



## **PUBLIC TRANSPARENCY REPORT**

**2025**

**AXA Investment Managers**

Generated 24-11-2025

# About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

# Table of Contents

Module	Page
SENIOR LEADERSHIP STATEMENT (SLS)	4
OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)	8
ORGANISATIONAL OVERVIEW (OO)	11
POLICY, GOVERNANCE AND STRATEGY (PGS)	37
MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)	101
LISTED EQUITY (LE)	122
FIXED INCOME (FI)	136
REAL ESTATE (RE)	155
INFRASTRUCTURE (INF)	172
PRIVATE EQUITY (PE)	183
SUSTAINABILITY OUTCOMES (SO)	195
CONFIDENCE-BUILDING MEASURES (CBM)	246

# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

At AXA IM our purpose, to act for human progress by investing for what matters, is central to every action we take as an investor but also as an employer and a business. Responsible Investing has been part of AXA IM's DNA since its founding in 1994, with the first dedicated Responsible Investment (RI) mandate dating back to 1998. As a leading actor in the financial services industry, AXA IM believes that responsible investment is a key driver of value creation and that ESG factors have the potential to impact not only investment portfolios across asset classes, sectors, companies and regions but also a multitude of other client and stakeholder interests. As such AXA IM is firmly committed to embedding RI into its business practices and culture, and does not limit itself to offering RI "labelled" funds but rather addresses RI issues materially relevant to all investments.

This vision to "mainstream" RI throughout AXA IM has guided the development of the firm's RI expertise for nearly two decades, with the aim of developing approaches aligned with the diverse needs of our clients, while making sure we develop approaches to address sustainability risks, as well as mitigate the Principle Adverse Impact of our investments on People and Planet. From the creation of a dedicated Responsible Investment unit and its Responsible Investment Policy back in 2001, AXA IM continuously reinforced its RI capabilities with the recruitment of sustainability experts across the organisation. The Responsible Investment (RI) capabilities are, since 2020, embedded within AXA IM's business units supported by the AXA IM RI Center serving as a transversal actor coordinating the implementation of the AXA IM responsible investment strategy roadmap, facilitating the integration of ESG consideration into each BU, and leading the overarching Active Ownership strategy. Therefore, RI is now embraced by all investment teams which perform RI-related activities as part of their day-to-day.

RI Experts and Investment teams work collaboratively in the implementation of AXA IM's RI Strategy, with the support of functions such as Data Management, Product Development or Risk & Control for instance to ensure a robust framework is in place. As part of AXA IM's continued efforts to further embed ESG within the business and ensure consistency in our approach across investment, operations and human resources (HR), the governance structure changed in 2022 with the creation of a sub-committee of the management board, the Sustainability Strategic Committee. It gathers sustainability leaders alongside a representative of the management board to monitor the delivery of AXA IM responsible investment strategy and AXA IM-wide commitments in relation to sustainability. Our investment philosophy is based on the conviction that sustainable development issues are one of today's major challenges. We believe that combining fundamental 'non-financial factors' with traditional financial criteria helps us build more resilient portfolios that perform better over the long term.

The non-financial approach has become a necessity in more ways than one:

- It is instrumental in removing companies and investments from portfolios when they cause exposure to high levels of ESG risk, which would ultimately affect financial performance;
- It focuses on companies and investments that have implemented best practice regarding managing their environmental impacts, governance and social practices, and whose responsible practices leave them better prepared, in our view, to meet future challenges;
- It may support improved performance by means of active dialogue with companies on managing ESG concerns around investments and limiting our clients' exposure to reputational risk.

AXA IM's RI framework, policies and processes are built to consider financial materiality and impacts, at varying degrees depending on the level of integration of our products – in line with the principles of the EU SFDR.

Our ESG integration framework is made up of three pillars – Quantitative & Qualitative Research, Exclusions and Stewardship – which we have continuously strengthened over the years - aiming to reinforce and clarify their practical implementation within each of our investment expertises, considering their respective specificities.

Additionally, we've focused on providing high-quality disclosures at entity and product level, with a suite of ESG / Engagement / Voting reports and the AXA IM Progress Monitor. We also intensified our efforts across the whole business to develop a robust climate strategy with the definition of net zero targets, methodologies for assessing companies and sovereigns' decarbonization trajectories and the reinforcement of exclusion and stewardship policies. When applying this framework, we take into account the preferences of our clients and their expectations when it comes to the integration of E,S and G factors, with a number of red lines applicable across the company.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

Over 2024, we have worked on:

- Reinforcing ESG integration approaches including with the development / refinement of ESG scoring and SFDR Sustainable Investment approaches for non-listed asset classes, while continuing to embed ESG considerations in investment research / processes / products across traditional asset classes including through continued training of portfolio management teams.

- Progressing our NZ roadmap by developing additional Net Zero approaches for infrastructure equity and debt assets relying on the NZIF, with specific targets set for 2030 and 2040 for those assets (by end of 2030, commitment to achieve 100% of total AuM in aligning, aligned, net-zero or climate solutions assets, and 100% aligned, net-zero or climate solution by end of 2040). We also developed Net Zero approach for Govies, relying on the related NZIF implementation guidance. We continued to make progress on other Net Zero targets, on which we regularly report including in our For Progress Monitor.

Additionally we worked on the definition of biodiversity targets as part of our commitment to the Finance for Biodiversity Pledge. Those targets were then communicated early 2025.

- Using stewardship to support long-term value creation while tackling impacts on people and planet. We continued to reinforce our engagement policy with a reinforced prioritisation and tracking system for listed assets, and developed engagement policies for non-listed assets including AXA IM Prime and for our fund selection unit. In terms of focus, Climate change mitigation remained the main theme in line with our NZ target on engagement with financed emissions. The increase in biodiversity & natural capital and corporate governance-related engagement continued.

We are also pursuing our efforts on many other social topics, such as human rights, human capital and public health concerns, including by joining forces with peers as part of coalitions on just transition / forced labor / living wages. In early 2024, we also announced three main updates to our Corporate Governance & Voting policy to further reinforce ESG expectations on: i) the possibility to cast a dissenting vote against the highest-emitting companies that fail to appropriately report on their climate lobbying activities; ii) wider workforce taken into account for executive pay proposals; iii) bylaw amendments seeking to introduce virtual-only AGM format will be opposed. We continued to implement our more forceful Three Strikes and You're Out policy using escalation for several climate laggards. We continued policy advocacy efforts as a way to support the transition and more sustainable practices thanks to ambitious but usable policy incentives.

In particular through our role within the EU Platform on Sustainable Finance, with direct engagement with policy makers and several industry groups we proposed solutions to improve the usability of these policies so that they deliver their intended objectives. The policies we particularly focused individual engagements on were disclosures related policies applicable to corporates and financials, stewardship.

We worked on real economy policies with peers.

- Defining clear red lines through our exclusion policies. In 2024, the scope of our Tobacco exclusion policy, now applying to the vast majority of our assets.

- Working closely with our clients, we kept developing and strengthening our RI fund offering : in particular we continued to evolve our sustainable fund offering, including the expansion of our exchange-traded funds (ETFs) range to new Paris Aligned Benchmark (PAB) ETF funds and one other fund with a carbon transition objective.

New launches aside, we adapted our RI fund offering to new regulatory and sustainable labels developments, including by implementing the new ISR and Towards Sustainability guidelines on our labelled funds, preparing the first batch of funds to the European Securities and Markets Authority (ESMA) fund naming guidelines. We also obtained the SDR label for a first set of funds within the Improvers and Impact categories.

- Disclosures: AXA IM remains committed to providing transparency on the integration of ESG criteria at fund level. To cover our clients' needs for a more comprehensive and enriched ESG reporting, we have also implemented in the year several improvements to our fund-level ESG, Engagement and Voting reports. Recognising interest for voting activity while considering the need to be nuanced and research based in how we review and vote on certain resolutions, we continued to enhance transparency on votes by providing rationale on votes against ESG-related shareholder proposals in the online voting dashboard available to all stakeholders.

We continue to report on our AXA IM for Progress Monitor on a selection of 8 key targets covering investments and operations. A selection of those remains as key criteria in the remuneration of a proportion of our employees (those who received deferred).

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

AXA IM strives to continue as an advanced responsible investor, aiming to protect clients' financial interests by avoiding high levels of ESG risks that could affect the financial performance of their assets and by selecting those companies that are, in our view, better positioned to meet the challenges of the future. Robust integration within investment processes will remain a key priority across asset classes and including for Private Markets. We will continue to emphasize stewardship to support long-term value creation and mitigate negative impacts on people and planet, engaging with corporates and policy-makers / standard-setters / clients and peers. We will continue to focus on transparency on our activities and support initiatives aimed at improving disclosures and comparability, acknowledging that this is essential to allow our clients and stakeholders to understand our approaches and how their assets can contribute to the transition to a more sustainable economy. We will leverage the pillars above to advance the following strategic priorities:

1. Climate: We will continue to adapt our approaches to deliver our Net Zero targets in terms of carbon intensity reduction, and in terms of exposures to companies with credible transition plans.

Beyond asset allocation, stewardship will remain a key priority to support real-world decarbonisation, engaging with issuers on their NZ journey as part of our entity-level Net Zero targets, and as an integral part of our investment process to reduce risks. Our focus will continue to lie on the systemic nature of the energy transition, recognizing the importance of all emissions across the value chain and engaging with companies across sectors to better understand, assess individual decarbonization strategy strategies and raise concerns / escalate where necessary. We will further embed Just Transition considerations in those engagements. We will develop Sovereign engagement, leveraging the dedicated NZ Investment approach and advocate for real economy policies supportive of the transition.

2. Biodiversity remains a top priority through our comprehensive Ecosystem Protection & Deforestation policy highlighting red lines for investments, engagement with issuers on nature including in agro-food and chemicals sectors for instance, utilising escalation where necessarily as done when co-filing biodiversity related resolutions with two issuers in 2024, leading to positive initial steps being taken. Target-setting is a key focus with targets released early 2025 within the Finance for Biodiversity pledge.

3. Social: we focus our engagements on social issues that we consider key – namely human capital management, labor and human rights, and the recently added engagement priority of public health. We'll work with standard-setters to help improve data comparability and demonstrate financial materiality.

4. Governance is in our view the bedrock of an effective approach to E and S challenges and opportunities, long-term performance and value creation. We continue to reinforce our Corporate Governance and Voting policy to promote sound governance practices amongst our investee companies – specifically those related to sustainability governance, executive pay, and shareholder rights.

5. Product offering: we continue to strengthen our ESG product offering, adding new strategies where needed.

We consider transparency to our clients as the other side of the coin of ESG integration. We developed responsible investment reporting at portfolio level - including an enhanced version of our Engagement report, with additional qualitative information on the engagement objectives, content of discussions, level of progress, as well as ongoing improvements to Voting reports and ESG reports.

6. Regulation will continue to be a key focus. Those regulations have a significant impact on our approaches and lead us to continuously review and evolve our RI framework and standards. We aim to continue to work with peers and regulators to ensure that those regulations bring the best to our clients and reach their ambition of channeling flows into sustainable investments, without creating unnecessary burden.

This means articulating SF and Real Economy regulations, addressing interpretation issues, simplifying requirements to focus on decision-useful information to support the transformation across the sustainable finance value chain. International compatibility is also a key priority. As of 1 July 2025, BNP Paribas group completed the acquisition of AXA IM. The combination of AXA IM, BNP PAM and BNPP REIM brings together complementary expertise across public and private markets, a strong commitment to sustainability, and enhanced capabilities in innovation, especially in digital and data. These combined strengths will reinforce our ability to deliver long-term value for clients and accelerate on our shared strategic priorities, with sustainability at the heart of our approach as a unifying focus.

#### Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Clémence Humeau

Position

Head of Sustainability Coordination & Governance

Organisation's Name

AXA Investment Managers

A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

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# OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

## OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

### OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- (B) Directive on AIFM (2011/61/EU) [European Union]
- (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- (D) EU Taxonomy Regulation [European Union]
- (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- (F) IORP II (Directive 2016/2341) [European Union]
- (G) Law on Energy and Climate (Article 29) [France]
- (H) MiFID II (2017/565) [European Union]
- (I) Modern Slavery Act [United Kingdom]
- (J) PEPP Regulation (2019/1238) [European Union]
- (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- (M) SFDR Regulation (2019/2088) [European Union]
- (N) SRD II (Directive 2017/828) [European Union]
- (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- (P) Climate Risk Management (Guideline B-15) [Canada]
- (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- (U) SEC Expansion of the Names Rule [United States of America]
- (V) SEC Pay Ratio Disclosure Rule [United States of America]
- (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- (AA) Financial Markets Conduct Act [New Zealand]
- (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- (AE) Modern Slavery Act (2018) [Australia]

- (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- (AH) JSE Limited Listings Requirements [South Africa]
- (AI) Other
- (AJ) Other
- (AK) Other
- (AL) Other
- (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

**During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?**

- (A) Asset Owners Stewardship Code [Australia]
- (B) Código Brasileiro de Stewardship [Brazil]
- (C) New Zealand Stewardship Code
- (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- (E) Stewardship Code [United Kingdom]
- (F) Stewardship Framework for Institutional Investors [United States of America]
- (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- (I) Luxflag ESG Label [Luxembourg]
- (J) RIAA Responsible Investment Certification Program [Australia]
- (K) SRI Label [France]
- (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- (M) Code for Institutional Investors 2022 [Malaysia]
- (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- (O) Corporate Governance Guidelines [Canada]
- (P) Defined Contribution Code of Practice [United Kingdom]
- (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- (T) OECD Guidelines for MNES - Responsible Business Conduct for Institutional Investors [Global]
- (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- (AA) Global Reporting Initiative (GRI) Standards [Global]
- (AB) IFC Performance Standard [Global]
- (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- (AE) Other

Specify:

Operating Principles for Impact Management

- (AF) Other
- (AG) Other
- (AH) Other
- (AI) Other

o (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.

# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2024

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 840,469,241,902.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 63,390,416,969.00

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>0-10%	>0-10%
(B) Fixed income	>50-75%	>0-10%
(C) Private equity	>0-10%	>0-10%
(D) Real estate	>10-50%	0%
(E) Infrastructure	>0-10%	>0-10%
(F) Hedge funds	0%	>0-10%
(G) Forestry	>0-10%	0%
(H) Farmland	0%	0%
(I) Other	0%	>10-50%
(J) Off-balance sheet	0%	0%

**(I) Other - (2) Percentage of Externally managed AUM - Specify:**

Cash, JVs

## ASSET BREAKDOWN: EXTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a further breakdown of your organisation's externally managed listed equity and/or fixed income AUM.

	(1) Listed equity	(2) Fixed income - SSA	(3) Fixed income - corporate	(4) Fixed income - securitised	(5) Fixed income - private debt
(A) Active	>75%	0%	>50-75%	0%	>10-50%
(B) Passive	>0-10%	0%	>0-10%		

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2	CORE	OO 5, OO 5.1	SAM 3, SAM 8	PUBLIC	Asset breakdown: Externally managed assets	GENERAL

Provide a breakdown of your organisation's externally managed AUM between segregated mandates and pooled funds or investments.

	(1) Segregated mandate(s)	(2) Pooled fund(s) or pooled investment(s)
(A) Listed equity - active	>50-75%	>10-50%
(B) Listed equity - passive	>75%	0%
(C) Fixed income - active	>50-75%	>10-50%
(D) Fixed income - passive	>75%	0%
(E) Private equity	0%	>75%
(G) Infrastructure	0%	>75%
(H) Hedge funds	0%	>75%

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

**Provide a further breakdown of your internally managed listed equity AUM.**

(A) Passive equity >0-10%

(B) Active – quantitative >10-50%

(C) Active – fundamental >50-75%

(D) Other strategies 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed fixed income	GENERAL

**Provide a further breakdown of your internally managed fixed income AUM.**

(A) Passive – SSA >0-10%

(B) Passive – corporate >0-10%

(C) Active – SSA >10-50%

(D) Active – corporate >10-50%

(E) Securitised >10-50%

(F) Private debt >0-10%

## ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 PE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed private equity	GENERAL

**Provide a further breakdown of your internally managed private equity AUM.**

(A) Venture capital	0%
(B) Growth capital	0%
(C) (Leveraged) buy-out	>50-75%
(D) Distressed, turnaround or special situations	0%
(E) Secondaries	>10-50%
(F) Other	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED REAL ESTATE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 RE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed real estate	GENERAL

**Provide a further breakdown of your internally managed real estate AUM.**

(A) Retail	>0-10%
(B) Office	>10-50%
(C) Industrial	>10-50%
(D) Residential	>10-50%
(E) Hotel	>0-10%

(F) Lodging, leisure and recreation	>0-10%
(G) Education	0%
(H) Technology or science	0%
(I) Healthcare	>0-10%
(J) Mixed use	>0-10%
(K) Other	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED INFRASTRUCTURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 INF	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed infrastructure	GENERAL

### Provide a further breakdown of your internally managed infrastructure AUM.

(A) Data infrastructure	0%
(B) Diversified	0%
(C) Energy and water resources	>0-10%
(D) Environmental services	0%
(E) Network utilities	>10-50%
(F) Power generation (excl. renewables)	>10-50%
(G) Renewable power	>10-50%
(H) Social infrastructure	>0-10%
(I) Transport	>10-50%
(J) Other	>0-10%

### (J) Other - Specify:

## MANAGEMENT BY PRI SIGNATORIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

**What percentage of your organisation's externally managed assets are managed by PRI signatories?**

>50-75%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(2) >0 to 10%
(C) Fixed income – corporate	(2) >0 to 10%
(D) Fixed income – securitised	(2) >0 to 10%
(E) Fixed income – private debt	(1) 0%
(F) Private equity	(4) >20 to 30%
(G) Real estate	(2) >0 to 10%
(H) Infrastructure	(2) >0 to 10%
(I) Hedge funds	(1) 0%

# STEWARDSHIP

## STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

	(1) Listed equity - active	(2) Listed equity - passive	(3) Fixed income - active	(4) Fixed income - passive	(5) Private equity
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

  

	(6) Real estate	(7) Infrastructure	(8) Hedge funds	(9) Forestry	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation have direct investments in listed equity across your hedge fund strategies?

- (A) Yes  
 (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

	(1) Listed equity - active	(2) Listed equity - passive
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

	Percentage of your listed equity holdings over which you have the discretion to vote
(A) Listed equity – active	(10) >80 to 90%
(B) Listed equity - passive	(12) 100%

# ESG INCORPORATION

## INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

**For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?**

	(1) Yes, we incorporate ESG factors into our investment decisions	(2) No, we do not incorporate ESG factors into our investment decisions
(A) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - active - quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity - active - fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(E) Fixed income - SSA	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income - corporate	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income - securitised	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income - private debt	<input checked="" type="radio"/>	<input type="radio"/>
(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(T) Forestry	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER SELECTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager selection	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when selecting external investment managers?

	(1) Yes, we incorporate ESG factors when selecting external investment managers	(2) No, we do not incorporate ESG factors when selecting external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Cash, JVs	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER APPOINTMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager appointment	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when appointing external investment managers?

	(1) Yes, we incorporate ESG factors when appointing external investment managers	(2) No, we do not incorporate ESG factors when appointing external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Cash, JVs	<input checked="" type="radio"/>	<input type="radio"/>

## EXTERNAL MANAGER MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	OO 5, OO 5.1	Multiple indicators	PUBLIC	External manager monitoring	1

For each externally managed asset class, does your organisation incorporate ESG factors, to some extent, when monitoring external investment managers?

	(1) Yes, we incorporate ESG factors when monitoring external investment managers	(2) No, we do not incorporate ESG factors when monitoring external investment managers
(A) Listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>
(B) Listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>
(C) Fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>
(D) Fixed income - passive	<input checked="" type="radio"/>	<input type="radio"/>
(E) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
(G) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(H) Hedge funds	<input checked="" type="radio"/>	<input type="radio"/>
(K) Other: Cash, JVs	<input checked="" type="radio"/>	<input type="radio"/>

## ESG IN OTHER ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 15	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG in other asset classes	1

Describe how your organisation incorporates ESG factors into the following asset classes.

Internally managed  
(A) Forestry

In addition to implementing its Deforestation & Ecosystem Conversion Exclusion Policy, AXA IM values forestry and natural capital as an asset class, with a dedicated Natural Capital & Impact investment platform financing directly projects dedicated to the protection, restoration, and sustainable management of natural capital. Managed by AXA IM Alts since 2023, this investment platform applies a rigorous selection process to its assets and forest management partners, as well as thoroughly monitoring the investments on their intended targets and impact. Apart from natural capital, the platform covers environmental impact investments in the realm of resource efficiency and climate resilience, next to projects with social impact<sup>153</sup>. In other asset classes managed by AXA IM Core and Prime, AXA IM aims for an Improved Forest Management (IFM) and biodiversity improvement (i.e., ecosystemic abundance). The IMF of natural forests can result in greater levels of storage of carbon while maintaining wood production over the long term. Some of IFM techniques adopted by AXA IM include:

- Extending harvest cycles to allow trees to grow larger before they are felled, increasing the average carbon stock across a working forest;
- Thinning of competing trees and vegetation to allow trees to grow faster and bigger;
- Managing conservation zones within forests to support ecosystems;
- Keeping the healthiest, most diverse trees of all size classes and harvesting the rest;
- Properly identifying commercial species prior to cutting so that non-commercial trees are not cut down and abandoned. maintaining forests for better resiliency, further explore the biodiversity conservancy role of the forests and educate the wider public on the many roles of the forest, specifically:

Our approach to biodiversity management reinforces our leadership in experimenting with new ways of

- Find the best silvicultural scheme for long lasting reconstitution and biodiversity preservation.
- Measure reconstitution and biodiversity.

of biodiversity loss while offering investors the potential for sustainable financial returns. Under this investment strategy, we invest in companies contributing to the preservation and restoration of ecosystems, such as those contributing to sustainable food and agriculture, resilient infrastructure and responsible production and consumption. By targeting companies that provide scalable innovative solutions that help to protect and preserve biodiversity, the fund fosters pollution reduction, as well as an efficient use of resources, enabling other companies to reduce their biodiversity footprint. We also aim to finance positive contributions for biodiversity through our impact fund range. For instance, our dedicated Biodiversity investment strategy in Listed Equity aims to address the urgent global challenge AXA IM committed €1.2 billion to be engaged in Natural Capital Solutions by 2028.

