labour rights-related PAIs (i.e., PAIs 10 to 14):
  - We report a slight increase on the **PAI 10**, going from 0.05% of total AuM in 2022 to 0.11% in 2023 of exposure to corporates involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Such investments are part of dedicated products for which our client has diverging views on these violation. In spite of this increase, our exposure to such companies remains very low overall;
  - As for our exposure to investee companies without policies to monitor compliance with these international conventions (**PAI 11**), we report a slight decrease of our exposure from c. 16.9% of total AuM in 2022 to c. 16.2% in 2023;
  - On gender diversity-related PAIs, we report a steady percentage of gender pay gap in our investee companies (**PAI 12**) of c. 14.9% in 2022 and 2023, and a slight increase of the average ratio of female board members in our investee companies (**PAI 13**), going from 36.1% to 36.5% (a +1% relative increase compared to 2022);
  - Lastly, while not being null in 2023 (unlike 2022 which was), our exposure to investee companies involved in controversial weapons (**PAI 14**) was close to 0.00% in 2023, thanks to the implementation of AXA IM Controversial weapons exclusion policy<sup>18</sup>.

As for the mandatory PAIs applicable to sovereigns & supranationals (i.e., PAIs 15 and 16): we report a slight relative decrease of -2% of the average GHG intensity of our investee countries (**PAI 15**) compared to 2022, going from 397 tCO<sub>2</sub>e/€M invested in 2022 to 389 in 2023, and a steady exposure to 2 investee countries subject to social violations (**PAI 16**) on average in 2023, like in 2022, c. 1.2% of total number of investee countries in both 2022 and 2023.

As for the additional environmental PAIs disclosed, on water usage and recycling (**additional environmental PAI 6**): we report an increase of the average amount of water consumed by our investee companies from 7 861 m<sup>3</sup>/€M of investee companies' revenues to 7 914 in 2023;

As for the additional social PAI disclosed (i.e., **additional social PAI 15**): we report a decrease of the share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption, going from: c. 4.6% of total AuM in 2022 to c 4.2% in 2023.

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<sup>18</sup> AXA IM Paris is measuring its exposure to controversial weapons based on its own exclusion policy. For index funds under AXA IM's management, the policy applies to the extent the objective of the fund is not compromised. While AXA IM supports any initiative to promote the use of indices which do not comprise any excluded companies, exclusions lists applied by index providers could differ from the one usually used in AXA IM which explains the residual exposure reported in 2023.



**IMPORTANT NOTICE**

Reporting on certain PAI indicators may be limited, notably in terms of coverage across the asset classes we manage or may reflect reporting periods prior to 2022 or 2023 due to lack of data availability for 2022 or 2023. Not all companies and counterparties currently report on all sustainability factors and the report relies on the data available at the moment, disclosed on an annual basis, which might be sourced through third party data providers. Therefore, the data contained herein may prove to be incorrect or incomplete and possible data discrepancies may occur (in particular regarding data provided by third parties). AXA Investment Managers Paris may change its third-party data provider at any time and at its own discretion, which may also result in changes in relation to the data and or methodologies used for the same instruments or investments in future reports.

For certain indicators, AXA Investment Managers Paris has made its best effort to request and collect such data from investee companies and/or third-party data provider but was unable to measure or estimate with sufficient comfort the PAI indicator due to (i) a lack of homogenous data disclosure from the investee companies, and/or (ii) poor quality of the data provided by third party data providers and/or unavailability of relevant proxy data from third party data providers. As third-party data providers methodologies will improve in the coming years, AXA Investment Managers Paris intends to reassess data quality to be able to report on such PAIs in the future.

This report and the information included herein were prepared on the basis of data made available to AXA IM as of the date of this report. Unless stated otherwise in this report, this report and the information included herein are current only as of such date. This report refers to certain non-financial metrics and key performance indicators (KPIs), as well as other non-financial data, all of which are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used to determine them. Non-financial metrics used herein generally have no standardized meaning and may not be comparable to similarly labelled measures used by other companies. In addition, AXA IM reserves the right to amend, adjust and/or restate the data presented in this report, from time to time, without notice and without explanation. The data presented or included in this report may be further updated, amended, revised or discontinued in subsequent publications of AXA IM depending on, among other things, the availability, fairness, adequacy, accuracy, reasonableness or completeness of the information, or changes in applicable circumstances, including changes in applicable laws and regulations. The measurement techniques used for determining non-financial metrics and data may involve complex modelling processes and research. The use of different measurement techniques can also result in materially different measurements, while the precision of these techniques may vary. In addition, the determination and use of non-financial metrics and data remains subject to the limited availability of relevant data: such data is not yet systematically disclosed by issuers, or, when disclosed by issuers or collected from third-party data providers, it may be incorrect, incomplete or follow various reporting methodologies. Furthermore, most of the information used to determine non-financial metrics or factors is based on historical data, which may not be complete or accurate or may not fully reflect the future non-financial performance or risks of the underlying investments. While the methodologies for non-financial KPIs applied by AXA IM are regularly updated to take into account changes in the availability of data or methodologies used by investee companies and/or borrowers to disclose non-financial information, there is no assurance that such methodologies are or will be successful at capturing all relevant non-financial factors. This report may include or refer to information obtained from, or established on the basis of, various third-party sources. Such information may not have been reviewed by AXA IM, and AXA IM does not approve or endorse such information by inclusion thereof or reference thereto. In addition, such third-party information may not have been independently verified. Accordingly, AXA IM does not guarantee the fairness, adequacy, accuracy, reasonableness or completeness of such information, and no representation, warranty or undertaking, express or implied, is made or responsibility or liability is accepted by AXA IM as to the fairness, adequacy, accuracy, reasonableness or completeness of such information, and AXA IM shall not be obliged to update or revise such information.

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This report may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to AXA IM future business, financial condition, results of operations, performance and strategy as they relate to the climate objectives and other goals set forth herein. Forward-looking statements are not statements of historical fact and may contain the terms “may”, “will”, “should”, “continue”, “aims”, “estimates”, “projects”, “believes”, “intends”, “expects”, “plans”, “seeks” or “anticipates” or words of similar meaning. Such statements are based on AXA IM management’s current views and assumptions and, by nature, involve known and unknown risks and uncertainties; therefore, undue reliance should not be placed on them. In particular, the actual achievement of the climate-related and other goals set forth in this report may differ materially from those expressed or implied in such forward-looking statements. Furthermore, many of the factors impacting the achievement of our climate goals may be more likely to occur, or more pronounced, as a result of catastrophic events, including weather-related and other catastrophic events, pandemics, terrorist-related incidents or acts of war. AXA IM commitments set out in this report,

such as but not limited to the Net Zero targets and the goal to achieve net zero emissions, reflect AXA IM management's current expectations, and are subject to a number of assumptions, variables and uncertainties, including actions of issuers in which we invest in, suppliers and other third parties, as well as a variety of political, economic, regulatory, civil society and scientific developments beyond AXA IM's control. There can be no assurances that our targets and the timetable for any transition will be achieved in whole or in part.

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