## Externally managed

### (F) Other

AXA IM Prime is a fully integrated provider of investment solutions across private markets, including private equity, private debt, infrastructure, and hedge funds. It operates within AXA Investment Managers (AXA IM) – sitting alongside the AXA IM Core, AXA IM Alts and AXA IM Select business units. AXA IM Prime aims to implement ESG integration in the whole investment cycle from pre-investment to exit phase/maturity. The process is adapted to the specificities of each investment solution and the type of investment (primaries, secondaries, co-investments), as required <sup>1</sup>.

Sectorial Exclusion Policies: For primary and co-investments, AXA IM Prime will not invest in portfolios which do not comply with AXA IM's sectorial exclusion policies;

2. Minimum ESG criteria: AXA IM Prime will only invest in portfolios whose ability to manage ESG risks and opportunities is demonstrated by membership of the Principles for Responsible Investment (UN PRI), or the existence of an ESG policy, a senior-level oversight of ESG, and an internal or external staff implementing ESG, or by a commitment to build the above-mentioned capabilities within 12 months after the investment;

3.

Scoring of targets' ESG capabilities: AXA IM Prime has developed a proprietary ESG Due Diligence & Monitoring Questionnaire (ESG DDMQ) based on industry best practices and recognized international standards, which allows it to score investment opportunities at both the investment firm and transaction levels for all deal types (primaries, secondaries and co-investments). This ESG score (i) includes minimum requirements, which must be satisfied in order for the investment to be investable by AXA IM Prime (ii) favors strong performers in the overall investment case, and (iii) provides a starting diagnosis for performance monitoring, engagement with third party general partners and future improvements. For secondary investments, a simplified ESG DDMQ is completed pre-investment which does not require a minimum scoring. AXA IM Prime recognizes that the investment/holding phase constitutes an important opportunity for dialogue with third party general partners and managers.

Drawing from the AXA IM engagement policy, AXA IM Prime has put in place a structured approach to ESG monitoring, dialogue and engagement with third party general partners and managers, which are prioritized on a range of criteria. The aim is to contribute to risk management and sustainable value creation during the ownership/holding phase. Monitoring and engagement activities are carried out directly by the investment team in collaboration with the ESG Team as required.

- Annual ESG data collection campaign: an ESG questionnaire is sent to third party general partners and managers to update the ESG scores and to collect ESG KPIs. Meetings may take place with the third party general partners and managers to discuss the reported ESG practices and the KPIs.
- Regular dialogues with third party general partners and managers to track the evolution of ESG practices, provide constructive feedback and discuss the identified key improvement areas, and if relevant, to monitor progress against previously defined objectives.
- Participation to governing bodies of the third party general partners and managers.

AXA IM Prime identifies four priority themes to address during dialogues and engagement: 1.

Climate change, in line with the four pillars of the TCFD recommendations (Governance, Strategy, Risk management, Metrics & Targets);.

2. Diversity and inclusion, aligned with private market organizations' objective to increase the share of women among investment teams, senior management, and Boards;.

3. ESG data quality and availability through the disclosure of comprehensive ESG reporting in line with industry frameworks;.

4. ESG best practices, including becoming a UN PRI signatory, conducting ESG due diligence and engaging with portfolio companies on ESG.

Additional topics may be identified during the ESG due diligence if considered as a material risk and addressed in dialogues and engagement actions.

To leverage the ESG achievements generated or observed during ownership and differentiate from peers, AXA IM Prime will aim to produce, when relevant, an ESG summary at the exit phase:

- encapsulating key ESG data and evolution during ownership;
- showcasing the main ESG achievements; and
- sharing additional untapped ESG levers.

AXA IM Prime strives for communicating as transparently and comprehensively as possible with all its stakeholders on the ESG performance of its funds and products.

All ESG-related reports at a corporate level are publicly available on AXA IM's website.

In addition, AXA IM Prime will make available to its clients, on an ad hoc basis, the ESG report of its funds and products. Information pertaining to the consideration of Principal Adverse Indicators is available on AXA IM's corporate website.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	>10-50%
(B) Thematic alone	0%
(C) Integration alone	0%
(D) Screening and integration	>75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	>0-10%
(H) None	>0-10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1
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**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only

0%

(B) Negative screening only

>50-75%

(C) A combination of screening approaches

>10-50%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PUBLIC	Fixed income	1
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**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

**(1) Fixed income - SSA**

**(2) Fixed income - corporate**

**(3) Fixed income - securitised**

(A) Screening alone

>10-50%

>10-50%

>10-50%

(B) Thematic alone

0%

0%

0%

(C) Integration alone

0%

0%

0%

(D) Screening and integration

>75%

>75%

>50-75%

(E) Thematic and integration

0%

0%

0%

(F) Screening and thematic

0%

0%

0%

(G) All three approaches combined	>0-10%	>0-10%	>0-10%
(H) None	>0-10%	>0-10%	>0-10%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 FI	CORE	OO 17 FI	N/A	PUBLIC	Fixed income	1

What type of screening does your organisation use for your internally managed active fixed income where a screening approach is applied?

	(1) Fixed income - SSA	(2) Fixed income - corporate	(3) Fixed income - securitised
(A) Positive/best-in-class screening only	0%	0%	0%
(B) Negative screening only	>75%	>75%	>75%
(C) A combination of screening approaches	>0-10%	>10-50%	>0-10%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of total AUM that your ESG and/or sustainability-marketed products or funds represent:

>50-75%

- (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

**(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications**

Provide the percentage of total AUM that your labelled and/or certified products and/or funds represent:

>10-50%

(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

**Which ESG/RI certifications or labels do you hold?**

- (A) Commodity type label (e.g. BCI)
- (B) GRESB**
- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM**
- (F) CBI Climate Bonds Standard
- (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- (I) EU Ecolabel
- (J) EU Green Bond Standard
- (K) Febelfin label (Belgium)**
- (L) Finansol
- (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (N) Greenfin label (France)**
- (O) Grüner Pfandbrief
- (P) ICMA Green Bond Principles
- (Q) ICMA Social Bonds Principles
- (R) ICMA Sustainability Bonds Principles
- (S) ICMA Sustainability-linked Bonds Principles
- (T) Kein Verstoß gegen Atomwaffensperrvertrag
- (U) Le label ISR (French government SRI label)**
- (V) Luxflag Climate Finance
- (W) Luxflag Environment
- (X) Luxflag ESG**
- (Y) Luxflag Green Bond
- (Z) Luxflag Microfinance
- (AA) Luxflag Sustainable Insurance Products
- (AB) National stewardship code**

Specify:

UK Stewardship Code (2010 and signatory of the revised UK Stewardship code in 2020) Japan Stewardship Code (2017)

- (AC) Nordic Swan Ecolabel
- (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)

- (AE) People's Bank of China green bond guidelines
  - (AF) RIAA (Australia)
  - (AG) Towards Sustainability label (Belgium)
  - (AH) Other
- Specify:

Label CIES Operating Principles for Impact Investing Independent assurance report

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5.3 FI, OO 11	LE 8, FI 10	PUBLIC	Passive investments	1

What percentage of your total internally managed passive listed equity and/or fixed income passive AUM utilise an ESG index or benchmark?

Percentage of AUM that utilise an ESG index or benchmark

(A) Listed equity - passive	>75%
(B) Fixed income - passive	>10-50%

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 17 FI	FI 15, FI 17	PUBLIC	Thematic bonds	1

What percentage of your total environmental and/or social thematic bonds are labelled by the issuers in accordance with industry-recognised standards?

Percentage of your total environmental and/or social thematic bonds labelled by the issuers

(A) Green or climate bonds	>75%
(B) Social bonds	>0-10%
(C) Sustainability bonds	>0-10%
(D) Sustainability-linked bonds	>0-10%
(E) SDG or SDG-linked bonds	0%

(F) Other >0-10%

(G) Bonds not labelled by the issuer 0%

**(F) Other - Specify:**

Transition Bonds

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

(H) Fixed income – private debt	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(I) Private equity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(J) Real estate	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(K) Infrastructure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(T) External manager selection, appointment and monitoring (SAM) – listed equity - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(U) External manager selection, appointment and monitoring (SAM) – listed equity - passive	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(V) External manager selection, appointment and monitoring (SAM) – fixed income - active	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(W) External manager selection, appointment and monitoring (SAM) – fixed income - passive	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(X) External manager selection, appointment and monitoring (SAM) – private equity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(Z) External manager selection, appointment and monitoring (SAM) – infrastructure	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(AA) External manager selection, appointment and monitoring (SAM) – hedge funds	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

## OTHER ASSET BREAKDOWNS

### PRIVATE EQUITY: SECTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 21	N/A	PUBLIC	Private equity: Sectors	GENERAL

In which sector(s) are your internally managed private equity assets invested?

- (A) Energy
- (B) Materials
- (C) Industrials
- (D) Consumer discretionary
- (E) Consumer staples
- (F) Healthcare
- (G) Financials
- (H) Information technology
- (I) Communication services
- (J) Utilities
- (K) Real estate

### PRIVATE EQUITY: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 21	N/A	PUBLIC	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your internally managed private equity investments by the level of ownership?

- (A) A majority stake (more than 50%)
- (B) A significant minority stake (between 10–50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75%
- (C) A limited minority stake (less than 10%)

## REAL ESTATE: BUILDING TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 21	RE 1, RE 9 - 10	PUBLIC	Real estate: Building type	GENERAL

What is the building type of your physical real estate assets?

- (A) Standing investments
- (B) New construction
- (C) Major renovation

## REAL ESTATE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 25	CORE	OO 21	N/A	PUBLIC	Real estate: Ownership level	GENERAL

What is the percentage breakdown of your physical real estate assets by the level of ownership?

- (A) A majority stake (more than 50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75%
- (B) A significant minority stake (between 10–50%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%
- (C) A limited minority stake (less than 10%)
  - Select from the list:
    - (1) >0 to 10%
    - (2) >10 to 50%

## REAL ESTATE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 26	CORE	OO 21	RE 1, RE 6–8, RE 13	PUBLIC	Real estate: Management type	GENERAL

Who manages your physical real estate assets?

- (A) Direct management by our organisation
- (B) Third-party property managers that our organisation appoints
- (C) Other investors or their third-party property managers
- (D) Tenant(s) with operational control

## INFRASTRUCTURE: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 27	CORE	OO 21	N/A	PUBLIC	Infrastructure: Ownership level	GENERAL

What is the percentage breakdown of your organisation's infrastructure assets by the level of ownership?

- (A) A majority stake (more than 50%)  
 Select from the list:
- (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75%
- (B) A significant minority stake (between 10–50%)  
 Select from the list:
- (1) >0 to 10%
  - (2) >10 to 50%
- (C) A limited minority stake (less than 10%)

## INFRASTRUCTURE: STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 28	CORE	OO 21	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the investment strategy for your infrastructure assets?

- (A) Core  
 (B) Value added  
 (C) Opportunistic  
 (D) Other

## INFRASTRUCTURE: TYPE OF ASSET

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 29	CORE	OO 21	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the asset type of your infrastructure?

- (A) Greenfield  
 (B) Brownfield

## INFRASTRUCTURE: MANAGEMENT TYPE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 21	Multiple, see guidance	PUBLIC	Infrastructure: Management type	GENERAL

### Who manages your infrastructure assets?

- (A) Direct management by our organisation
- (B) Third-party infrastructure operators that our organisation appoints
- (C) Other investors, infrastructure companies or their third-party operators
- (D) Public or government entities or their third-party operators

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

### How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

#### Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

#### Additional context to your response(s): (Voluntary)

AXA IM has been involved in responsible investment for more than 20 years and is actively engaged in progressively incorporating ESG factors into each area of management expertise, as well as in developing a wide range of responsible- and impact-investment products. We believe that ESG factors should not only influence the management of our portfolios across asset classes, sectors, companies, and regions, but also the interests of our clients and other stakeholders. Our investment philosophy is based on the conviction that sustainable development issues are a major concern for the coming years. We believe that combining fundamental 'non-financial factors' with traditional financial criteria will help us build more stable portfolios that perform better over the long term. The non-financial approach has become a necessity in many ways:

- It is instrumental in removing companies and investments from portfolios when they cause exposure to high levels of ESG risk, which would ultimately affect financial performance;
- It focuses on companies and investments that have implemented best practice regarding managing their environmental impacts, governance and social practices, and whose responsible practices leave them better prepared, in our view, to meet the major challenges of the future;
- It may support improved performance by means of active dialogue with companies on managing ESG concerns around investments and limiting our clients' exposure to reputational risk.

AXA IM's RI framework, policies and processes are built to consider both impacts, at varying degrees depending on the level of integration of our products.

Our investment process reflects our core belief that a focus on sustainability can help deliver robust economic and financial performance over the long term. Our RI framework is based on three pillars:

1. ESG quantitative and qualitative research;
2. Normative and sectoral exclusion policies;
3. Stewardship strategy.

Our ESG quantitative and qualitative research helps us understand the materiality of ESG challenges for sectors, companies, and countries. This research feeds into our ESG-integration and exclusion strategies by identifying where assets might be exposed to ESG risks that could have a detrimental and irreversible effect on the performance of our portfolios, as well as on long-term global sustainability.

Our normative and sectoral exclusions define our red lines and send a clear message to companies and, when relevant, to sovereigns on what we consider unacceptable from an ESG perspective. For assets where we remain exposed, we apply our voting and engagement strategies with the objective of supporting issuers in their transition journey. In applying our stewardship strategy, specifically for engagement with objectives, we aim to set out meaningful objectives which are clearly communicated to the management of the issuer through engaging dialogues. We then hold meetings with such issuers to verify and evaluate their progress regarding ESG issues and we vote with conviction or, when required, pursue other escalation techniques. In the case of a severe engagement failure (e.g., where commitments taken investee companies – or progress agreed upon – have not been fulfilled), this process could end in divestment.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

**Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?**

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues

Specify:

tobacco, controversial weapons, soft commodities, ecosystem protection & deforestation, white phosphorus weapons, severe controversies, international norms & standards, low ESG quality, countries where severe violations of human rights are observed

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

**Additional context to your response(s): (Voluntary)**

Additional context to your response(s): Climate change, human rights and other systematic sustainability issues are in first instance addressed through our exclusion policies on climate risks, controversial weapons, ecosystem protection & deforestation, soft commodities, and tobacco, which are applied to the vast majority of our AUMs. They are further tackled through our ESG Standards, which applies to all our RI funds and excludes companies in violation of international norms & standards, companies exposed to severe controversies, and companies with a low ESG quality, white phosphorus weapon producers, and countries with severe human rights violations from investments. We believe that these policies contribute to the management of sustainability risks in two complementary ways. Exclusion policies aim to exclude assets exposed to the most severe sustainability risks identified in the course of our investment decision-making process.

Additionally, the use of ESG scores in the investment decision process enables AXA IM to seek lower sustainability risks and helps us decide whether to focus on assets with an overall better ESG performance or to ascertain a current level of ESG performance of our assets and improve it over time. Complementing these global approaches, AXA IM has also integrated specific sustainability risk assessments within investment processes for those portfolios for which market-based data or ESG scoring methodologies do not exist, such as within specific non-listed asset classes. This framework helps us to ensure that we consider how sustainability impacts the development, performance, or position of a company or an asset, as well as how it materially affects their financial value in a broad sense (financial materiality). It also helps us to assess the external impacts of an asset's operations and activities on ESG factors (ESG materiality). We complement our exclusion approach with providing access to investment teams ESG scoring methodologies at asset class level, as well as to ESG key performance indicators and qualitative research.

We have also developed frameworks to foster impact investing in listed assets covering green, social and sustainability bonds and listed equities and in non-listed assets. This framework is complemented with:

- In-house ESG research on key themes, including climate change, biodiversity, human rights, human capital as well as on corporate governance, which is supported by broker research as well as information from regular meetings with companies, participation to conferences and industry events. This research helps us to better understand the materiality of these ESG challenges on sectors, companies, asset type and countries.
- Internal qualitative ESG and impact analysis at the company-, asset-, and country-level.
- ESG Key Performance Indicators (KPIs): across all main asset classes, investment teams have access to a wide range of extra-financial data and analyses on ESG factors.

More specifically, for traditional asset classes and certain alternative credit ones, a package of E, S, and/or G KPIs including PAI indicators is available in internal front office tools, thereby facilitating the analysis and comprehension of ESG performance at the issuer level. To this end, we leverage our relationship with ESG data providers such as MSCI, S&P Global Trucost, Sustainalytics to enrich the quality of our data and analysis. For some alternatives asset classes related to direct project financing, such as Real Estate, Infrastructure, Funds of funds and Funds of hedge funds, ESG indicators are sought from the underlying investment or asset through due diligence questionnaires and annual reviews, supported by sector specific proprietary ESG scoring methodologies.

• Stewardship strategy : we adopt an active and impactful approach to stewardship (engagement and voting), where we use our weight as a global investment manager to influence the practices of companies, key stakeholders and markets.

In doing so, we strive to reduce investment risk and enhance returns as well as to drive positive impact for our society and the environment. These are key to achieving sustainable long-term value creation for our clients. We engage on several themes including climate change, biodiversity, public health, human rights, human capital, corporate governance. More details can be found in our entity-level SFDR disclosure: <https://www.axa-im.com/important-information/sfdr>.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

- (A) Overall approach to responsible investment**

Add link:

<https://www.axa-im.com/document/7975/view>

- (B) Guidelines on environmental factors**

Add link:

<https://www.axa-im.com/document/7945/view>

- (C) Guidelines on social factors**

Add link:

<https://www.axa-im.com/document/7977/view>

- (D) Guidelines on governance factors**

Add link:

<https://www.axa-im.com/document/7977/view>

- (E) Guidelines on sustainability outcomes**

Add link:

<https://www.axa-im.com/document/7975/view>

- (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.axa-im.com/document/7975/view>

- (G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

<https://www.axa-im.com/document/6851/view>

**(H) Specific guidelines on other systematic sustainability issues**

Add link:

<https://www.axa-im.com/document/7977/view>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.axa-im.com/document/7975/view>

**(J) Guidelines on exclusions**

Add link:

<https://www.axa-im.com/document/7975/view>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

<https://www.axa-im.com/document/7590/view>

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.axa-im.com/document/7959/view>

**(M) Stewardship: Guidelines on overall political engagement**

Add link:

<https://www.axa-im.com/document/7959/view>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.axa-im.com/document/7959/view>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

<https://www.axa-im.com/document/7957/view>

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

**Additional context to your response(s): (Voluntary)**

All guidelines related to responsible investment aspects, including our overall RI policy, our exclusion policies, our Stewardship policies, our ESG Methodologies & Frameworks, our sustainable labels policies, and our reports can be found on <https://www.axa-im.com/responsible-investing/policies>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

- (A) Yes**

Elaborate:

AXA IM has been involved in Responsible Investment (RI) for more than 20 years and believes that being a responsible asset-management company is crucial to our long-term success. We believe that ESG factors can influence, not just the management of investment portfolios across all asset classes, sectors, companies and regions, but also a range of interests affecting clients and other stakeholders. We believe that combining fundamental 'non-financial factors' with traditional financial criteria will help us build more stable portfolios that perform better in the long term and ultimately protect clients in two ways. First, it positions them within companies leading the transition towards a more sustainable economy – a shift that remains underway regardless of political signals. Second, it mitigates the risk of stranded assets, shielding portfolios from industries unlikely to survive in a net-zero future.

Implementing a robust responsible investment strategy aims to prevent exposure of funds to ESG risks, with regular review of the investment's ESG profile, which could ultimately affect the long-term financial performance of portfolios. Alongside of ESG strategies integrated in the investment decision-making process, through our direct dialogues with issuers, notably framed by our stewardship strategy, we continue to support companies in which we invest in their transition journey on sustainability and governance issues that have a material impact on long-term financial performance. Additionally, in selected cases going even further to understand companies' wider impact on people and planet. We are consistent with our fiduciary duty and our commitment to support investee companies in their adoption of robust ESG practices and therefore their financial performance over the long-term.

As a leading actor in the financial services industry, AXA IM believes that integrating Environmental, Social and Governance (ESG) factors into financial decision-making is necessary for multiple reasons:

- It is instrumental in removing investments or underlying assets from portfolios when they cause exposure to high levels of ESG risks, which could ultimately affect financial performance;
- It focuses on investing into assets and companies that have implemented best practices regarding the management of their environmental impacts, social and governance practices, and whose responsible practices leave them better prepared, in our view, to meet the major challenges of the future;
- It supports long-term performance by means of active dialogue with investee companies on managing ESG concerns around investments and limiting our clients' exposure to ESG-related reputational risks, as well as through dialogue with other key stakeholders related to our investment activities to embed them in our ESG strategy (e.g., governments, real estate tenants, general partners).

- o (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- o (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Additional context to your response(s): (Voluntary)

Additional context to your response(s): Engagement is a key pillar of our Responsible Investment strategy in both the traditional and alternative investment space, including Real Estate, Alternative Credit, Natural Capital & Impact and Private Markets & Hedge Funds. Although our engagement process in traditional asset classes is framed by commonly accepted standards and regulations, alternative asset classes operate in fundamentally different ways, and many do not benefit yet from market norms or benchmarks enjoyed by traditional listed assets. However, AXA IM encourages and promotes the development of best engagement practices in those asset classes, aiming at upholding the same principles of transparency when possible. Our publicly available engagement policy addresses multiple elements of stewardship including overall objectives, the process for selecting priorities and issuers to engage with, the organisation of activities and teams related to stewardship, the escalation and collaboration process, and the procedure for handling conflicts of interest.

It also details the engagement approach of specific asset classes.

- Traditional asset classes: Our engagement approach in traditional listed assets focuses on direct dialogue with companies. We have rolled out a clear process for selecting priorities, defining engagement objectives and a system for tracking engagement progress, with a range of possible outcomes and escalation points. This process is applied consistently regardless of the type of asset (equity of fixed income) held in the company, although this may influence the choice of escalation tactics, when relevant. We seek to meet and engage with representatives from all levels of the investee company, depending on what we consider as most appropriate for our engagement objectives as well as on the type of asset class held.

For traditional asset classes, this includes the board, senior management and operational specialists, amongst others. We challenge companies on their environmental, social, and governance policies and practices.

- Alternative asset classes: engagement process in other investment sectors follow the same philosophy, but due to the maturity level and specificities (including a sometime "indirect" positioning) of alternative asset classes, our engagement process may diverge, including with respect to engagement objectives and forms of engagement forms.

- AXA IM Prime: AXA IM Prime aims at creating sustainable value by encouraging and influencing the development of ESG best practices in private markets. Due to its indirect investor positioning, AXA IM Prime's engagement activities are focused on its general partners (GPs), which are prioritized based on a range of criteria including PRIME's level of exposure, relationship with the GP (including governance rights), and the GP's ESG performance against AXA IM Prime priority engagement themes.

- AXA IM Select: as a global multi-manager providing investment management and advisory services, AXA IM Select is in a unique position to influence and direct capital and finance towards positive contributions to environment and society thereby facilitating the transition to a sustainable economy. One of the key approaches to achieve it is via engagement with fund and delegated managers which can help to influence, promote and steer towards better ESG integration and stewardship practices.

For further details, please refer to our Engagement policy published on our website: <https://www.axa-im.com/responsible-investing/policies>.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

**Additional context to your response(s): (Voluntary)**

The principles included in the AXA IM Corporate Governance and Voting policy provide a robust framework for the proper governance of companies. However, in applying these principles, we are cognisant of the fact that companies are dynamic and a "one size fits all" approach is not appropriate. We are committed to exercise this Policy across different portfolios and markets, but Corporate Governance standards can vary from a market to another. Therefore, this policy prescribes general principles, but AXA IM will take into consideration specific circumstances such as geography, company size, market capitalization, number of our holdings, and most importantly the ongoing engagement with the management and directors of the company concerned.

Our approach is based above all on a regular dialogue with the companies we invest in, an understanding of their activities, their sector and the challenges they face. We believe that companies which operate without due regard to the environmental and social impact of their activities are unlikely to deliver sustainable long-term shareholder value, being overly exposed to risk of reputational and regulatory backlash, which could result in fines, higher taxes, or boycotts. A company's management of relevant environmental and social issues is a lead indicator of success or failure. We expect companies to align their policies and practices with the Principles of the UN Global Compact on Human Rights, Labour, Environment and Ethical Behaviour and OECD Guidelines for Multi-National Enterprises.

ESG factors addressed by our policy on (proxy) voting include Company Boards and Directors, Executive Remuneration, Reporting and Audit, Shareholder Rights, Mergers and Acquisitions, Climate and related Transition Plans, Biodiversity, Political Donations & Lobbying, and Tax Transparency. Aligned with AXA IM Climate Risks policy, through our voting activities we urge companies integrate climate-related objectives and considerations in their strategy by notably ask them to commit to a net zero emission strategy, with short-, mid- and long-term carbon emissions reduction targets that are based on climate science, align executive remuneration to climate change objectives as well as integrating the notion of Just Transition. AXA IM can vote against the Management, the Board Chairman, the Audit Committee Chairman, or the appropriate supervisory element of the governance structure in case risk management shortcomings are proven to have occurred or enough commitments are not made to address issues we raise via our thematic engagements.

We welcome regular votes or other means of shareholder communication on the progress against these announced transition strategies, and their regular revision in line with science and investor expectations. Proposed transition plans are analysed carefully to assess their consistency with the company's climate strategy, and disclosures on climate lobbying activities are encouraged to ensure consistency between publicly stated goals and corporate lobbying. On biodiversity, companies, in particular those with a material impact and reliance on biodiversity and natural capital more globally, are encouraged to put in place effective mitigation strategies within relevant timeline and a dissident vote can be casted against Management or the Board if insufficient improvements are identified. Aggressive tax practices pose material financial risks to our portfolios, as a company's profitability dependent on tax savings leads to heightened vulnerability to regulatory changes.

It also increases the litigation and reputational risks weighting on companies. In addition, corporate tax contributions enable governments to generate revenues for essential services, and are thus crucial to financing the Sustainable Development Goals (SDGs) and addressing global inequality. We therefore expect adequate tax disclosure to enable our understanding of the Boards' priorities and risk management. Investee companies should have a detailed tax policy and governance. They should also provide sufficient disclosure on tax arrangements, and we encourage a country-by-country reporting. We are convinced of the need for a diversity of skills, knowledge, experience, gender and nationality amongst the directors on the Board.

We believe that a well-balanced and gender-diverse Board of Directors leads to higher profitability and value creation by overcoming issues of group think and triggering debates and innovation. We signal via our voting on the Nomination Committee Chair, other director-related matters, or any other relevant resolution reservations around the gender diversity level of investee companies' boards. We are also mindful of all aspects of diversity beyond gender.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

<https://www.axa-im.com/document/7957/view>

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

**Additional context to your response(s): (Voluntary)**

AXA IM as lending agent intends to recall all shares, ahead of the record date (where the record date is not backdated) in advance of general meetings to exercise our full voting right for open-ended funds and mandates. Ongoing securities transactions are monitored by the securities lending team.

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment

(B) Guidelines on environmental factors

(C) Guidelines on social factors

(D) Guidelines on governance factors

(6) >90% to <100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

### AUM coverage

(A) Specific guidelines on climate change

(2) for a majority of our AUM

(B) Specific guidelines on human rights

(2) for a majority of our AUM

(C) Specific guidelines on other systematic sustainability issues

(2) for a majority of our AUM

Additional context to your response(s): (Voluntary)

AXA IM uses an approach to sustainability risks derived from the integration of ESG criteria in our research and investment processes in accordance with their SFDR or equivalent classification. We have implemented a framework to integrate sustainability risks in investment decisions, which relies notably on:

- Sectorial and normative exclusions policies covering ESG factors to exclude assets exposed to the most severe sustainability risks identified during our investment decision-making process:

- Environmental: climate (thermal coal mining and thermal coal-based energy production, oil sands production and oil sands-related pipelines, shale and tight oil and gas; arctic oil and gas); biodiversity / ecosystem protection and deforestation (palm oil and derivatives, soy meal, oil and derivatives, cattle products, and timber products) – Social: health (production of tobacco and tobacco-related products); labour, society, and human rights (violations of international norms and standards); controversial weapons manufacturing; white phosphorus weapons producers; exclusion of investments in securities issued by countries where serious violations of human rights are observed; soft commodities (food commodities derivatives) – Governance: business ethics and corruption (severe controversies, violations of international norms and standards)

- Cross-cutting: low ESG score

- Proprietary ESG scoring methodologies:

- On listed assets, we apply ESG scoring methodologies for corporates, sovereigns and on GSSBs.

We use an ESG scoring methodology called Q2 (qualitative and quantitative) which relies primarily on index provider MSCI with some proprietary add-ons that represent the added value of AXA IM's ESG scoring capacity: coverage, fundamental analyses, and instrument-level differentiation. – Specific ESG scoring methodologies have been developed for real assets (i.e., direct real estate property, commercial real estate (CRE) debt, listed real estate platform companies, infrastructure debt and equity), as well as for Alternative credit, Natural Capital & Impact scoring methodologies (i.e., leveraged loans, collateralised loan obligations (CLOs), asset-backed securities (ABS), insurance-linked securities (ILS), synthetic risk transfers (SRTs), mortgages, non-performing loans (NPLs), and our impact investments (in companies, projects and funds).

- On funds of funds or funds of mandates managed by AXA IM Select, ESG scores are assigned at manager and fund levels. Those ESG scores are the result of an ESG due diligence covering four areas: i) policy and governance; ii) ESG integration; iii) engagement and stewardship; and iv) risk and reporting. As part of the policy review, asset managers are screened on their adherence to our sectorial and normative exclusion policies. – On funds of funds managed by AXA IM Prime, ESG scores and adherence to AXA IM's sectorial and normative exclusion policies are assessed through proprietary ESG Due Diligence & Monitoring Questionnaires (DDMQ) at manager and fund level for primary and at manager and company level for co-investments. This approach is applied to all AXA IM Prime expertises (i.e., private markets, including private equity, private debt, infrastructure equity, and hedge funds), as well as direct strategies (general partner level scoring).

A tailored approach applies to secondary investments.

- This framework is complemented by:

- In-house ESG research on key themes including climate change, biodiversity, gender diversity, and human capital as well as on human rights, public health, Just Transition and corporate governance, supported by broker research as well as regular meetings with companies, participation in conferences and industry events. We think this research helps us to better understand the materiality of these ESG challenges for sectors, companies, and countries. – Internal qualitative ESG and impact analysis at company, country and instrument level. For impact-related investments, we have developed a specific Impact Qualitative Analysis frameworks for listed equities and GSSBs.

- ESG KPIs: Investment teams have access to a wide range of extra-financial data and analysis on ESG factors, across asset classes. –

Stewardship strategy: We adopt an active and impactful approach to stewardship (engagement and voting) by using our scale as a global investment manager to influence company and market practices. In doing so, we strive to reduce investment risk and enhance returns as well as driving positive impact for our society and the environment. We believe these are key to achieving sustainable long-term value creation for our clients.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%

(10) >90% to <100%

- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

The philosophy of our engagement policy applies across all asset classes, although certain engagement mechanisms may vary depending on the asset class type. For traditional asset classes, the transversal governance of our engagement activities enables us not to differentiate between equity or bond holdings when conducting engagement with investee companies (although use of specific escalation tactics may differ). The policy applies in principle to all portfolios under AXA IM's management, subject to asset classes specificities described in the policy, including dedicated fund and third-party mandates, unless the client has given different instructions for its mandate.

(B) Fixed income

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

The philosophy of our engagement policy applies across all asset classes, although certain engagement mechanisms may vary depending on the asset class type. For traditional asset classes, the transversal governance of our engagement activities enables us not to differentiate between equity or bond holdings when conducting engagement with investee companies (although use of specific escalation tactics may differ). The policy applies in principle to all portfolios under AXA IM's management, subject to asset classes specificities described in the policy, including dedicated fund and third-party mandates, unless the client has given different instructions for its mandate.

(C) Private equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(D) Real estate

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

The philosophy of our engagement policy applies across all asset classes, although certain engagement mechanisms may vary depending on the asset class type. For traditional asset classes, the transversal governance of our engagement activities enables us not to differentiate between equity or bond holdings when conducting engagement with investee companies (although use of specific escalation tactics may differ). The policy applies in principle to all portfolios under AXA IM's management, subject to asset classes specificities described in the policy, including dedicated fund and third-party mandates, unless the client has given different instructions for its mandate.

(E) Infrastructure

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(F) Hedge funds

(G) Forestry

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%

(11) 100%

(I) Other

**Additional context to your response(s): (Voluntary)**

Our engagement policy summarizes our main guidelines related to stewardship, including for listed equity and debt, real estate equity, impact investments also related to forestry and farmland, alternative credit, private equity (hedge funds), and funds of funds and delegated funds. Our policy is available on our website: <https://www.axa-im.com/responsible-investing/policies>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%

- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

Some of AXA IM clients have not delegated the exercise of their voting rights to AXA IM. Then, among those that did, some of them are requesting AXA IM to vote in accordance of their own voting preferences. During 2024, AXA IM voted on a total of 54,550 proposals at 4,929 meetings. 96% of those meetings voted at were in accordance with AXA IM's Corporate Governance & Voting Policy, representing 51,787 proposals voted at 4,718 meetings, and 87% of our equity assets under management (AuM).

**(B) Passively managed listed equity**

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent**
- (B) Senior executive-level staff, or equivalent**

Specify:

The Sustainability Strategic Committee reports directly to the Management Board and is in charge of developing AXA IM's RI strategy and steering its implementation. The committee also discusses issues that have been escalated from other, more specific RI committees, such as the ESG Monitoring and Engagement committee in charge of reviewing ESG risks and opportunities and engagement activities.

- (C) Investment committee, or equivalent**

Specify:

Investment platform representatives take part in the responsible investment steering committees of our four Business Units, AXA IM Core, AXA IM Alts, AXA IM Prime, and AXA IM Select, in which the responsible investment issues of their respective asset classes are discussed.

- (D) Head of department, or equivalent**

Specify department:

Heads of each AXA IM's Business Units endorse their BU's RI Strategy. The Sustainability Strategic Committee includes senior-level RI staff from each of AXA IM's four business units (AXA IM Core, AXA IM Alts, AXA IM Prime, and AXA IM Select). Each of these four business units also has their own RI Steering Committee in which RI issues specific to their asset classes and operations are discussed

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment

### **Additional context to your response(s): (Voluntary)**

AXA IM's RI governance structure was lastly reviewed in Autumn 2023, notably as part of the integration of the two new AXA IM business lines Prime and Select. The new organisation allows AXA IM to:

- redefine and strengthen its RI Strategy across its activities, covering both traditional and alternative asset classes;
- improve collaboration and synergies between our various business units and better consider specificities of each asset class;
- ensure alignment with our own operations and practices through joint work with the CR team.

The governance structure helps AXA IM to ensure its integration of sustainability risks into investment decisions is sufficiently robust and transparent for all its clients and external stakeholders.

AXA IM Board of Directors (At least five times a year): Validates key components of AXA IM RI strategy at AXA IM Group level and regulation directly or through the sub-committees of the Board (Audit and Risk Committee / Remuneration and Nomination Committee), including entity-level sustainability regulatory reports and entity-wide commitments.

AXA IM Management Board (Monthly): Validates AXA IM RI strategy as well as changes to RI policies (exclusion, voting, engagement), AXA IM-wide commitment, and sustainability regulatory reporting at the entity-level.

AXA IM Sustainability Strategic Committee (Monthly):

- Proposes AXA IM's RI strategy and monitors its delivery, including RI policies, AXA IM-wide commitments, and investment components of the Monitor and ESG-linked remuneration.
- Validates:

=> Material quantitative methodologies (e.g.

ESG scoring, SFDR SI, carbon footprint) and the choice of material ESG data providers, => RI product frameworks with a regulatory lens, => Shareholder Engagement priorities (themes, focus-list including climate laggards), => Positions on material sustainable finance consultations.

- Consulted on BUs RI product strategy from a business perspective.
- In those contexts, it considers how AXA IM and AXA Group Sustainability strategies interact.

AXA IM ESG Scoring and Quant Methodologies Committee (Bi-monthly):

- Validates methodologies for less material quantitative methodologies, business specifications for ESG metrics, and the regular refresh of ESG scores and SFDR SI datasets.
- Reviews annually the quality of service of ESG data providers.

AXA IM Corporate Governance Committee (Three times a year):

- Proposes AXA IM's corporate governance and voting policy.
- Validates voting decisions on selected resolutions (for accounts which follow AXA IM's policy).

AXA IM ESG Monitoring & Engagement Committee (Monthly):

- Validates ban-lists updates.
- Validates ESG-scores and SFDR Sustainable Investments qualitative adjustments.
- Reviews progress on engagement activities.

Business Units RI steering Committees (At least quarterly):

- Validates BUs RI product strategy from a business perspective.
- Recommends the RI product framework with a regulatory lens, as well as quantitative methodologies and metrics.
- Consulted on other relevant topics ahead of the SSC.

RI Program steering committee (Every 6 weeks):

- Monitors progress of RI-related projects with an operational focus.

Global Risk Committee (Weekly):

- Consulted on the RI product framework and exclusion policies with an operational lens.
- Informed on entity-level regulatory reporting.

Corporate Responsibility Strategic committee (Quarterly):

- Monitors progress on AXA IM's Corporate Responsibility roadmap and co-build commitments and actions for the future
- Discuss deployment of Corporate Responsibility policies and initiatives.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(L) Stewardship: Guidelines on engagement with other key stakeholders	☑	☑
(M) Stewardship: Guidelines on (proxy) voting	☑	☑
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

Describe how you do this:

The Stewardship policy of AXA IM, including on public policy engagement with policymakers and within industry groups sustainability-related advocacy work, is the responsibility of the Sustainability Strategic Committee. The main elements of our public policy engagement as also listed below are captured by our publicly disclosed engagement policy, which is updated yearly, validated by the Sustainability Strategic Committee. The aim of this our advocacy work, aligned with AXA IM overall sustainability strategy, is to support the development of robust and usable policies to accelerate the transition to a more sustainable world, ensuring sufficient interoperability at global level, and stability to allow for an effective implementation, as well asand sufficient consistency between what is done on sustainable finance and real economy policy. Regarding collaborative initiatives, we adopt a selective approach to decide which ones we will participate to or support, focusing on topics and groups where we believe our involvement will have a material impact.

We play a proactive role in several industry initiatives and assume leadership roles in certain cases to increase our impact, including in the Institutional Investors Group on Climate Change and EU Platform on Sustainable Finance. We typically favor collaborative engagement over individual engagement when (i) the level of maturity of the engagement theme is still nascent, in which case we tend to engage collaboratively with likeminded peers to work on the definition and development of common standards and assessment frameworks, (ii) when there is a need to escalate a stalling individual engagement, in which case we can opt to join forces with other investors to bring additional weight to our requests, or (iii) when we can leverage on the specific expertise and access of a local initiative, allowing us to deepen our knowledge of certain market specificities or to get access to smaller companies that might be more receptive to local associations and investors. In 2024, AXA IM's advocacy efforts have focused on:

- Enhancing sustainability-related disclosures from investee companies.

As investors, we have been supportive of the development of sustainability-related regulations and initiatives which will enhance quality, consistency, and comparability of information reported by investee companies. This is critical for an effective integration of ESG into investment decisions, including to assess the credibility of transition plans from investees.

- Enhancing disclosures and clarifying production categorization requirements applicable to asset managers. To foster capital flows to sustainability products and help asset managers to further embed ESG consideration across the investment value chain, our advocacy efforts have focused on addressing the current shortcomings of the SFDR within the European sustainable finance ecosystem, supporting a smooth implementation of the UK SDR and advocating for well-functioning sustainability-related labels.

- Supporting a well functioning invested stewardship ecosystem by addressing barriers to investor stewardship and supporting a greater understanding from different stakeholders, as well as preserving good governance practices and shareholders' rights to support competitiveness.

(B) No

(C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

**(A) Internal role(s)**

Specify:

AXA IM's Board of Directors validates key components of AXA IM RI strategy at AXA IM Group level and regulation directly or through the sub-committees of the Board. Then, the Sustainability Strategic Committee (SSC) proposes AXA IM's RI strategy and monitors its delivery. Additional Committees are in charge of the implementation of specific components of the RI strategy: ESG Monitoring & Engagement Committee, Corporate Governance Committee and Business Units Steering Committee.

(B) External investment managers, service providers, or other external partners or suppliers

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

**Additional context to your response(s): (Voluntary)**

AXA IM's Board of Directors validates key components of AXA IM RI strategy at AXA IM Group level and regulation directly or through the sub-committees of the Board (Audit and Risk Committee / Remuneration and Nomination Committee), including entity-level sustainability regulatory reports and entity-wide commitments. AXA IM's Management Board validates AXA IM RI strategy as well as changes to RI policies (exclusion, voting, engagement), AXA IM-wide commitment, and sustainability regulatory reporting at the entity-level. Then, the Sustainability Strategic Committee (SSC) proposes AXA IM's RI strategy and monitors its delivery, including RI policies, AXA IM-wide commitments, and investment components of the Monitor and ESG-linked remuneration, and validates methodologies, RI product framework, shareholder engagement priorities and positions on material sustainable finance consultations. The SSC is also consulted on Bus RI product strategy from a business perspective.

In addition to the Sustainability Strategic Committee, the following Committees oversee the implementation of the AXA IM RI strategy:

- AXA IM ESG Scoring and Quant Methodologies Committee validates methodologies for less material quantitative methodologies, business specifications for ESG metrics, and the regular refresh of ESG scores and SFDR SI datasets. It also reviews annually the quality of service of ESG data providers.
- AXA IM ESG Monitoring & Engagement Committee validates ban-list updates, ESG Scores and SFDR Sustainable Investments qualitative adjustments and reviews progress on engagement activities
- AXA IM Corporate Governance Committee proposes AXA IM's corporate governance and voting policy and validates voting decisions on selected resolutions (for accounts which follow AXA IM's policy)
- Business Units RI steering Committee validates the BUS RI product strategy from a business perspective, recommends the RI product framework with a regulatory lens, as well as quantitative methodologies and metrics and is consulted on other relevant topics ahead of the Sustainability Strategic Committee.
- AXA IM RI Program Steering Committee monitors progress of RI-related projects with an operational focus.
- AXA IM Global Risk Committee is consulted on the RI product framework and exclusion policies with an operational lens and is informed on entity-level reporting.
- AXA IM Corporate Responsibility Strategic Committee monitors progress on AXA IM's Corporate Responsibility roadmap and co-build commitments and actions for the future.

It also discusses deployment of corporate responsibility policies and initiatives An overview of our RI Governance is available in our TCFD-Article 29 Report: <https://www.axa-im.com/responsible-investing/policies>.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

The AXA IM Remuneration Policy sets out principles related to remuneration, which accounts for AXA IM's business strategy, objectives, risk tolerance, and the long-term interests of AXA IM clients, shareholders, and employees. It also seeks to ensure sound and effective risk management and behaviour which is consistent with the risk profile, strategy, objectives, and values of the managed portfolios. Since 2018, all heads of investment platforms at AXA IM have had ESG objectives included in the target letters they cascade to the relevant teams in their department. Since January 2021, individual and collective objectives for investment teams have also included elements related to the sustainability risk framework as well as updated investment processes which include the monitoring of these risks.

Thus, the individual level of the variable portion will depend on the achievement of individual qualitative and quantitative objectives, as well as collective performance criteria. Variable remuneration must account for appropriate qualitative criteria, such as sound and effective risk management (including regulatory compliance) and client service which delivers fair, high-quality outcomes. As AXA IM variable pay is potentially composed of cash and deferred variable pay, since 2023, the deferred part of the variable pay is indexed to an ESG performance index, aligned with AXA IM's net zero targets and AXA IM For Progress Monitor. Alongside other criteria, the following ESG metrics are included according to the employee's business area and remit:

- The weighted average carbon intensity (WACI) to reach the target of 25% reduction in carbon intensity for corporate portfolio by 2025: for the ESG part of the deferred compensation, this metric accounts for 75% for AXA IM Core and 37.5% for transversal functions employees in scope.
  - An assets under management (AUM) target for 50% of the real estate portfolio to be aligned to the CRREM trajectories by 2025: for the ESG part of the deferred compensation, this metric accounts for 75% for AXA IM Alts and 37.5% of transversal functions employees in scope.
  - The reduction of the corporate operational CO2 footprint, to reach the interim target to reduce it by 26% by 2025: for the ESG part of the deferred compensation, this metric accounts for 25% for all AXA IM Core, AXA IM Alts and transversal functions employees in scope
- ESG criteria are also integrated in the AXA Performance Shares valuation, for example with assessment of the carbon footprint of AXA IM's General Account assets or of the proportion of women within the Group's executive population. The importance of equity and gender equality is also emphasised in the Remuneration Policy. AXA IM aims to reward equal performance, free from discrimination or in terms of irrelevant personal factors such as age, nationality, ethnic origin, gender, sexual orientation, gender identity or expression, religion, marital status, or disability. Lastly, since 2023 every employee at AXA IM must share an individual ESG development goal on which they agree to work on during the coming year. This aims to create awareness amongst AXA IM employees and embed within them a sense of responsibility. For example, real estate equity asset management teams are assigned individual ESG objectives with targeting data collection coverage, asset certification and decarbonization measures.

- o (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

- (A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicate whether these responsible investment KPIs are linked to compensation

- (1) KPIs are linked to compensation
  - o (2) KPIs are not linked to compensation as these roles do not have variable compensation
  - o (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

Since 2018, all heads of investment platforms at AXA IM have had ESG objectives included in the target letters they cascade to the relevant teams in their department. Since January 2021, individual and collective objectives for investment teams have also included elements related to the sustainability risk framework as well as updated investment processes which include the monitoring of these risks. Thus, the individual level of the variable portion will depend on the achievement of individual qualitative and quantitative objectives, as well as collective performance criteria. Variable remuneration must account for appropriate qualitative criteria, such as sound and effective risk management (including regulatory compliance) and client service which delivers fair, high-quality outcomes. As AXA IM variable pay is potentially composed of cash and deferred variable pay, since 2023, the deferred part of the variable pay is indexed to an ESG performance index, aligned with AXA IM's net zero targets and AXA IM For Progress Monitor. <https://www.axa-im.com/important-information/remuneration-policy>

- o (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?**

	(1) Board members, trustees or equivalent	(2) Senior executive-level staff, investment committee, head of department or equivalent
(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>	<input type="radio"/>

**Additional context to your response(s): (Voluntary)**

Our employees are regularly trained on ESG and RI through internal and external training. AXA IM provides its employees with a dedicated learning journey consisting of internally available ESG and RI courses. Since 2023, each employee has also been required to undertake a personal ESG development goal. AXA IM's ESG offering notably includes the following:

- On climate change, our flagship AXA Group-wide 'AXA Climate Academy' programme, launched in October 2021, with the aim of supporting our collective effort to mitigate the effects of climate change. Over several hours, employees learn why climate matters increasingly to our clients, the main risks associated with climate change, the impact along the value chain for insurance and investment companies, as well as how they can contribute to reducing the carbon footprint of the AXA Group through professional and personal practices. Since 2023, AXA IM has built on the AXA Climate Academy programme from the AXA Climate School, which helps employees to understand how sustainability impacts their jobs through role-specific content. At the end of 2024, 99% of AXA IM employees have been certified under the AXA Climate Academy programme. Our employees also benefit from a comprehensive curriculum provided by the AXA Climate School, which encompasses climate science, its practical applications, biodiversity, and soon, ocean studies, and other online climate-related courses (e.g., Inequalities and Climate Change, The Collapse of Biodiversity) are also proposed to all employees;
- AXA IM ESG Academy was launched in 2020 to increase access to ESG upskilling for all employees. In the same year, the major analysts' associations launched ESG certifications, including an ESG Certificate from the Chartered Financial Analyst ("CFA") Institute as well as a Certified ESG Analyst programme from the European Federation of Financial Analysts Societies, with 90 completions at end of 2024 (c. 3% of AXA IM's total workforce). AXA IM provides widespread access to this external training and certification for its staff, with a particular focus on the participation of the Core investment and Core client group teams. This upskilling journey has been accelerated by live sessions, delivered in partnership with external training companies, as well as by encouraging investment, research and sales professionals to make progress towards achieving major industry qualifications, including the newly introduced CFA Certificate in Climate Investing;
- A foundational real estate dedicated ESG training, launched in 2022 and developed uniquely for AXA IM by the training provider Hillbreak, a 3-hour course aims at developing the knowledge and understanding of this increasingly dynamic, rapidly evolving and critical agenda for real estate investment.

In 2024, 311 employees completed the foundational real estate ESG course (c. 11% of AXA IM's total workforce);

- In addition, RI teams organise regular training on ESG issues for AXA IM staff. These sessions cover sustainable regulations and AXA IM's RI strategy (e.g. net zero commitment and methodologies, scoring methodologies, engagement and voting activities), e.g., on the EU Sustainable Finance Framework (SFDR) with 163 completions at end of 2024 (c. 6% of AXA IM's total workforce).

- Additionally, the ESG Development team hosts regular 'AXA IM Sustainability Talks' webinars.

These sessions aim to enhance awareness across the company on ESG-related risks and opportunities, while facilitating knowledge sharing on the progress of business units on ESG topics. Overall, from 2020 to 2025, 98% of employees have engaged in at least one RI online course between 2020 and 2025, and 891 employees participated in at least one live instructor-led course delivered by external providers or co-delivered with internal RI experts, representing 31% of AXA IM's total workforce (excluding participation in the AXA Climate Academy). Our employees have also access on-demand to many other ESG & sustainability training tailored for the asset management industry.

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?**

- (A) Any changes in policies related to responsible investment
- (B) Any changes in governance or oversight related to responsible investment
- (C) Stewardship-related commitments
- (D) Progress towards stewardship-related commitments
- (E) Climate-related commitments
- (F) Progress towards climate-related commitments
- (G) Human rights-related commitments
- (H) Progress towards human rights-related commitments
- (I) Commitments to other systematic sustainability issues
- (J) Progress towards commitments on other systematic sustainability issues
- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

**Additional context to your response(s): (Voluntary)**

Facing a rapidly evolving regulatory environment and dynamic market context, we believe it is even more crucial to listen to our clients' responsible investment needs and communicate clearly on the ESG performance of our funds. In 2024 we continued to evolve our sustainable fund offering, including the expansion of our exchange-traded funds (ETFs) range to four Paris Aligned Benchmark ETF funds and the launch of a Carbon Transition Global Short Duration Bond Fund, an actively managed global fund aiming to enhance cash returns whilst committing to an explicit decarbonisation objective. New launches aside, we adapted our RI fund offering to new regulatory and sustainable labels developments, including by implementing the new ISR and Towards Sustainability guidelines on our labelled funds, preparing the first batch of funds to the ESMA fund naming guidelines, and considering the application of the Sustainable Disclosure Regime for several UK-domiciled funds. To cover our clients' needs for a more comprehensive and enriched ESG reporting, we have implemented several improvements to our fund-level RI reports.

AXA IM's ESG Report includes a wide range of ESG KPIs, including climate and biodiversity-related metrics in line with recommendations from the TCFD and French Article 29 of the Law Energy Climate requirements. A specific impact report, a version of our ESG report enriched with quantitative indicators and qualitative impact information is produced for our listed impact offering. The reports aim to provide transparency on a range of metrics, a selection of which may be specifically embedded in the investment process as described in the regulatory documentation when applicable. Engagement and voting reports have been deployed across our range of funds integrating ESG factors and with a sustainable or impact strategy for several years now, taking into account the regulatory guidance for publishing these documents on our public fund centre and offering evolutions in the content to our clients throughout the year.

To provide our clients with greater transparency on our stewardship activities, the 2024 enhancement of our fund level engagement report includes a new page dedicated to qualitative engagement case studies on portfolio holdings, which details the engagement objectives and themes addressed with the issuer and provides an overview on the current stage. On the voting side, AXA IM has started to progressively deploy an enhanced version of its fund level voting report which include additional metrics on the level of voting activity within the specific region, in line with the new Label ISR guidelines. Aside from providing fund-level information, we are motivated to educate our clients on broader RI topics and continue to share our insights. This starts in the first place with the publication of our RI research papers and other ESG-related information on our website and LinkedIn, but also includes more dedicated efforts such as a series of training workshops for consultants and pension fund clients and prospects on nature and biodiversity.

Lastly, we conducted an AXA IM Select ESG Client Survey in October 2023, based on the views of 12,000 consumers in 12 markets across the UK, Europe, and Asia. Finally, at AXA IM level, annual reports are available on our website, complemented with policies and methodologies:

- Annual Stewardship Report providing annual updates on the implementation of our engagement and voting policies with concrete examples and quantitative indicators;
- Annual Sustainability Report and Annual TCFD and Article 29 of the French Energy Climate Law Report which aim to provide an overview on the implementation of the AXA IM sustainability strategy with key updates on progresses made over the past year with a particular focus on climate and biodiversity. Indicators aggregated on investments are also included;
- 2023 PRI Report;
- RI Policies (incl. exclusion, engagement, corporate governance & voting);
- RI methodologies (incl. ESG scoring, SFDR Sustainable Investment approaches, etc.);
- SFDR entity level reports (incl. PAI Statements).

We are committed to providing transparency and regular reporting on active ownership, both internally and externally. AXA IM's RI activities are published and available publicly. Our full voting records (<https://vds.issgovernance.com/vds/#/Mj14MQ==/>) are accessible publicly and detail how we voted at companies general meetings on our clients' behalf.

The AXA IM for Progress Monitor, launch in early 2023, provide a set of metrics selected due to their material contribution towards AXA IM's ambition of becoming a leading responsible asset manager. AXA IM for Progress Monitor brings together a selection of existing metrics in a simple and transparent way, to better communicate and showcase our journey to net zero.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?**

- (A) Yes, including governance-related recommended disclosures
  - (B) Yes, including strategy-related recommended disclosures
  - (C) Yes, including risk management-related recommended disclosures
  - (D) Yes, including applicable metrics and targets-related recommended disclosures
  - (E) None of the above
- Add link(s):

<https://www.axa-im.com/document/7005/view>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

<https://www.axa-im.com/important-information/sfdr>

**(B) Disclosures against the European Union's Taxonomy**

Link to example of public disclosures

<https://www.axa-im.com/document/7005/view>

(C) Disclosures against the CFA's ESG Disclosures Standard

**(D) Disclosures against other international standards, frameworks or regulations**

Specify:

The UK Stewardship Code, Japanese Stewardship Code

Link to example of public disclosures

<https://www.axa-im.com/document/6851/view>

**(E) Disclosures against other international standards, frameworks or regulations**

Specify:

Task Force on Climate-Related Financial Disclosures (TCFD), Article 29 of the French Energy and Climate Law (Loi Energie Climat)

Link to example of public disclosures

<https://www.axa-im.com/document/7005/view>

**(F) Disclosures against other international standards, frameworks or regulations**

Specify:

Financial Conduct Authority's Environmental, Social, and Governance Sourcebook

Link to example of public disclosures

<https://www.axa-im.co.uk/document/4382/view>

(G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

**(A) Yes, we publicly disclosed all of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement**

Add link(s):

<https://www.axa-im.com/document/6851/view>

- (B) Yes, we publicly disclosed some of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (D) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

# STRATEGY

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### Which elements do your organisation-level exclusions cover?

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

### How does your responsible investment approach influence your strategic asset allocation process?

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - (1) for all of our AUM subject to strategic asset allocation
    - (2) for a majority of our AUM subject to strategic asset allocation
    - (3) for a minority of our AUM subject to strategic asset allocation
- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - (1) for all of our AUM subject to strategic asset allocation
    - (2) for a majority of our AUM subject to strategic asset allocation
    - (3) for a minority of our AUM subject to strategic asset allocation
- (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - (1) for all of our AUM subject to strategic asset allocation
    - (2) for a majority of our AUM subject to strategic asset allocation
    - (3) for a minority of our AUM subject to strategic asset allocation
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
  - Select from dropdown list:
    - (1) for all of our AUM subject to strategic asset allocation
    - (2) for a majority of our AUM subject to strategic asset allocation
    - (3) for a minority of our AUM subject to strategic asset allocation

### Specify: (Voluntary)

Controversial weapons and white phosphorus weapons, ecosystem protection and deforestation, soft commodities, tobacco, international norms and standards (related not only to human rights but also to society, labour, and environment), severe ESG controversies, and overall ESG performance.

- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

### Additional context to your response(s): (Voluntary)

ESG factors are in first instance integrated in the investment process through the application of AXA IM's RI Sectorial exclusion policy, covering the exclusion of Climate risks, Controversial weapons, Ecosystem protection & deforestation, Soft commodities, and Tobacco, and AXA IM's ESG Standards, covering violations of international norms and standards, severe controversies, white phosphorous weapons producers, companies with an ESG score below 1.43 (on a scale of 0 to 10), and countries with severe human rights violations. They are furthermore integrated through the application of our Stewardship policy, as part of which we engage with issuers on key ESG topics including climate change mitigation and adaptation, biodiversity & natural capital, human capital, public health, human rights, responsible technology, business ethics, corporate governance, SDG contribution, integrity and quality of Green, Social, and Sustainability-linked bonds, and Responsible Investment practices, with the aim of improving our issuers' practices on these matters. Lastly, through our RI Front Office tool, Investment teams have access to a wide range of extra-financial data and analysis on ESG factors across asset classes.

More than 70 Environmental, Social and Governance KPIs are integrated in our Front Office tool, including carbon intensity, % of independent directors, employee turnover, and water intensity. At AXA IM we rely on 15 ESG third party data providers (such as MSCI, Sustainalytics, ISS-ESG, S&P, Iceberg Data Lab, and Urgewald) to enable our fund managers to:

- Assess the extra-financial risk of their investments
- Filter out issuers from the investment universe
- Measure a security performance on ESG indicators
- Integrate new factors of performance and stock picking into investment process
- Take commitments at fund level on ESG KPIs (outperformance, reduction of the investment universe)
- Have access to RI internal and external research.

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity      (2) Fixed income      (3) Private equity      (4) Real estate

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



**(5) Infrastructure****(6) Hedge funds****(7) Forestry**

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

**Additional context to your response(s): (Voluntary)**

Engagement is a key pillar of our Responsible Investment strategy in both the traditional and alternative investment space, including Real Estate, Alternative Credit, Natural Capital & Impact and Private Markets & Hedge Funds. Although our engagement process in traditional asset classes is framed by commonly accepted standards and regulations, alternative asset classes operate in fundamentally different ways, and many do not benefit yet from market norms or benchmarks enjoyed by traditional listed assets. However, AXA IM encourages and promotes the development of best engagement practices in those asset classes, aiming at upholding the same principles of transparency when possible. By considering sustainability factors throughout the investment process, we aim to create sustainable investment outcomes for our clients, which could in turn contribute to broader societal and economic benefits over the long-term.

An important way to achieve it involves investor engagement, which can be defined as a process based on regular and constructive dialogue where investors seek to influence investee companies' practices with the aim of preserving or enhancing long-term value on behalf of their beneficiaries. Investor engagement also enables a better understanding of companies' management of sustainability risks, contributing to a more comprehensive assessment of the company's risk profile, hence to effective investment decision making. Our publicly available engagement policy addresses multiple elements of stewardship including overall objectives, the process for selecting priorities and issuers to engage with, the organisation of activities and teams related to stewardship, the escalation and collaboration process, and the procedure for handling conflicts of interest. It also details the engagement approach of specific asset classes.

- Traditional asset classes: Our engagement approach in traditional listed assets focuses on direct dialogue with companies.

We have rolled out a clear process for selecting priorities, defining engagement objectives and a system for tracking engagement progress, with a range of possible outcomes and escalation points. This process is applied consistently regardless of the type of asset (equity of fixed income) held in the company, although this may influence the choice of escalation tactics, when relevant. We seek to meet and engage with representatives from all levels of the investee company, depending on what we consider as most appropriate for our engagement objectives as well as on the type of asset class held. For traditional asset classes, this includes the board, senior management and operational specialists, amongst others. We challenge companies on their environmental, social, and governance policies and practices.

- Alternative asset classes: engagement process in other investment sectors follow the same philosophy, but due to the maturity level and specificities (including a sometime “indirect” positioning) of alternative asset classes, our engagement process may diverge, including with respect to engagement objectives and forms of engagement forms.

- AXA IM Prime: AXA IM Prime aims at creating sustainable value by encouraging and influencing the development of ESG best practices in private markets.

Due to its indirect investor positioning, AXA IM Prime’s engagement activities are focused on its general partners (GPs), which are prioritized based on a range of criteria including PRIME’s level of exposure, relationship with the GP (including governance rights), and the GP’s ESG performance against AXA IM Prime priority engagement themes.

- AXA IM Select: as a global multi-manager providing investment management and advisory services, AXA IM Select is in a unique position to influence and direct capital and finance towards positive contributions to environment and society thereby facilitating the transition to a sustainable economy. One of the key approaches to achieve it is via engagement with fund and delegated managers which can help to influence, promote and steer towards better ESG integration and stewardship practices.

For further details, please refer to our Engagement policy published on our website: <https://www.axa-im.com/responsible-investing/policies>.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

For traditional asset classes, we seek to engage companies across various sustainability themes, which are prioritized by AXA IM based on:

- AXA IM’s overarching RI strategy and commitments, including our commitment to become Net Zero by 2050, leveraging shareholder engagement as a key mechanism to support real-world decarbonisation in that perspective.
- our observation of global market developments and emerging ESG practices: the Responsible Investment Research Team, with thematic expertise on biodiversity, climate change, human rights etc. defines RI research themes that will then feed engagement and stewardship strategies.
- The feedback we get from clients on their ESG priorities.
- Inputs from various business units, including via formal approval from the Sustainability Strategic Committee.

For other asset classes, engagements are prioritized depending on the engagement objectives of that specific asset class.

- For our Real Estate Equity funds, engagements are aimed at proactively supporting tenants in embedding ESG considerations in their use of building facilities.

- On natural capital & impact, the engagements aim to align investments with applicable AXA IM RI policies, ESG regulation, standards and norms such as the International Finance Corporation’s Environmental and Social Performance Standards, the Environmental, Health and Safety Guidelines of the World Bank and the International Labour Organization

- AXA IM aims to leverage in its size as one of the largest European investors in Collateralized Loan Obligation (‘CLO’) to promote responsible investment practices.

AXA IM will typically stir CLO Managers towards higher standards in terms of ESG, both in their day-to-day corporate management as well as in their investment philosophy

- AXA IM Prime aims at creating sustainable value by encouraging and influencing the development of ESG best practices in private markets. Due to its indirect investor positioning, AXA IM Prime’s engagement activities are focused on its general partners (GPs), which are prioritized based on a range of criteria including Prime’s level of exposure, relationship with the GP (including governance rights), and the GP’s ESG performance against Prime priority engagement themes. These include:

- o Climate change, in line with the TCFD recommendations.
- o Diversity and inclusion, aligned with private market organizations’ objective to increase the share of women among investment teams, senior management, and Boards.

- o ESG data quality and availability, through the disclosure of comprehensive reporting in line with industry reporting frameworks.
  - o ESG best practices, including becoming a UN PRI Signatory, conducting ESG due diligence and engaging with portfolio companies on ESG. Prime also aims to engage with a wider range of stakeholders, including shareholders, clients, policy makers, and service providers
  - As a global multi-manager providing investment management and advisory services, AXA IM Select is in a unique position to influence and direct capital and finance towards positive contributions to environment and society thereby facilitating the transition to a sustainable economy. One of the key approaches to achieve it is via engagement with fund and delegated managers which can help to influence, promote and steer towards better ESG integration and stewardship practices.
- We prioritize the following areas:
- o Net zero and carbon footprint
  - Social issues, including board gender diversity and human rights violations
  - o Governance issues, including artificial intelligence.
  - o RI Governance, Policies and Processes, including ESG practices (e.g. UN PRI signatory status)
  - o Alignment with AXA sectorial and normative exclusions
- Next to engagement held at the asset-level, AXA IM also conducts engagements on specific themes, covering a wide universe of companies in any relevant market, sector, or asset class. For these engagements, we prioritize engagements on the following themes:
- Climate change mitigation and adaptation in line with the goals of the Paris Agreement
  - Biodiversity & natural capital
  - Human capital
  - Public health (incl. anti-microbial resistance)
  - Human rights included in the International Bill of Human Rights and the ILO's labour standards
  - Responsible technology
  - Business ethics
  - Corporate governance with a focus on board effectiveness, executive pay and shareholder rights
  - Controversies and breaches of international norms such as the 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
  - Contributions to various SDGs, through products & services or operations
  - Integrity and quality of the Green, Social and Sustainability-linked Bond market
  - Responsible investment practices
  - Engagement with policy makers and industry groups.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- o (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- o (C) Other
- o (D) We do not join collaborative stewardship efforts

**Additional context to your response(s): (Voluntary)**

Much of our engagement is based solely on our own efforts, but we also believe that collaborating with other likeminded investors and stakeholders can help us to achieve our goals. In most cases, we think collaborative initiatives should serve to bolster and not replace individual engagement. This explains our decision to use a combination of the two. We adopt a selective approach to decide which collaborative initiatives we will participate to or support, focusing on topics and groups where we believe our involvement will have a material impact. We play a proactive role in several industry initiatives and assume leadership roles in certain cases to increase our impact, as highlighted in Appendix II.

Collaborative engagement can typically be favoured over individual engagement in situations where:

- The level of maturity of the engagement theme is still nascent: in this case, we tend to favour engaging collaboratively with likeminded peers to work on the definition and development of common standards and assessment frameworks. When meeting with corporates, collaborating with other investors will help increasing awareness of companies on the materiality of such issue for investors.
- There is a need to escalate a stalling individual engagement: when a company is not being responsive to our engagement demands, joining forces with other investors will bring additional weight to our requests – potentially maximising the likelihood of response from the company.
- We can leverage on the specific expertise and access of a local initiative: because sustainability practices are highly dependent on the specific legal framework applicable to the company, joining a local initiative will enable us to deepen our knowledge of certain market specificities.

It will also help getting access to smaller companies that may be more receptive to local associations and investors. Main collaborative engagements include:

- The Climate Action 100+ coalition engages and works with companies and industry members to communicate the need for greater disclosure around climate change risk and company strategies aligned with the Paris Agreement. AXA IM is signatory since 2018 and is lead investor engager with Renault, Ecopetrol and Saudi Aramco

- The Nature Action 100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. The initiative engages companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030. The initiative's Secretariat and Corporate Engagement working group is co-led by Ceres and the Institutional Investors Group on Climate Change (IIGCC), and the initiative's Technical Advisory Group is co-led by the Finance for Biodiversity Foundation and Planet Tracker.

AXA IM was originally a member of the launching investor group and is currently a member of the steering group. AXA IM is lead investor engager with BHP Group Ltd and Walmart Inc

- Coordinated by the ChemSec, the Investor Initiative on Hazardous Chemical (IIHC) reduces the adverse impacts of hazardous chemicals and thereby its members' exposure to the financial risks to which they are linked. The members engage in ongoing dialogues with the world's largest publicly traded chemical companies. AXA IM is a member of the initiative since 2023 and is the lead investor engager of 3M Co, BASF SE, Chemours, Dow Inc. and Sherwin-Williams.

- 30% Club France and Japan Investor Groups coordinate the investment community's approach to gender diversity, in particular to explain the investment case for more diverse boards and senior management teams.

They motivate members to exercise their ownership rights, including voting and engagement, to effect change on company boards and within senior management teams. They also encourage all investors to engage on the issue of gender diversity with chairs of boards and senior management teams. AXA IM was a founding member of the 30% Cub France Group and is the lead investor engager of SPIE SA and REXEL and of 12 Japanese companies including Itochu, Resonac, J Front and Shiseido.

- ShareAction's Good Work Coalition helps investors to collaborate collectively, engaging with companies to promote good work standards including the living wage, tackling insecure work and action on diversity and inclusion. AXA IM participates to engagements with Next, Greggs, Ocado, Marks & Spencer and Currys.

- Eumedion represents the interests of institutional investors in the field of corporate governance and sustainability.

They promote good corporate governance and sustainability policies at Dutch listed companies, as well as engaged and responsible shareholdership by its members. AXA IM is a member of the initiative since 2014 and participates on the engagement with Aegon.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

As explained in our reply to question PGS 24, much of our engagement is based on our own efforts, but we also believe that collaborating with other likeminded investors and stakeholders can help us to achieve our goals. Examples of collaborative engagement we believed bolstered our individual engagement include:

- Engagement with Iberdrola, as part of the Investors for a Just Transition coalition for which AXA IM is a lead investor. Through our involvement with this coalition, we aim to raise companies' awareness of the need to consider the impact of their transition strategy on their workers and contribute to the development of common frameworks for investors to engage on the just transition theme. The coalition decided to focus on four sectors – Energy, Construction, Agriculture, and Transport. AXA IM leads the energy sector group and has been engaging with Iberdrola on Just Transition since 2023.

Since then, we have met four times (two times bilaterally, and two times via the coalition), either with the head of Sustainability or the person in charge of human rights and stakeholder engagement. During our various meetings, the company was able to share with us concrete examples of success and difficulties encountered in the transition journey, giving examples of successful upskilling and reskilling programs such as the one implemented following the closure of the company's last coal power plant – with the company reallocating a significant part of its employees to a new solar panel plant. This dialogue with Iberdrola helped to define best practices and fed into the coalition's work to define of an analytical framework, based on 16 indicators around transparency in Just Transition strategy planning, stakeholder involvement, upskilling, and consumers. Each company targeted by the coalition is then scored according to its level of maturity on each of these indicators to assess its preparedness.

The grid of analysis, along with a set of recommendations, was published in 2024.5 Ultimately, it could become a common framework for investors to structure and deepen engagement on Just Transition. As the topic is still nascent, we are learning both from academics and from companies. Iberdrola can be considered as one of the pioneers given its level of advancement in the energy transition.

- Engagement with Procter & Gamble, as part of an ad-hoc coalition. AXA IM started engaging Procter & Gamble on forestry-related issues in October 2022, initially on an individual basis. The engagement originally centred around strengthening the company's zero-deforestation commitment and improving disclosure on deforestation free volumes.

However, in 2023 the focus shifted to a related issue, forest degradation, following Procter & Gamble's policy update in which references to 'forest degradation' no longer appeared. Although the company conveyed that commitment remained unchanged, we voted against selected board members at the 2023 AGM to convey our dissatisfaction on the direction forestry practices appeared to be taking when greater stringency across the industry was desired. As new studies raised concerns about the degradation of Canada's boreal forest due to industry practices and in response to the ambiguity around the company's practices and disclosure, we decided to further escalate and engage the company together with other investors. Our first collaborative engagement was held in March 2024, and did not adequately reassure us that Procter & Gamble was addressing impacts stemming from its pulp sourcing in Canada's boreal forest to the best of its abilities and with sufficient transparency and disclosure.

In that context, the investor group decided to file a shareholder proposal at Procter & Gamble's 2024 AGM, asking the company to enhance disclosures in relation to its existing efforts to mitigate risks to biodiversity and forest resilience. This led to a formal agreement (<https://www.greencentury.com/procter-gamble-commits-to-enhanced-disclosures-regarding-sourcing-from-boreal-forests-in-canada/>) being reached with the company to withdraw the resolution in exchange for a set of actions including: (i) providing more information on an on-going basis on how Procter & Gamble protects biodiversity and prevents deforestation and forest degradation within its pulp supply chain; (ii) renewing its investment in the development of alternative fibers ; and (iii) increasing disclosure of its advocacy and lobbying efforts related to robust forest management in Canadian forests. This agreement should help investors better understand how Procter & Gamble is managing the risks associated with sourcing from the Canada's boreal forests. Together with the investor group, we now aim to pursue the dialogue with Procter & Gamble and closely monitor the company's efforts through enhanced disclosures.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

- (A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**  
Select from the list:  
 1
- (B) External investment managers, third-party operators and/or external property managers, if applicable**  
Select from the list:  
 5
- (C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**  
Select from the list:  
 4
- (D) Informal or unstructured collaborations with investors or other entities**  
Select from the list:  
 3
- (E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**  
Select from the list:  
 2
- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

### How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Progresses on engagement activities are reviewed by the ESG Monitoring & Engagement Committee, attended by representatives of business units as well as members of the RI Center, and also facilitates coordination between various stakeholders in the implementation of the engagement strategy. The link between our stewardship activities and investment decision making is further reinforced through the number of teams, both from our dedicated Responsible Investment Centre as from AXA IM's Business Units, that are involved in and responsible for our engagement activities. Engagement and dialogue are often conducted in collaboration with various teams, providing both strategic and technical views of the company's practices but also demonstrating AXA IM integrated stewardship approach, enabling information gained during engagement to be shared with investment teams. Teams generally involved include:

- Within the RI centre:
  - o The Responsible Investment Research team responsible for thematic research and engagement with a focus on climate, biodiversity, human rights, human capital & diversity, compliance with international norms and standards, as well as data privacy.
  - o The Corporate Governance Research team responsible for corporate governance-related engagement, proxy voting and AGM-related escalation, and for proposing updates to the engagement policy. Together with the RI Coordination team, they are also responsible for the on-going monitoring of engagement governance and policy implementation.
- Within AXA IM Core:
  - o Credit research
  - o Sustainability analysts
  - o Portfolio managers may also be involved in ESG-related dialogue with investee companies.
- The ESG & Impact Research
- Within AXA IM Alts:
  - o The Real Estate Responsible Investing team which coordinates a network of ESG leads and ESG experts within the Asset Management team, who are in charge of the operational deployment of our ESG strategy within Real estate assets.
  - o A dedicated Impact Investing team servicing the Natural capital & Impact and Alternative Credit business lines.
- Within AXA IM Prime:
  - o The ESG Team who leads the ESG approach and integration at AXA IM Prime and works closely with AXA IM's ESG Champions responsible for promoting the implementation of AXA IM Prime's ESG strategy into each investment teams' daily work. The Head of GP Coverage also contributes to identifying priority general partners to engage with.
  - o Fund managers identify ESG related engagement opportunities and are involved in ESG-related dialogue with general partners.
- Within AXA IM Select: The Responsible Investment Lead, reporting to the CIO, as well as sector specialists involved in ESG Due Diligence of managers Within the investment teams, the analysts and portfolio managers are empowered to engage companies on ESG issues in a similar fashion as for financial issues.

This includes ESG analysts, impact investment analysts, and stock and credit analysts. Many of the engagement meetings are conducted in collaboration with RI experts from research, corporate governance, ESG, and Impact teams, and the information gained during engagements is shared with the investment team. On the corporate governance and voting side, our policy derives from our strongly held belief that company management, directors and investors all have critical yet unique roles to play in sustaining the health of financial markets and ensuring the efficient allocation of capital. The effective governance of individual corporations by directors and the attentiveness of institutional investors, as the primary owners of public companies, are required to produce sustainable performance that serves the best interests of all marketplace stakeholders. Accordingly, we believe that delivering long-term financial returns requires effective consideration of all value drivers, including sustainability factors, in the assessment of our investments' risk/return profile. The link between our stewardship activities and investment decision making is not only reinforced by the philosophy of our dedicated policy, but also by our oversight over corporate governance and voting policy matters.

The Corporate Governance and Voting policy is revised annually and validated by the Corporate Governance Committee and by the Sustainability Strategic Committee and validated by AXA IM Management Board, all of which include representatives of investment platforms. The Corporate Governance Committee is furthermore charged with upholding good standards of corporate governance in investee companies. The Corporate Governance Committee is co-chaired by the Chief Investment Officer of AXA IM Paris and the Head of AXA IM Group Research. The Committee comprises representatives of Investment teams, who bring their investment perspectives to the Committee's deliberations, as well as representatives from Responsible Investment teams, and is organised by the Corporate Governance team part of our RI centre.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**If relevant, provide any further details on your organisation's overall stewardship strategy.**

At AXA IM, our purpose is to act for human progress by investing for what matters. Responsible allocation and oversight of capital is therefore a key pillar of our corporate purpose. By considering sustainability factors throughout the investment process, we aim to create sustainable investment outcomes for our clients, which could in turn lead to broader societal and economic benefits over the long term. An important way to achieve this involves investor engagement, which can be defined as a process based on constructive dialogue where investors seek to influence investee companies' practices with the aim of preserving or enhancing long-term value on behalf of their beneficiaries. Investor engagement also enables a better understanding of companies' management of sustainability risks, contributing to a more comprehensive assessment of the company's risk profile, and to potentially more effective investment decision making.

We engage in several ways:

- We are proactive: We strive to engage companies before concerns materialise and potentially harm investors. We focus our efforts on ESG issues which we consider to be the most strategically and financially material for long-term investors. These include climate change, biodiversity, human capital management, data privacy, and corporate governance.
- We are research-driven: As a truly active investment manager, we conduct in-depth analysis of companies and the broader macroeconomic backdrop and incorporate ESG factors which shape investment outcomes. Our engagement and voting are built on the knowledge and insights we have developed.
- We are an industry leader: Taking a bold stance on difficult issues and committing resources to delivering engagement outcomes helps us reach our goals for clients and society in the long term.

We also seek to work collaboratively with other investors to achieve shared objectives.

- We are responsive and alert: Although our core engagement approach is to be proactive, we recognise that there are cases where major controversies occur, or international norms are breached. Such norms include the United Nations (UN) Global Compact – a set of principles based on corporate commitments to implement sustainability principles, the UN Guiding Principles on Business (UNGPs) and Human Rights and OECD Guidelines for Multinational Enterprises. In these instances, we will assess the severity of the cases through our ESG Monitoring and Engagement Committee and consider whether to engage on a reactive basis or make other decisions such as to divest.
- We create impact: Investors can drive impact in their investment activities by pressing for change at corporations – influencing the way they behave and do business in selected cases, in line with the double-materiality lens promoted by the European Union (EU) as part of its Green Deal.

We focus our engagement on where we believe it can have the greatest impact and in a number of instances consider how it can align with the UN Sustainable Development Goals (SDGs). AXA IM's engagement principles are woven through the fabric of all asset classes, although engagement mechanisms used may vary depending on the asset type:

- For traditional assets (listed equity and debt) managed by AXA IM Core, strategic ESG risks are identified and discussed with investee companies during Sustainability Dialogues and Engagement with Objectives, with the goal to avoid their materialisation. For equity and multi-asset funds, voting at annual general meetings (AGMs) is used as an additional lever.

- AXA IM Alts manages a range of alternative assets including real assets, natural capital and impact finance, and alternative credit.

Engagements are held with tenants, property managers, borrowers, and/ or investee companies (real assets), investee companies and/or project developers (natural capital and impact finance), and companies, sponsors, and banks (alternative credit).

Despite these differences, engagements are often fed by ESG-related questionnaires or internal research supplemented by on-site visits where needed.

- Private equity, private debt, infrastructure, and hedge funds managed by AXA IM Prime are engaged through their third-party managers by tracking their ESG practices and raising potential issues through dialogue.
- AXA IM Select focuses its engagement on two main groups: fund managers and clients with the goal of creating long-term value while keeping sustainability risks and opportunities central. Since 2025, the AXA IM Corporate Governance & Voting policy applies to AXA IM Select funds of mandates, with the AXA IM Corporate Governance team being in charge of casting the votes.

The ultimate responsibility for stewardship lies at AXA IM board level, which validates regular updates to AXA IM Corporate Governance & Voting policy and AXA IM engagement policy.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

**(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases
- (D) We do not review external service providers' voting recommendations
- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

**(A) We recall all securities for voting on all ballot items**

- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

**Additional context to your response(s): (Voluntary)**

Stock lending aids market liquidity and allows clients to maximise revenues from their holdings and is a technique used by AXA Investment Managers. However, the attendant transfer of voting rights along with the lent shares means that additional scrutiny is required to ensure that lent shares are not put to purposes that are detrimental to the long-term interests of the shareowner. Shares will not be lent where the objective of such activities is to vote at general meetings. AXA IM as lending agent intends to recall all shares, ahead of the record date (where the record date is not backdated) in advance of general meetings to exercise our full voting right for open-ended funds and mandates. Ongoing securities transactions are monitored by the securities lending team.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

**Additional context to your response(s): (Voluntary)**

We do consider supporting ESG shareholder proposals as an effective way to express our ESG-related concerns and expectations to targeted companies. In 2024, we supported 61.5% of these proposals, excluding 'traditional' corporate governance proposals (e.g., voto di lista linked resolutions in Italy) and anti-ESG shareholder proposals from our calculations. AXA IM follows a tailored approach to voting on shareholder resolutions, as we seek to carefully examine each proposal on its own merits. We believe that it does not always make sense to support such shareholder resolutions if they are not well targeted for the company in question or if they fail to acknowledge efforts and commitments in progress, or in slightly different forms. We have a clear stewardship approach which frames how we decide whether to support ESG resolutions. The main reason not to support a shareholder resolution is when the most material requests of the proponents are already disclosed by the company.

Moreover, we have witnessed a growing number of proposals with a higher degree of prescriptiveness. In some cases these may interfere with the board's responsibilities, not be in the best interests of shareholders, or even have an unwanted impact on society (e.g., a climate-related resolution requesting a drastic shift in the company without considering the broader societal impact of the energy transition). Other common reasons not to support a specific shareholder resolution are when we feel the demands are more appropriately addressed via supporting another shareholder resolution on the ballot, or when we decide to oppose a management-related resolution instead. In specific cases, we may support a shareholder proposal which does not fully match our expectations, or which may be considered as prescriptive when the underlying objective is aligned with our main environmental or social concern in order to send a signal to the company when we were dissatisfied with its current policies or practices.

We acknowledge the increasing scrutiny from various stakeholders on our voting decisions for these types of proposals but believe the intrinsic binary nature of the vote does not always fit an issue which may not be black or white. Therefore, and as we strive to provide the highest level of transparency to all our stakeholders, we started disclosing in 2024, the rationale for all our votes against ESG-related shareholder proposals. Moreover, we believe focusing solely on this type of resolution to reflect an investor's stance on ESG issues is too restrictive. Indeed, voting on an ESG shareholder resolution will intrinsically be linked to the company's market and shareholder base, and will not necessarily result in real world impact (especially as the vast majority of shareholder proposals, filed in the U.S., are only advisory). Therefore, we seek to integrate specific environmental or social concerns into more traditional standalone items, leading to 395 votes in 2024 against director re-election, discharge, auditors or accounts, as well as 523 votes against executive pay over ESG-related concerns.

Supporting a shareholder resolution: next steps Most ESG shareholder proposals are filed in the U.S., where they are only advisory – meaning that majority-adopted resolutions will not necessarily be implemented. Moreover, the capital structures of some companies (such as those with super voting rights granted to the company's founder and chief executive) may act as a barrier to the adoption of shareholder proposals, despite majority support from minority shareholders. Therefore, to ensure our votes on shareholder proposals are effectively followed through, and that boards remain accountable and responsive to their shareholders' concerns, we may decide to oppose directors' re-election at the following AGM. In that respect, we opposed for instance the re-election of the Governance Committee chair at the 2024 AGM of a company that failed to implement a governance-related shareholder proposal that received over 60% support in 2023.

The sharp rise in anti-ESG proposals witnessed in the U.S. since the 2022 season is indicative of the increased polarisation around ESG. In 2024 globally, it is estimated that anti-ESG resolutions increased by 19% compared to 2023, representing 11% of total shareholder proposals filed in the U.S.<sup>36</sup> Although support for these resolutions remains marginal (1.9% on average in 2024),<sup>37</sup> the number of filers and resolutions is rising, with anti-ESG filers adopting tactics to make such resolutions difficult to identify. As in previous years, we also had the opportunity in 2024 to express our views on the sustainability strategy of investee companies via dedicated management-sponsored resolutions, such as so-called 'Say on Climate' resolutions (or their resulting progress reports). Yet, the drop in the number of such resolutions continued in 2024 More details in our Stewardship report: <https://www.axa-im.com/document/6851/view>.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

**Additional context to your response(s): (Voluntary)**

At AXA IM, we pre-declared some of our voting intention on the PRI Resolution Database platform. We believe that publicly disclosing our vote intention ahead of the company's AGM can spur an engagement when it does not progress smoothly. In 2024, we continued to pursue our climate laggards engagement initiative that we announced in 2021 and initiated in 2022. We held meetings with each of the companies identified as laggards, which would generally include the company's head of sustainability (or equivalent). For each of the companies in which we hold an equity stake and are eligible to vote, we communicated before their AGMs our voting intentions linked to the climate-related concerns raised in our engagements. We also publicly disclosed our voting intentions ahead of the AGM of four of them.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

- (A) Yes, for all (proxy) votes  
Add link(s):  
<https://vds.issgovernance.com/vds/#/Mjl4MQ==/>
- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

**Additional context to your response(s): (Voluntary)**

All our voting records are accessible on the ISS platform: <https://vds.issgovernance.com/vds/#/Mjl4MQ==/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

**Additional context to your response(s): (Voluntary)**

We use the ISS platform to disclose our full voting records. It details how we voted at companies general meetings on our clients' behalf and is accessible to publicly. This platform is updated at least on a quarterly basis: <https://vds.issgovernance.com/vds/#/Mjl4MQ==/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale	(1) for all votes	(2) for a majority of votes
(B) Yes, we privately communicated the rationale to the company	(3) for a minority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	<input type="radio"/>	<input type="radio"/>
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

<https://vds.issgovernance.com/vds/#/Mjl4MQ==/>

**Additional context to your response(s): (Voluntary)**

At AXA IM, we pre-declared some of our voting intention on the PRI Resolution Database platform. We believe that publicly disclosing our vote intention ahead of the company's AGM can spur an engagement when it does not progress smoothly. In 2024, we continued to pursue our climate laggards engagement initiative that we announced in 2021 and initiated in 2022. We held meetings with each of the companies identified as laggards, which would generally include the company's head of sustainability (or equivalent). For each of the companies in which we hold an equity stake and are eligible to vote, we communicated before their AGMs our voting intentions linked to the climate-related concerns raised in our engagements. We also publicly disclosed our voting intentions ahead of the AGM of four of them. We use the ISS platform to disclose our full voting records. It details how we voted at companies general meetings on our clients' behalf and is accessible to publicly. This platform is updated at least on a quarterly basis: <https://vds.issgovernance.com/vds/#/Mjl4MQ==/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

With regards to proxy voting specifically, AXA IM makes use of the services of ISS for processing votes. In that respect, the Operations Third Party Management team has implemented a systematic 12-month cycle of due diligence. This process, in three phases – sending a questionnaire, assessing responses, and on-site visit – aims to ensure that the voting chain and processing of voting instructions works correctly. In addition, the team receives weekly reporting from ISS on rejected votes with the underlying rationale.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

**For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

### (1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one

(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal

(C) Publicly engaging the entity, e.g. signing an open letter

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

(F) Divesting

(G) Litigation

(H) Other

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

#### (H) Other - (1) Listed equity - Specify:

Targeting more senior input, voting against resolutions at AGMs, going public, co-filing shareholder resolutions, and downgrading the company's ESG rating.

#### Additional context to your response(s): (Voluntary)

In our Stewardship report we provide examples of escalations: <https://www.axa-im.com/document/6851/view>

- In relation to Human Rights, we targeted senior input by communicating our concerns (linked to a conflicted director member of a Board committee tasked with human rights oversight) directly to the Lead Director of a company in the construction & engineering industry due to lack of willingness of the company's operational teams to consider our concerns.

- AXA IM also collaborated with other investors to publicly ask a question at the company's AGM linked to its human rights due diligence policies. Indeed no satisfactory response to our previous engagements, and no response to our meeting request with a C-suite executive motivated this actions. We leveraged on French legal framework re. right to ask written question.

- Also, in 2024, we voted against the sustainability report to raise concerns on the company's deforestation policy.

The objective was to maintain pressure following an agreement to withdraw a shareholder proposal asking the company to strengthen its zero deforestation goal. To do so, we leveraged on Swiss legal framework (mandatory annual vote on sustainability reports).

- With a Canadian financial company, we publicly disclosed our intention to vote against the re[e]lection of the Board Chair ahead of the AGM due to concerns on the company's fossil fuel financing policies.

- To signal our concerns on the company's climate strategy ahead of the 2024 AGM, we co-filed a shareholder proposal and a public statement explaining the rationale behind this decision.

- Following recurring and structural concerns of business ethics and fraud, we have downgraded the ESG rating of a US company in the chemical sector, which resulted in its exclusion from ESG-integrated portfolios.

a related issue, forest degradation, following Procter & Gamble's policy update in which references to 'forest degradation' no longer appeared. Although the company conveyed that commitment remained unchanged, we voted against selected board members at the 2023 AGM to convey our dissatisfaction on the direction forestry practices appeared to be taking when greater stringency across the industry was desired.

As new studies raised concerns about the degradation of Canada's boreal forest due to industry practices and in response to the ambiguity around the company's practices and disclosure, we decided to further escalate and engage the company together with other investors. Our first collaborative engagement was held in March 2024, and did not adequately reassure us that Procter & Gamble was addressing impacts stemming from its pulp sourcing in Canada's boreal forest to the best of its abilities and with sufficient transparency and disclosure. In that context, the investor group decided to file a shareholder proposal at Procter & Gamble's 2024 AGM, asking the company to enhance disclosures in relation to its existing efforts to mitigate risks to biodiversity and forest resilience.

This led to a formal agreement being reached with the company to withdraw the resolution in exchange for a set of actions including: (i) providing more information on an on-going basis on how Procter & Gamble protects biodiversity and prevents deforestation and forest degradation within its pulp supply chain; (ii) renewing its investment in the development of alternative fibers ; and (iii) increasing disclosure of its advocacy and lobbying efforts related to robust forest management in Canadian forests. This agreement should help investors better understand how Procter & Gamble is managing the risks associated with sourcing from the Canada's boreal forests. Together with the investor group, we now aim to pursue the dialogue with Procter & Gamble and closely monitor the company's efforts through enhanced disclosures.

<https://www.greencentury.com/procter-gamble-commits-to-enhanced-disclosures-regarding-sourcing-from-boreal-forests-in-canada/> Procter & Gamble: AXA IM started engaging Procter & Gamble on forestry-related issues in October 2022, initially on an individual basis.

The engagement originally centered around strengthening the company's zero-deforestation commitment and improving disclosure on deforestation free volumes. However, in 2023 the focus shifted to.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other

Specify:

Targeting more senior input, voting against resolutions at AGMs, going public, co-filing shareholder resolutions, and downgrading the company's ESG rating.

- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

## Additional context to your response(s): (Voluntary)

Engagement does not always progress smoothly, and responses given by companies can be unsatisfactory or slow. It is therefore crucial in such cases to escalate the issue to keep the process moving and continue to make progress towards our objective. Here again, there are multiple options available for escalation:

- Targeting more senior input: We may seek to move the discussion up the corporate chain, ultimately through to chief executive/chair level.
- Collaborating with other investors: Working with other investors can send a unified message to formal industry groups or ad-hoc associations.
- Voting against resolutions at AGMs: For equity holdings, we use voting against specific resolutions as a mechanism to escalate engagement concerns.
- Going public, either by publicly disclosing our vote intentions ahead of the company's AGM, asking a question at the AGM, or releasing a public statement to detail our concerns, in cases we are also invested in company's equities
- Co-filing shareholder resolutions: For equity holdings, we may also consider co-filing a resolution on specific ESG issues, in cases we are also invested in company's equities.
- Downgrading the company's ESG rating: This could then lead to reducing exposure or fully divesting from certain funds.
- Divestment: We consider the threat of full or partial divestment as a means of putting pressure on companies to change their practices.

In the most severe cases, we may divest when we deem that no material change can occur. The use of a specific escalation technique may vary depending on various factors, such as the severity of the concerns raised during engagement, the degree of responsiveness of the company, but also the market where the company operates, and the type of asset held. For example, we may be more prompt to file or co-file a resolution at companies based in the U.S., Canada, or the U.K. compared to other markets, considering the applicable filing requirements. In other markets, we may prefer to use other rights available to us, such as raising questions at general meetings. Please refer to the Escalation Tactics table in our 2024 Stewardship report for further details: <https://www.axa-im.com/responsible-investing/policies>.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

### Describe your approach to escalation for your SSA and/or private debt fixed income assets.

(A) SSA - Approach to escalation

N/A - no escalation with this type of issuer

(B) Private debt - Approach to escalation

N/A - no escalation with this type of issuer

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

### Additional context to your response(s): (Voluntary)

Involvement with policymakers and industry groups is a key part of our active ownership and stewardship strategy. As the Sustainable Finance regulatory agenda intensifies, we work with regulatory authorities and policymakers to support the development of robust and usable policies to accelerate the transition to a more sustainable world. We advocate for sufficient interoperability at global level, stability to allow for an effective implementation, as well as sufficient consistency between what is done on sustainable finance and real economy policy. In particular, our public engagement work is mainly focusing on: • Promoting the importance of the long-term nature of asset managers' role and the specificity of the asset management activities.

- Ensuring the regulatory framework under development promotes effective comparability, transparency and robustness in the ESG approaches developed by the financial sector.
- Advocating for relevant and comparable sustainability-related information to become available for a broader scope of issuers.
- Ensuring the protection of our key shareholder rights to maximize effectiveness of our stewardship ability.
- Promoting the adoption of strong sustainability and corporate governance standards.

We do this by directly submitting our views to public policy makers and political institutions, including via direct meetings, responding to public consultations, and providing technical input via government- or regulator-backed working groups or advisory committees.

In addition, AXA IM is an active member of several industry initiatives – at global and local levels – which pursue the same objective. We adopt a selective approach when deciding which initiative we will participate in or support, focusing on topics and groups where we believe our involvement will have a material impact. For instance, AXA IM was a member of the EU Platform on Sustainable Finance until April 2025, and is co-chair of the IIGCC policy steering group. A complete list AXA IM membership to industry groups, think tanks, or similar bodies that conduct political engagement is available in our Stewardship Report, which is updated annually <https://www.axa-im.com/responsible-investing/policies>.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?**

- (A) We participated in 'sign-on' letters
- (B) We responded to policy consultations
- (C) We provided technical input via government- or regulator-backed working groups

Describe:

AXA IM is an active member of several industry initiatives – at global and local levels – which pursue the same objective. A complete list AXA IM membership to industry groups, or similar bodies that conduct political engagement is available in our Stewardship Report, which is updated annually <https://www.axa-im.com/responsible-investing/policies>. For instance, as a member of the Governance Commission of the AFG, we actively contributed to the Commission's engagement of the French government in the context of the enactment of the "Loi Attractivité", which enabled, among other things, the possibility for newly Initial Public Offering (IPO) companies to introduce multiple voting rights. Multiple voting rights, by granting beneficiaries (most often the company's founders or management teams) disproportionate influence over AGM outcomes, may reduce companies' accountability towards its minority shareholders.

**(D) We engaged policy makers on our own initiative**

Describe:

We regularly engage with policymakers on our own initiative by directly submitting our views to public policy makers and political institutions, including via direct meetings, responding to public consultations, and providing technical input via working groups or advisory committees. As such, we have recently engaged directly with policymakers and supervisors to share our expectations on the EU ESG Ratings regulation proposal.

(E) Other methods

**Additional context to your response(s): (Voluntary)**

In 2024, our policy advocacy efforts have focused primarily on helping to identify solutions to improve these policies' usability and help them deliver their intended objectives. Please find below some examples of our advocacy efforts:

- Tackling complexity and usability issues in the EU Taxonomy and CSRD Through on engagement with policy makers, we conveyed the message to make the EU Taxonomy "simpler" for all stakeholders across the Sustainable Finance value chain by looking for ways to address the lack of clarity in regulatory guidance, simplifying some of the metrics to make them more useful for decision making and reducing the number of data points by focusing on the most meaningful ones while preserving the integrity of the framework. Through this work, we also emphasized the need for an improved consistency and articulation across the different regulations including the EU Taxonomy, sustainable finance Disclosure Regulation (SFDR), CSRD and Markets In Financial Instruments Directive (MIFID) ESG preferences.

Echoing this focus, we contributed to the collaborative investor statement on the Omnibus released early 2025

([https://www.iigcc.org/hubfs/POLICY/IIGCC%20PRI%20Eurosif\\_Joint%20Statement%20on%20Proposed%20Omnibus%20Legislation\\_040225%20FINAL.pdf](https://www.iigcc.org/hubfs/POLICY/IIGCC%20PRI%20Eurosif_Joint%20Statement%20on%20Proposed%20Omnibus%20Legislation_040225%20FINAL.pdf)).

- Supporting the development of interoperable, robust sustainability standards beyond the EU We also for a sufficient interoperability between sustainability standards like the ISSB and those from the EU, as well as for robust implementation mechanisms supported by capacity building via our participation to the ISSB Investor Advisory Group.

- Enhancing the quality of ESG data Over the past years, we have been actively participating within industry groups as well as directly engaging with policymakers and supervisors to share our expectations on the EU ESG ratings regulation proposal, as well as a U.K. working group set up by the FCA supporting a Code of Conduct for ESG ratings and ESG data providers.

We highlighted issues in terms of the robustness and transparency of the ESG datasets that are distributed, which can complicate their use when producing regulatory disclosures (e.g. PAI statements related to SFDR), or when they are considered in investment decisions (e.g. in relation to the Taxonomy Regulation). When doing so, we recommended that the principles enunciated by the International Organization of Securities Commissions (IOSCO) should be followed.

- Addressing the current shortcomings of the SFDR within the European sustainable finance ecosystem We pushed for further clarification of concepts, including the definition of sustainable investments, and encouraged a further simplification of and proportionality in the disclosure of templates, acknowledging that SFDR templates are complex to prepare and to understand, and might not have had the intended effect in terms of facilitating end-investors' understanding.

Our advocacy efforts on SFDR have taken place within the EU Platform on Sustainable Finance as well as within various industry groups.

There have also been individual engagements with the European Commission and selected local supervisory authorities.

- Supporting a smooth implementation of the UK SDR, , sharing key observations and challenges we were encountering

- Advocating for well-functioning sustainability-related labels We feel the labels should avoid too much complexity and costs for the end clients, and first and foremost should facilitate clients' understanding. Finally, we advocated in favour of usable criteria and rules adapted to the objectives targeted by the labels, as the new rules came into place with some implementation challenges. In the longer term, we will continue to call for an effective articulation of other sustainable finance regulations (e.g.

SFDR PAI and the EU Taxonomy), which we consider could ultimately, replace local labelling regimes, if properly functioning.

- Addressing barriers to investor stewardship and supporting a greater understanding from different stakeholders Since 2022, we have highlighted these obstacles in our contribution to calls for evidence and Impact Assessment studies on the implementation of SRD II conducted by the European Securities and Markets Authority and European Commission made individually and through several industry groups. We have also reinforced these views in industry groups' position papers on investor stewardship in the context of the European elections and appointment of a new Commission, thereby highlighting what we considered to be priorities in the perspective of a potential revision of the SRD II: addressing barriers to voting and further clarifying expectations with regards to shareholder engagement to facilitate the understanding of different stakeholders.

- Preserving good governance practices and shareholders' rights to support competitiveness We focused our efforts on in 2023 was the adoption of the Listing Act.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- (A) We publicly disclosed all our policy positions  
 **(B) We publicly disclosed details of our engagements with policy makers**  
 Add link(s):

<https://www.axa-im.com/document/6851/view>

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

**Additional context to your response(s): (Voluntary)**

In our Stewardship Report, which is updated annually, we reflect on the main responsible investment policy developments over the past year and comment on our position with regards to these developments. Against this backdrop, we give examples of some key engagements we had with issuers on important policy themes. Moreover, in the report we provide a complete list AXA IM membership to industry groups, or similar bodies that conduct political engagement. Involvement with policymakers and industry groups is a key part of our active ownership and stewardship strategy. As the Sustainable Finance regulatory agenda intensifies, we work with regulatory authorities and policymakers to support the development of robust and usable policies to accelerate the transition to a more sustainable world. We advocate for sufficient interoperability at global level, stability to allow for an effective implementation, as well as sufficient consistency between what is done on sustainable finance and real economy policy. In particular, our public engagement work is mainly focusing on:

- Promoting the importance of the long-term nature of asset managers' role and the specificity of the asset management activities.
- Ensuring the regulatory framework under development promotes effective comparability, transparency and robustness in the ESG approaches developed by the financial sector.
- Advocating for relevant and comparable sustainability-related information to become available for a broader scope of issuers.
- Ensuring the protection of our key shareholder rights to maximize effectiveness of our stewardship ability.
- Promoting the adoption of strong sustainability and corporate governance standards.

Examples of public policy engagements are also provided in the previous question 39.1.

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

- (A) Example 1:  
 Title of stewardship activity:  
 Texas Instruments 6- Progress
- (1) Led by  
 **(1) Internally led**  
 (2) External service provider led

- (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Texas Instruments, a U.S.-based company operating in the semiconductor industry, has not set any emission reduction targets beyond 2025. This led us to reach out to the company in writing in 2022 and detail our main expectations, which include the formalisation of a climate strategy, with a long-term net zero ambition and intermediary targets on a five-to-10-year horizon, as well as Science Based Targets Initiative (SBTi) validation. Since 2022, we held four individual meetings with investor relation teams, of which two included the company's senior counsel. In our first meetings, the company seemed unwilling to consider our requests and was focusing on achieving its short-term targets. This led us to reiterate, both in meetings and in writing, the importance of a net zero ambition and intermediary targets for our investments, and to use escalation tactics (in particular, opposition to the chair of the committee responsible for ESG oversight at board level) at the company's AGMs.

By the end of 2023, the company confirmed it was working on new targets and ambitions: it was considering setting up a net zero ambition and looking at SBTi verification after strong feedback from the investment community, including ourselves. When we met in early 2024, we welcomed the company's new announcement to achieve net zero Scope 2 emissions by 2030. We also reiterated our demands regarding Scope 1 emission reduction targets and SBTi verification – which the company committed to last November. Following this substantial progress, we will continue to engage the company on its Scope 1-related targets and will push for inclusion of measurable, transparent, and challenging climate-related metrics in management remuneration. More details can be found in our Stewardship report: <https://www.axa-im.com/document/6851/view>.

- (B) Example 2:  
Title of stewardship activity:

Canadian Bank - Escalation

- (1) Led by
  - (1) Internally led
  - (2) External service provider led
  - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
  - (1) Environmental factors
  - (2) Social factors
  - (3) Governance factors
- (3) Asset class(es)
  - (1) Listed equity
  - (2) Fixed income
  - (3) Private equity
  - (4) Real estate
  - (5) Infrastructure
  - (6) Hedge funds
  - (7) Forestry
  - (8) Farmland
  - (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We started engaging with a Canadian bank in 2022 due to its sizeable exposure to controversial sectors (including coal and tar sands), their lack of ambition in exclusion policies compared to peers, and an insufficient disclosure of financed emissions. We started by communicating in writing our key demands, including:

- Upscale GHG reduction targets for Scope 1 and 2
  - Set Scope 3 reduction targets for energy and power in 2023 and extend those targets to all material sectors by 2024
  - Strengthen coal and tar sands exclusion policies
- Since 2022, we held regular meetings with the company's sustainability teams. Although the company is progressing in structuring its energy transition strategy (since 2022, the company has set additional targets for the auto and aviation sectors, increased its transition funding target, and set up a dedicated energy and power engagement plan), the pace of progress is slow and the bank still needs to expand its reporting and targets, improve granularity around thermal coal, and broaden its engagement initiatives to all key sectors.

We have therefore used several escalation tactics since 2023, including: (i) opposing the re-election of the committee chair tasked with ESG oversight at board level and management remuneration; (ii) supporting climate-related shareholder proposals; and (iii) publicly disclosing our voting intentions ahead of the AGM. Opt for further drastic steps in our escalation strategy at its 2025 AGM. More details can be found in our Stewardship report: <https://www.axa-im.com/document/6851/view> We will continue to engage the company on the further strengthening of its overall climate strategy and may.

(C) Example 3:

Title of stewardship activity:

BHP - Nature Action 100 - Company Responds

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We began engaging with BHP on biodiversity in 2022 through one-on-one dialogue. At the time, our objective was to understand BHP's overall readiness to act on what was then a new and complex topic. In 2023, our dialogue evolved, influenced by the adoption of the Post-2020 Global Biodiversity Framework in December 2022. With growing momentum around biodiversity, the primary engagement objective shifted toward encouraging the company to establish a robust biodiversity and nature protection strategy. Later in 2023, we joined the investor group NA100 that launched the collective engagement initiative aimed at driving corporate action on nature across six investor expectations: ambition, assessment, targets, implementation, governance, and engagement. NA100 identified BHP as a target company due to its role in the metals and mining sector, a key area for reversing nature and biodiversity loss by 2030. Consequently, we transitioned to a collective engagement approach, acting as co-leads. We initiated this collaboration by sending a letter signed by NA100 investors, introducing the initiative and welcoming initial dialogue. In 2024, we held our first meeting with BHP following its written response. Our priorities included understanding how BHP's nature-related targets align with its internal assessments, examining governance structures, exploring public policy engagement, and assessing the company's willingness to align with external standards.

To implement its 2030 Healthy Environment Goal, BHP highlighted its focus on identifying site-level biodiversity indicators and highlighted its piloting of the TNFD LEAP approach, which we view as a positive development. They were receptive to our feedback on enhancing disclosure practices and developing nature advocacy activities. We found this initial engagement both productive and insightful, laying a strong foundation for a constructive dialogue on nature and biodiversity. As a follow-up, we will provide specific recommendations on enhanced disclosure for full-year 2024 reporting, as requested by BHP, and will continue the dialogue to support their progress on nature-related initiatives. More details can be found in our Stewardship report: <https://www.axa-im.com/document/6851/view>.

(D) Example 4:

Title of stewardship activity:

Ocado - Engagement Progresses

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

As part of the Good Work coalition, we met with Ocado's head of reward and people director twice in 2024. Our goal was to push the company towards getting the real living wage accreditation. In our initial meeting, we sought to understand Ocado's approach to pay and explored the challenges Ocado faced in achieving accreditation. Ocado highlighted several concerns, including the impact of the external wage setting on its operations while the company prefers to work with unions to determine pay rates, also taking into account competitor wages. It noted that a significant portion of the workforce already earns above the living wage due to a combination of premiums, incentives, and benefits.

Our second meeting with Ocado gave us the opportunity to reiterate our desire to see the company getting the living wage accreditation, and sought to understand its impact on company costs and sales. Following-up on our first meeting, the company provided the percentage of their workforce earning the real living wage when premiums are included, and confirmed the living wage accreditation issue was discussed at board level – which is already a significant step. Yet, the board has decided against it in line with the principles of independence and flexibility included in Ocado's broader approach to pay. Ocado has shown some responsiveness to the coalition's demands. If implementing the real living wage across the company remains an issue, Ocado's approach illustrates the complexity of the issue and underscores the importance of long-term collaboration with companies to highlight the broader benefits of adopting this standard, rather than solely demanding accreditation.

Our ultimate goal is to find a balance between business realities and philosophy, and to improve the company's compensation practices for their employees. Therefore, we will continue to engage with Ocado in 2025, monitoring developments following the implementation of the new budget as well as progress made in matching the real living wage rates. More details can be found in our Stewardship report: <https://www.axa-im.com/document/6851/view>.

(E) Example 5:

Title of stewardship activity:

Universal Music Group - Engagement Fails

(1) Led by

- (1) Internally led
- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors

(3) Governance factors

(3) Asset class(es)

(1) Listed equity

(2) Fixed income

(3) Private equity

(4) Real estate

(5) Infrastructure

(6) Hedge funds

(7) Forestry

(8) Farmland

(9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

We first reached out to Universal Music Group (UMG) in 2022, upon publication of its first remuneration report as an independent company following its spin-off from the French company Vivendi. While UMG is listed in the Netherlands, its remuneration practices are more similar to those of the U.S., where the company's key executives were initially located. Since then, we repeatedly expressed over e-mail our concerns to UMG's investor relations teams regarding the chief executive's pay quantum and structure, which we deemed disconnected from European standards and from the company's performance. We also communicated our intention to vote against the remuneration report since the company's first AGM in 2022, and subsequently the re-election of the Remuneration Committee chair in 2023.

All our attempts to engage have remained unanswered, and the company's evolution in remuneration practices have failed to address our concerns. Moreover, the 2023 AGM results - leading to majority opposition to the re-election of the Remuneration Committee chair, which was unexpected given the company's shareholding structure - may reflect potential disagreements between strategic shareholders, poor board oversight of management actions. This owngrade was also the opportunity to share our in-depth analysis of the company's governance directly to the wider AXA IM investment teams. More details can be found in our Stewardship report: <https://www.axa-im.com/document/6851/view> Therefore, in 2024, we decided to substantially downgrade the company's 'G' pillar, which we consider overrated by our rating provider based on our observation that the company's problematic executive pay practices are a sign of excessive board leniency towards the chief executive leading to risk of.

**Additional context to your response(s): (Voluntary)**

To find out more engagement case studies, please read our Stewardship Report : <https://www.axa-im.com/document/6851/view>

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

**Has your organisation identified climate-related risks and opportunities affecting your investments?**

(A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Our normative and sectorial exclusions set the red lines and send a clear message to companies and sovereigns on what we consider unacceptable from an ESG perspective. As part of this screening, AXA IM exclude firms, through the application of the Climate Risks policy, thermal coal-based electric power generating utilities and thermal coal mining companies that are not credibly demonstrating a commitment to the energy transition. This policy was expanded in 2023 by lowering the revenue share at which a company would be excluded, as well as by excluding all companies with new thermal coal mining or coal power generation plans. Since early 2022, we also exclude certain companies in the unconventional oil & gas sector with a focus on tar sands, shale and tight oil & gas (fracking) and Arctic oil & gas production.

In early 2023, we tightened some of our exclusion criteria regarding thermal coal and oil sands. Lastly, AXA IM is committed to exiting all thermal coal investments in OECD countries by the end of this decade, and throughout the rest of the world by 2040. This commitment will be implemented over time, through a step-by-step ratcheting-up of our exclusion criteria, with as next step the lowering of the exclusion threshold of revenues from thermal coal mining & coal power generation from 15% to 10% in 2026 in OECD countries. At end of 2024, 85% of all AXA IM third-party assets (i.e., traditional and alternative assets) applies the Climate risks policy. This exclusion policy aims to exclude asset exposed to the most severe sustainability risks identified in the course of our investment decision-making process.

On assets on which we remain invested, we apply our stewardship strategy. Engagement and continued dialogue with companies and clients are crucial to influencing their net zero trajectories. Climate represents a significant portion of our shareholder engagement activities, 41% of overall engagements, with an additional “Three Strikes and You’re Out” engagement policy focused on companies which are lagging behind from a climate perspective (the so-called ‘climate laggards’). This would mean that, if we do not see progress from companies on the specific objectives set at the beginning of the engagement, we may divest after three years. Since early 2022, we have significantly enhanced our Climate risks policy to be able to provide further detail on our engagement requirements with regards to the coal, oil & gas sectors, aiming to cover their strategy and target setting, transparency including on capital expenditures (CapEx) as well as Governance and lobbying.

In early 2023, we also specified our expectations regarding Scope 3 measurements by asking companies to reflect on their value chain – upstream and especially downstream – in their climate strategy, a necessary step to achieving net zero for Scope 3 emissions. We also have the option to vote against the management, the Board Chairman and the CEO if companies in sectors exposed to climate issues do not have a net zero emission strategy with short, medium and long-term carbon emissions reduction targets or an executive remuneration policy aligned to climate strategy objectives. Additionally, we assess the consistency of the transition plan of investee companies against their climate strategy and will ask them to report on the intermediate achievements of the objectives during Annual General Meetings. We have updated this voting policy early 2024, including now the possibility to cast a dissenting vote against the highest-emitting companies that fail to appropriately report on their climate lobbying activities.

Discussions are also taking place with sovereign issuers on ESG topics during regular meetings with Treasuries, Central Banks and other government ministries and agencies as well as part of discussions on specific green and social bond issuances. This provides an opportunity to deep dive on sovereigns’ sustainability public expenditure programs and thus better understand the ESG risks of a country. This framework on exclusion and stewardship is complemented with climate-related data available at issuer level to all investment teams, from backward to forward-looking key performance indicators such as the temperature and the climate value at risk. At AXA IM, frameworks combining qualitative and quantitative inputs have been developed. To support our Net Zero strategy, we have developed and are progressively ramping up a net zero framework for traditional asset classes and certain real asset classes, which follows industry standards and uses internal and external information to determine the net zero profile of companies.

The targets cover, at the end of 2024, €600bn (\$623bn) of AuM were covered by NZ targets, i.e., being managed in line with a net zero by 2050 pathway aligned with the Paris Agreement’s long-term goals (c. 68% of total AuM, 77% of total AuM excl. JVs). For more details: <https://www.axa-im.com/responsible-investing/policies>.

- (B) Yes, beyond our standard planning horizon
- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

- (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

As described above, sectors and activities excluded as part of our AXA IM sectoral and normative exclusion policies. Our AXA IM Climate Risks policy, made up of exclusion criteria on thermal Coal and Unconventional Oil & Gas as well as engagement objectives on thermal Coal and O&G, is applied to the vast majority of our assets under management (85% of all AXA IM third-party assets). In April 2023, the threshold for the percentage of revenues and power generation activity derived from thermal coal was tightened from 30% to 15%. As part of our commitment to exit thermal coal from all OECD countries by 2030, it was agreed to lower this threshold even further to 10% in 2026. Additionally, to date that have 15% or more of thermal coal share of power production, or power generation companies with more than 10 GW of installed thermal coal-based capacities.

Lastly, since early 2023, companies that plan to develop new thermal coal mines or expand their current thermal coal-based power generation capacity are excluded. In 2017, AXA IM started excluding oil and gas producers with oil sands activities, based on a maximum production share of 20%. Throughout 2022 and 2023, new exclusions were added on oil & gas extracted through shale and fracking methods and extracted from the Arctic. In April 2023, the threshold for oil sands was also tightened. Companies that produce less than 100 thousand barrels of oil equivalent per day (kbpoed) and derive more than 30% of their oil and gas from fracking are excluded, as well as companies that derive more than 5% of their production from oil sands (or contribute more than 5% to the global oil sands production), and companies that derive more than 10% of their production from Arctic drilling. On stewardship side, to support our commitment to exit thermal coal, we also engage with a selection of issuers that are still generating revenues from thermal coal activities but lie below our exclusion thresholds.

On Oil & Gas, we have detailed our engagement objectives with a selection of oil and gas companies that remain in scope based on clear objectives and a specific timeframe, with the objective of ensuring they develop credible transition plans consistent with the goals of the Paris Agreement and are on track in their delivery, but also that their current operational practices aim to mitigate negative impacts on the environment. AXA IM Climate Risks policy is available here: <https://www.axa-im.com/our-policies-and-reports> To complement this AXA IM Climate Risks policy, we have set Net Zero targets at asset class level, for those where methodologies were defined. Those targets are detailed in section SO 3. At product level, we manage a number of funds with specific objectives such as outperformance on carbon-related KPIs, investment constraints on high emitting sectors as well as decarbonization trajectory. In 2022, AXA IM has launched an active ETF range, notably made up of an active Climate ETFs, which has been then extended to passive Paris-Aligned ETFs launched in 2023 to cater to clients who wish to achieve their goals using the PAB framework within ETF wrapper. The full ETF range (active & passive) exceeded €2.8bn at end of 2024. As of end of December 2024, more to 60% of the ETF range is covered by ESG-related exclusion criteria, including €836M of AuM in PAB funds. Additionally, we managed €354M of assets in Climate Transition funds. Those active funds, alongside delivering financial returns also aim to support invested companies towards net zero emissions by 2050 or before. The strategy fully integrates climate-related risks, opportunities and Net Zero alignment into investment decisions to support the transition to a decarbonised world. This incorporation is done throughout our investment process using our proprietary Climate Color framework further described below, which includes both quantitative and qualitative climate analysis. In addition, for real assets specifically (real estate debt and equity), we take a comprehensive approach to considering the physical and transitional impacts of climate change.

Focusing on the physical risks and the resilience of the real estate portfolios, in 2019, AXA IM Alts built on current engagement with AXA Natural Catastrophes (NatCat) teams within the AXA Group for a better understanding of physical risk exposure. Utilising these tools, the Real Estate team now has visibility on the level of risk exposure in relation to natural hazards across the global real estate portfolio and commercial real estate (CRE) debt portfolios. In 2022, this climate risks assessment was extended to CRE debt investment management as well. We also monitor the international and local transitional regulatory landscapes to anticipate market legislations that will influence the liquidity of assets and act upon such notions in order to avoid the risk of stranded assets.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

#### Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

(A) Coal

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
- 50% by 2025 of financed emissions in material sectors net zero or aligned
- 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

(B) Gas

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
- 50% by 2025 of financed emissions in material sectors net zero or aligned
- 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

(C) Oil

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
  - 50% by 2025 of financed emissions in material sectors net zero or aligned
  - 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.
- Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(D) Utilities**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
  - 50% by 2025 of financed emissions in material sectors net zero or aligned
  - 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.
- Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(E) Cement**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
  - 50% by 2025 of financed emissions in material sectors net zero or aligned
  - 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.
- Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(F) Steel**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
  - 50% by 2025 of financed emissions in material sectors net zero or aligned
  - 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.
- Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(G) Aviation**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
  - 50% by 2025 of financed emissions in material sectors net zero or aligned
  - 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.
- Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(H) Heavy duty road**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
- 50% by 2025 of financed emissions in material sectors net zero or aligned
- 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(I) Light duty road**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
- 50% by 2025 of financed emissions in material sectors net zero or aligned
- 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(J) Shipping**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
- 50% by 2025 of financed emissions in material sectors net zero or aligned
- 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(K) Aluminium**

Describe your strategy

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
- 50% by 2025 of financed emissions in material sectors net zero or aligned
- 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(L) Agriculture, forestry, fishery**

Describe your strategy:

AXA IM has implemented a policy to tackle deforestation, covering in particular palm oil, soy, timber and cattle. In addition to tackling biodiversity related risks, this policy is also supportive of our climate commitments.

**(M) Chemicals**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
- 50% by 2025 of financed emissions in material sectors net zero or aligned
- 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030 Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

**(N) Construction and buildings**

Describe your strategy:

Specific NZ targets have been set for high-emitting sectors:

- 100% AuM in material sectors net zero, aligned or aligning by 2040
  - 50% by 2025 of financed emissions in material sectors net zero or aligned
  - 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030
- Our list of high-emitting sectors is based on the recommendation of the NZIF target setting guidance, following GICS level 4.

Specific exclusion criteria have been set for fossil fuels (coal, oil & gas) as part of AXA IM Climate Risks policy. More details available on section PGS 41

- (O) Textile and leather
- (P) Water

(Q) Other

Specify:

Banks, Real Estate, Trading companies & distributors, paper products, paper & plastic, packaging products & materials

Describe your strategy:

- o (R) We do not have a strategy addressing high-emitting sectors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

(D) Yes, using other scenarios

Specify:

The NGFS is a network of 145 central banks and financial supervisors over 90 countries created in 2017 that aims to accelerate the scaling up of green finance and develop recommendations for central banks' role for climate change. Its climate scenarios, presented in June 2020, have gained significance in the recent years, making them a notable reference in the field. The NGFS scenarios are based on the three integrated assessment models (IAMs): REMIND-MAGPIE (from the Potsdam Institute for Climate Impact Research), GCAM (from University of Maryland) and MESSAGEix-GLOBIOM (from the International Institute for Applied Systems Analysis). Their results were fed into the NIGEM model (National Institute of Economic and Social Research) to conduct further macroeconomic analyses on inflation or unemployment. In addition, climate data provided by Climate Analytics and the ETH Zurich are published. A selection of five NGFS scenarios has been made to encompass a spectrum of temperature increases ranging from +1.5°C to +3°C by 2100. These scenarios also consider two distinct approaches to transitioning to a lower-carbon economy: an Orderly transition and a Disorderly transition. We provide further details on those methodologies and report on those forward-looking indicators aggregated on all our investments in our annual TCFD-Article 29 report available here: <https://www.axa-im.com/responsible-investing/policies>

- o (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

**Additional context to your response(s): (Voluntary)**

Since 2021, AXA IM is using the MSCI "Implied Temperature Rise" (ITR) metric to assess how AXA IM's investment portfolios on corporate bonds and listed equities are aligned with global temperature targets. The ITR model estimates the global temperature increase by 2100 if the entire economy were to exceed or fall short of its carbon budget in the same way as a specific company or portfolio. The metric, expressed in °C, is therefore a forward-looking and extrapolation-based one. The ITR methodology is currently only applicable to corporate assets and its methodology is annually reviewed. The ITR model estimates companies' future emissions through 2050 by considering their current level of emissions and their reported emissions-reduction targets.

The specifics of how the model handles current company carbon emissions are as follows:

- Scopes 1 & 2: The reported emissions are used when available, and estimated emissions otherwise;
- Scope 3: The ITR model uses estimated emissions from MSCI instead of relying on company-reported emissions due to inconsistencies in company reporting.

Additionally, reported emissions-reduction targets are not taken at face-value anymore. Since 2023, they are penalized by a credibility score, applied for each GHG scope separately. Resulting company projected emissions may be penalized up to a 2%/year absolute increase of emissions, should the credibility score be at its lowest level. This score relies on the presence, or absence, of short-term targets, the track record it has in terms of achieving targets in the past, the feasibility of achieving upcoming targets and whether the company has third-party verified targets. For sovereign assets, AXA IM leverages the CLAIM model developed by Beyond Ratings to assess the temperature of AXA IM's investment portfolios on sovereign assets.

This model uses the national carbon pledges made by Governments towards the Paris Agreement's carbon budget to express theoretical temperature of sovereign assets. Beyond Ratings has developed this approach inferring 2°C compliant national carbon budgets by relying on the so-called "Kaya relationship" between GHG emissions, GDP growth, demography, energy efficiency and carbon intensity. National Determined Contributions (NDCs) that have been expressed in the Paris Agreement and updated during the UNFCCC Conferences of Parties (COP) are used to build a homogeneous allocation of GHG emissions reduction commitments by countries by 2030. Using theoretical linear relationship between carbon emissions and temperature rise, Beyond Ratings translate national carbon commitment intensities by 2030 into theoretical temperature rise.

During the latest COP, NDCs have been released and updated by the participants (112 updated NDCs including: Australia, Japan, United States, France, Germany, China, etc.). This model assesses sovereign temperatures by considering these new commitments. As opposed to ITR's methodology for Corporate Debt and Equity, this methodology does not assess a credibility score with respect to countries' NDC. AXA IM leverages a Climate Value-at-Risk (Climate VaR) model developed by MSCI. This model represents an estimation of how the value of AXA IM's investment portfolios – on corporate bonds, listed equity and CRE debt— could be impacted (up or down) by climate transition/policy risks, technology transition opportunities and extreme weather events.

This model is currently applicable only to corporate and real estate assets (not to sovereign assets) and it is in continuous development. Yearly updates on this model allow us to expand the range of measured climate-related financial risks of AXA IM's investments and to assess them more precisely. Since 2023, MSCI's Climate VaR climate scenarios are derived from other models and are referred to as the Network for Greening the Financial System (NGFS) scenarios. The NGFS is a network of 145 central banks and financial supervisors created in 2017 that aims to accelerate the scaling up of green finance and develop recommendations for central bank's role for climate change. The NGFS scenarios are based on the three integrated assessment models (IAMs): REMIND-MAGPIE (from the Potsdam Institute for Climate Impact Research), GCAM (from University of Maryland) and MESSAGEix-GLOBIOM (from the International Institute for Applied Systems Analysis). Their results were fed into the NiGEM model (National Institute of Economic and Social Research) to conduct further macroeconomic analyses on inflation or unemployment. In addition, climate data provided by Climate Analytics and the ETH Zurich are published. A selection of five NGFS scenarios has been made to encompass a spectrum of temperature increases ranging from +1.5°C to +3°C by 2100. These scenarios also consider two distinct approaches to transitioning to a lower-carbon economy: an Orderly transition and a Disorderly transition.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

(A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

The AXA IM RI Research team conduct research on material key ESG themes including climate change with the aim to identify material risks before they materialise, and be detrimental for the long-term performance of investments performed on our clients' behalf. This research then feeds our exclusion and stewardship strategies. The exclusion strategy on climate is included in our Climate Risks policy (<https://www.axa-im.com/responsible-investing/policies>), which is applied to the vast majority of our assets under management in order to exclude assets exposed to the most severe climate-related risks during the investment decision making process. On assets on which we remain exposed, we apply our stewardship strategy. Engagement asks are detailed in our Climate Risks policy.

While we purposefully engaged with companies in the most material sectors – such as energy, waste management and materials – we also were very careful to meet companies from across the entire economy. In brewing, real estate development or banking, for instance, the energy transition implies a system change that concerns everyone. For climate laggards on which we may still be invested, we apply our new "Three Strikes and You're out" policy. This is a more forceful engagement campaign with a list of companies we view as 'climate laggards'. These companies, across sectors and geographies, were deemed to have shown either a lack of net zero commitments or quantified emissions reduction targets that were insufficiently demanding or not credible. In 2024, we continued to pursue our climate laggards engagement initiative that we announced in 2021 and initiated in 2022.

We held meetings with each of the companies identified as laggards, which would generally include the company's head of sustainability (or equivalent). For each of the companies in which we hold an equity stake and are eligible to vote, we communicated before their AGMs our voting intentions linked to the climate-related concerns raised in our engagements. We also publicly disclosed our voting intentions ahead of the AGM of four of them. Moreover, at the end of 2023, we concluded that two companies no longer fit the laggard definition after having significantly enhanced their strategies and meeting our engagement objectives. As such, they were removed from the list early 2024, while three new laggards were introduced – all from the energy sector, two based in the U.S. and one in Europe. A private letter, sent by AXA IM's chief executive and listing our key demands, was sent mid-2024 to all three companies, and a first meeting has already occurred with the head of sustainability of one of these companies. AXA IM has developed an Emerging Risk Management Framework which aims to ensure consistency of the process of identification, assessment, mitigation and management of emerging risks faced by AXA. Emerging risks are defined as either new risks, or risks that already exist but one or more of the components of the risk's current dynamics are not adequately understood and could potentially be impactful in the next 15 years. Those risks typically originate outside the firm, in a large spectrum of domains, including environmental (climate change, biodiversity loss, etc.), global economy (changes in macroeconomic conditions, financial market instability, etc.), geopolitics (instability, conflicts, etc.), political or societal (societal or cultural shift, influence of media and social medias, etc.), technological (disruptive technology, new forms of cybercrime, etc.), or business environment (regulation, competitive landscape, supply chain, etc.). They are marked by a high degree of uncertainty, and some of them may even never emerge. Emerging risks can have potentially serious consequences if they are not anticipated in a timely manner. Chief Risk Officers are responsible for early detection of risks.

(2) Describe how this process is integrated into your overall risk management

The objective of emerging risk management is to reinforce the anticipation and monitoring dimension of risk management. The Emerging Risk Management Framework is designed to enhance AXA IM's understanding of these risks and allow us to adapt our business and processes accordingly. By encouraging a foresight approach, it is also an opportunity for risk management functions to contribute to the strategy of the company. The Emerging Risk Management Framework includes: ■ Risk identification: The risk identification is performed through interviews with key stakeholders from a large number of AXA IM departments (including investment platforms, client group, legal, the regulatory development team, innovation team, responsible investment team, HR, etc.) and with inputs from AXA IM executives ■ Risk Prioritisation: All risks are assessed according to their severity and their impact time horizon. Risks are then prioritised using the severity assessment performed, and based on any other relevant prioritisation criteria ■ Mitigation actions: As part of this exercise, existing mitigation plans are identified, and new mitigation plans are agreed where relevant. The outcomes of the emerging risks exercise are discussed at the AXA IM Global Risk Committee. In this context, ESG risks includes a large spectrum of risks, from climate change and biodiversity loss, to societal and cultural aspects, as well as its impact on the firm environment (e.g. sustainability-related regulations), on the competitive landscape (e.g. impact on economy and market, emergence of new types of products), or on the firm operating framework (e.g. impact of supply chain). On top of already well known ESG emerging risks (e.g. increasing frequency and materiality of extreme weather events, volatility and complexity of ESG regulations), the 2024 Emerging Risk exercise notably included more recent outcomes:

- On societal and cultural aspects, the emergence of ESG backlash and greenblushing in the U.S. is increasing asset management firms' reputational risk when publicly promoting strong ESG ambitions. Another example of risk in this area is the growing public concerns about emerging social issues which is increasing firms' reputational risk on the 'S' dimension of the ESG risk, in a context of lack of adequate tools to measure social factors.
- On competitive landscape aspects, the outstanding lower maturity of some ESG related markets (carbon credit, deforestation, water risk and food security, etc.) is increasing asset management firms' reputational risk when invested in those markets, in a context of increasing investors and Non-Governmental Organisation's (NGO's) scrutiny (e.g. higher risk of adverse events such as fraud, higher risk of controversy on investments because of lack of reliable metrics, difficulties for the firm to demonstrate adequacy of an investment decision, etc.). To be noted also is the development of new or growing ESG markets, such as products that enable actions on adaptation to climate risk (rather than on reducing the climate risk), or blue bonds in the biodiversity loss area. Any change of exclusion criteria in our Climate Risks policy as well as engagement strategy, including Climate Laggards list, is validated by the Sustainability Strategic Committee, the leading body in charge of proposing AXA IM's RI strategy and monitoring its delivery. Then, the ESG Monitoring & Engagement Committee is in charge of validating regular updates of the exclusion policy and review progress on the engagement strategy, facilitating coordination between various stakeholders in the implementation of the engagement strategy. Exclusions lists are applied to relevant portfolios. The investment guidelines team ensures independent and systematic pre- and post-trade controls on policies and fund-level commitments. This team monitors the correct application of the exclusion lists derived from top-level RI policies and ESG Standards and other fund-specific commitments as mentioned in their regulatory documentation.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

Our Climate Risks policy is applied to the vast majority of our assets under management. Systematic pre- and post-trade monitoring is performed to ensure relevant portfolios are not exposed to banned assets. We also have defined Net Zero objectives at asset class level: o Objectives on Corporates (Listed Equities and Fixed Income) □ A 25% reduction of the carbon intensity by 2025 and -50% by 2030. This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor> □ 100% AUM in material sectors net zero, aligned or aligning by 2040 using AXA IM Climate Coloring Framework □ 6% of AUM invested in climate solutions by 2025 us-ing AXA IM’s Green Investment definition □ 50% of financed emissions net zero or aligned by 2025 using AXA IM Climate Coloring Framework □ 70% of financed emissions under engagement by 2025 and 90% by 2030. This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor> o Objectives on Sovereigns □ Beat the CCPI Benchmark (Climate Change Performance Index) o Objectives on Direct Real Estate Equity □ Reduce the landlord operational emissions of its direct real estate assets by 20% by 2025. This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor> □ 50% of real estate AUMs under CRREM pathway by 2025. This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor> Finally, some portfolio have specific objective to reduce exposure to high climate impact sectors and/or limit investments in issuers within the most carbon intensive sectors.

(2) Describe how this process is integrated into your overall risk management

Any change of exclusion criteria in our Climate Risks policy as well as engagement strategy, including Climate Laggards list, is validated by the Sustainability Strategic Committee, the leading body in charge of proposing AXA IM’s RI strategy and monitoring its delivery. It also reviews progress RI-related objectives including on Net Zero targets, Coal and O&G exposures, at least on an annual basis.

Then, the ESG Monitoring & Engagement Committee is in charge of validating regular updates of the exclusion policy and review progress on the engagement strategy, facilitating coordination between various stakeholders in the implementation of the engagement strategy. Exclusions lists are applied to relevant portfolios. The investment guidelines team ensures independent and systematic pre- and post-trade controls on policies and fund-level commitments. This team monitors the correct application of the exclusion lists derived from top-level RI policies and ESG Standards and other fund-specific commitments as mentioned in their regulatory documentation. For real estate portfolios, physical risks assessments are integrated into investment-decision making using AXA Natural Catastrophes tools.

- o (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?**

- (A) Exposure to physical risk**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - o (1) Metric or variable used
    - o (2) Metric or variable used and disclosed
    - **(3) Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://www.axa-im.com/responsible-investing/policies>
- (B) Exposure to transition risk**
  - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
    - o (1) Metric or variable used
    - o (2) Metric or variable used and disclosed
    - **(3) Metric or variable used and disclosed, including methodology**
  - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
    - <https://www.axa-im.com/responsible-investing/policies>
- (C) Internal carbon price
- (D) Total carbon emissions**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 

<https://www.axa-im.com/responsible-investing/policies>

(E) **Weighted average carbon intensity**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 

<https://www.axa-im.com/responsible-investing/policies>

(F) **Avoided emissions**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 

<https://www.axa-im.com/responsible-investing/policies>

(G) **Implied Temperature Rise (ITR)**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 

<https://www.axa-im.com/responsible-investing/policies>

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) **Proportion of assets or other business activities aligned with climate-related opportunities**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 

<https://www.axa-im.com/responsible-investing/policies>

(J) **Other metrics or variables**

Specify:

Net Zero decarbonization pathway

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
  - (1) Metric or variable used
  - (2) Metric or variable used and disclosed
  - (3) Metric or variable used and disclosed, including methodology
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
 

<https://www.axa-im.com/responsible-investing/policies>

- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

**Additional context to your response(s): (Voluntary)**

AXA IM has disclosed on its website several documents describing the methodologies: <https://www.axa-im.com/responsible-investing/policies>  
 AXA IM Net Zero Targets methodologies describes the approaches and methodologies used to monitor our progress against climate commitments and net zero goals. Our ESG methodologies handbook provides details on our ESG scoring, carbon & biodiversity footprint methodologies across various asset classes.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

**(A) Scope 1 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.axa-im.com/document/7005/view>  
<https://www.axa-im.com/document/7973/view>

**(B) Scope 2 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.axa-im.com/document/7005/view>  
<https://www.axa-im.com/document/7973/view>

**(C) Scope 3 emissions (including financed emissions)**

- (1) Indicate whether this metric was disclosed, including the methodology
  - (1) Metric disclosed
  - (2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

<https://www.axa-im.com/document/7005/view>  
<https://www.axa-im.com/document/7973/view>

- (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)

Specify:

UNGC, Net Zero Investment Framework, Transition Pathway Initiative

- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irreparable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

## HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potential negative outcomes for people connected to your investment activities?

- (A) We assessed the country level context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

Qualitative research focusing on human rights is conducted to better identify human rights-related risks, focusing on risks of forced labor and child labors in supply chain. We believe it is key to consider the 'S' in ESG and to ensure companies act responsibly as employers, suppliers of goods and services, and as stakeholders in society. Our view is that companies failing to adequately do so are likely to face higher risks in terms of productivity, litigation and reputation, which could ultimately affect financial performance and investment returns. This qualitative research embedded a review at countries, industries levels to identify key issues, potential negative outcomes and trends in practices affecting ultimately companies and sovereign ESG profiles and performance. At country level, our research focuses on monitoring regulatory evolutions on human capital and human rights matters, their adoption of international principles such as the UN guiding principles on business and human rights and any policies already in place to prevent, investigate and punish human rights abuses. For our most focused ESG funds, AXA IM has implemented since 2021 a policy to exclude from investments countries where worst forms of violations of human rights are observed. Finally, in recent years, our engagement activities with sovereigns in particular based in emerging markets have been reinforced to support them in the implementation of effective policies.

This is illustrated by our membership to the Emerging Markets Investors Alliance, which is a not-for-profit organization that enables institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest. As part of the initiative, AXA IM participates to an engagement program with African and Asian countries, mainly in the context of sustainability-linked bonds or project-oriented bonds issuances to ask them to integrate social-related KPIs, but also ask governments to reflect on their social policy advances through KPIs (gender equity (female labor, gender gap), education (secondary school completion rate, government education spending), health (life expectancy, universal healthcare coverage), human capital (internet use)).

**(B) We assessed the sector context of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

Since 2018 and the creation of our ESG Standards applied to our range of ESG funds, 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. Sustainalytics' Controversies Research provides an assessment of a company's involvement in incidents with negative ESG implications, by conducting news screening on a daily basis, where incidents with negative ESG implications are identified and assessed. Companies are assessed on the following aspects: i) the nature and scale of the negative impact that the incident has caused to society and the environment; ii) the business risk to the company as a result of the incident; and iii) how the company manages the issue. Companies are then rated on a scale of Category 1 (low severity) to Category 5 (most severe) to reflect the severity of the issue and the company's level of involvement as well as response.

We exclude companies rated in Category 5. In 2021, AXA IM ESG Standard has been enhanced to include an additional screening on international norms & standards, avoiding investing in companies which cause, contribute or a 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). Those standards notably focus on Human Rights, Society, Labor and Environment. We believe this helps us to avoid reputational damage and to proactively manage related financial risks. As a first step, our exclusion policy aims to prevent portfolios' exposure to companies not compliant with core human rights principles.

It is complemented with our stewardship strategy and research. Those have been focused in 2024 in on risks of forced labour and child labour in supply chain, with engagement conducted with a number of companies in the consumers, industrial and technology sectors.

**(C) We assessed the human rights performance of our potential and/or existing investments to understand how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

Since 2018 and the creation of our ESG Standards applied to our range of ESG funds, 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. Sustainalytics' Controversies Research provides an assessment of a company's involvement in incidents with negative ESG implications, by conducting news screening on a daily basis, where incidents with negative ESG implications are identified and assessed. Companies are assessed on the following aspects: i) the nature and scale of the negative impact that the incident has caused to society and the environment; ii) the business risk to the company as a result of the incident; and iii) how the company manages the issue. Companies are then rated on a scale of Category 1 (low severity) to Category 5 (most severe) to reflect the severity of the issue and the company's level of involvement as well as response.

We exclude companies rated in Category 5. In 2021, AXA IM ESG Standard has been enhanced to include an additional screening on international norms & standards, avoiding investing in companies which cause, contribute or a 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). Those standards notably focus on Human Rights, Society, Labor and Environment. We believe this helps us to avoid reputational damage and to proactively manage related financial risks. As a first step, our exclusion policy aims to prevent portfolios' exposure to companies not compliant with core human rights principles.

It is complemented with our stewardship strategy and research. Those have been focused in 2024 in on risks of forced labour and child labour in supply chain, with engagement conducted with a number of companies in the consumers, industrial and technology sectors.

☑ **(D) We monitored severe and emerging human rights controversies to understand how this could connect our organisation to negative human rights outcomes**

Explain how these activities were conducted:

As described in the part A and B of this question, we already avoid investing in companies that are not compliant with international norms & standards on human rights as well as exposed to severe controversies on this issue. We also monitor news flow on this topic which may lead us to engage with companies where potential human rights controversies may be identified. The issue of human right is large and therefore embedded at different level of our sustainability strategy:

- Exclusion strategy for our range of ESG Integrated, Sustainable and Impact funds by avoiding investing in companies exposed to severe controversies and not compliant with international norms and standards
- Stewardship strategy o On our engagement activities related to the energy transition to ensure the social implication are sufficiently anticipated as moving to low-carbon energy, building, transportation and industrial production will bring dramatic adjustments and challenges to countries and industries – and therefore to workers and their communities. A failure to anticipate the social implications of those challenges could stall climate progress and contribute to political instability through increasing inequality.

This would risk disrupting the fragile equilibrium between developing and developed economies. o As part of our biodiversity strategy, on deforestation specifically, the global goal of our engagement activities is to accompany issuers identified as exposed to deforestation risks in setting up clear zero deforestation and natural ecosystems conversion-free goals by 2025 supported by concrete and effective actions. Generally, from a social perspective, among other environmental aspects, we collaborate with local communities and stakeholders, including providing support to smallholders impacted by companies' activities. We also expect from companies to work to implement FPIC in operations and in supply chain and to ensure respect of Human Rights throughout the commodities value chains. o On the boarder question of human rights, we concentrate efforts on forced labor and child labour as well as on human capital, working conditions and labour rights. These issues cannot all be handled in the same way, but all require a deep dive into policies and what they mean concretely in terms of actions taken. Ongoing dialogue with companies therefore remains crucial, to go beyond their public communication. Our role is to identify companies willing to make progress and implement adequate actions, to support them on the most relevant aspects and the most material risks stemming from their business activities.

☑ **(E) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities**

Specify:

Exclusion, Engagement

Explain how these activities were conducted:

As described in the part A of this question, we already avoid investing in companies that are not compliant with international norms & standards on human rights as well as exposed to severe controversies on this issue. We also monitor news flow on this topic which may led us to engage with companies where potential human rights controversies may be identified. The issue of human right is large and therefore embedded at different level of our sustainability strategy:

- Exclusion strategy for our range of ESG funds by avoiding investing in companies exposed to severe controversies and not compliant with international norms and standards
- Stewardship strategy o On our engagement activities related to the energy transition to ensure the social implication are sufficiently anticipated as moving to low-carbon energy, building, transportation and industrial production will bring dramatic adjustments and challenges to countries and industries – and therefore to workers and their communities. A failure to anticipate the social implications of those challenges could stall climate progress and contribute to political instability through increasing inequality.

This would risk disrupting the fragile equilibrium between developing and developed economies. o As part of our biodiversity strategy, on deforestation specifically, the global goal of our engagement activities is to accompany issuers identified as exposed to deforestation risks in setting up clear zero deforestation and natural ecosystems conversion-free goals by 2025 supported by concrete and effective actions. Generally, from a social perspective, among other environmental aspects, we collaborate with local communities and stakeholders, including providing support to smallholders impacted by companies' activities. We also expect from companies to work to implement FPIC in operations and in supply chain and to ensure respect of Human Rights throughout the commodities value chains. o On the boarder question of human rights, we concentrate efforts on forced labor and child labour as well as on human capital, working conditions and labour rights. These issues cannot all be handled in the same way, but all require a deep dive into policies and what they mean concretely in terms of actions taken. Ongoing dialogue with companies therefore remains crucial, to go beyond their public communication. Our role is to identify companies willing to make progress and implement adequate actions, to support them on the most relevant aspects and the most material risks stemming from their business activities.

- o (F) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potential negative outcomes for people connected to your investment activities?**

- (A) Workers
- (B) Communities
- (C) Customers and end-users
- (D) Other stakeholder groups**

Specify:

Companies

Sector(s) for which each stakeholder group was included

- (1) Energy**
- (2) Materials
- (3) Industrials**
- (4) Consumer discretionary**
- (5) Consumer staples**
- (6) Healthcare
- (7) Finance**
- (8) Information technology
- (9) Communication services
- (10) Utilities
- (11) Real estate

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, what information sources did your organisation use to identify the actual and potential negative outcomes for people connected to its investment activities?**

- (A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

We will look at different type of documents produced by companies. It can be policies such as the Code of Conduct, a Human Rights Policy or an annual report. Considering that not all the companies have the same way to tackle risks for people, we need to adapt ourselves in our analysis.

- (B) Media reports**

Provide further detail on how your organisation used these information sources:

Media reports are a key element to consider when we conduct an analysis. It can be the start of a new dialogue with companies. Reporters that are on the field can provide insightful information that are not disclosed by a corporate. It has to be taken into account to have a different perspective.

- (C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

Over the course of 2023, AXA IM followed a training of 14 sessions with the NGO Human Resources Without Borders. During this training we were able to understand the specific issue of Forced Labour and Child Labour with case studies and sectorial approaches with detailed key risk factors at stake. Following these sessions, we've launched an investor coalition, with the other investors that took part of the training to engage with companies around these issues. The goal is to reduce the risk for the people by asking companies to improve their policies and practices regarding forced labour and child labour. We've met as well with experts from the NGO Business and Human Rights, who were able to raise our awareness of the risk to human rights posed by renewable energies, particularly with regard to the rights of local and indigenous populations.

**(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

Provide further detail on how your organisation used these information sources:

At AXA IM, we have a dedicated policy on Human Rights for Sovereigns. We complement this screening by ad hoc reports, such as from the Office of the United Nations High Commissioner for Human Rights (OHCHR), the US forced Labor Prevention Act, or the US Department of Labor (DOL) report on sectors most at risk of Human Rights Violations. Those reports have paved the way for targeted engagements in the textile, auto and mining sector. In addition, we look closely data that are reliable.

**(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

At AXA IM, we rely on a single-provider ESG scoring model which is coupled with an overlay of AXA IM's own analysis. Entitled Q2 (Qual and Quant), this new and enhanced qualitative and quantitative approach offers increased coverage as well as fine-tuned fundamental analysis and provides a structured score. Using MSCI ESG scoring model as the starting point, Q2 methodology allows to increase the coverage provided by MSCI as when MSCI doesn't provide a rating for an issuer, AXA IM ESG analysts can provide a documented, fundamental ESG analysis, which in turn will be transformed into a quantitative ESG score following MSCI pillars aggregation methodology and scores normalization, such coverage-enhancing ESG scores are referred to as "qual-to-quant". These ESG scores provide a standardized and holistic view on the performance of issuers on ESG factors and enable to both promote Environmental and Social factors and further incorporate ESG risks and opportunities in the investment decision. We have access to detailed analysis on ESG pillars and sub-factors, covering most material risk factors encountered by issuers, which feeds our research on human rights. The frame of reference draws on fundamental principles, such as the United Nations Global Compact, the OECD Guidelines, the International Labour Organisation conventions, and other international principles and conventions that guide companies and governments activities in the field of sustainable development and social responsibility. Human rights analysis is embedded in several social sub-factors including community relations through the analysis of frequency of human rights controversies by business activity and efforts of companies to engage community stakeholders, controversial sourcing as well in governance analysis on corruption & instability by identifying companies' commitments to protect human rights.

**(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

As a responsible asset manager, our role is to act on 2 fronts: ensuring that basic Human and Labour rights are respected and promoting social progress or driving positive impact. As for risk prevention, we rely on one hand on ESG providers specialized on controversies and breach of international norms and standards. For our range of ESG funds, we exclude countries severely violating basic human rights, and corporates falling under the most severe controversy level or in breach of international norms and standards. This screening is based on Sustainalytics Global Standard Screening data assessing the extent to which companies are operating within internationally accepted norms and standards related to human rights - such as UNGPs -, labour rights, the environment and business ethics. We also react to news flows to proactively engage with corporates under scrutiny or negative news flow, to engage with them on the issues. We also strive to identify opportunities such as the ones described above, to select companies faring well on those aspects and investing in them.

**(G) Sell-side research**

**(H) Investor networks or other investors**

Provide further detail on how your organisation used these information sources:

We participate to a number of investor initiatives working on the elaboration of best practices through research and the publication of investment guides as well as to engage with a selection of companies to reinforce their practices with regards to human rights issues. In 2022, we therefore have become a collaborative investor in the stewardship initiative 'Advance' – launched by the Principles for Responsible Investment (PRI) at the end of 2022, aimed at taking action on human rights and social issues. AXA IM also joined an investor coalition on forced labor and child labor to push companies to improve disclosure and better embed in their strategies major human rights issues. Finally, as a member of the Just Transition Investor coalition since 2021, we lead a group of investors in engagement with issuers in the energy sector and are members of the agriculture and food sector working groups.

The objective of this initiative is to ensure the social implications of a transition to a low-carbon economy are sufficiently anticipated. On the social pillar, we are also attentive to human capital & diversity issues. We are a member of the 30% Club Investor Group in Japan and France. They are coordinating investment community's approach to gender diversity, in particular to explain the investment case for more diverse boards and senior management teams. AXA IM is also part of the Platform on Living Wage Financial to encourage, support, assess, and monitor investee companies with regards to their commitment to enabling living wages and living incomes within their global supply chains and to the Good Work Coalition which helps investors to collaborate collectively, engaging with companies to promote good work standards including the living wage, tackling insecure work and action on diversity and inclusion.

- (I) Information provided directly by affected stakeholders or their representatives
- (J) Social media analysis
- (K) Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

**During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?**

- (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities
- (B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities

Describe:

It is part of our fiduciary duty to consider the 'S' in ESG investing to ensure companies act responsibly as employers, suppliers of goods and services, and as stakeholders in society. Our view is that companies failing to adequately do this are likely to face higher risks in terms of productivity, litigation, and reputation – which could ultimately affect financial performance and investment returns. On the other hand, companies that address social issues have often been found to have better risk management, more engaged employees, and better relationships with stakeholders. They span a wide range of issues including employee rights and health, social dialogue, pay rights and community rights, as well as modern slavery issues such as forced labour and child labour. These issues cannot all be handled in the same way, but all require a deep dive into policies and what they mean concretely in terms of actions taken. Ongoing dialogue with companies therefore remains crucial, to go beyond their public communication. Our role is to identify companies willing to make progress and implement adequate actions, to support them on the most relevant aspects and the most material risks stemming from their business activities. In 2024, our engagement work addressed human rights, human capital management, public health and the Just Transition. We see the integration of the 'S' pillar developing as a cross-cutting theme. Even if political uncertainties may reduce ambitions on different regulations related to sustainability disclosures and due diligence compared to initial plans, we continue to believe in a gradual shift from a purely net zero focus to a more holistic perspective. Scrutiny on workers' rights should continue to span across sectors, particularly to those most affected by a profound change of skills, such as the automotive industry where we are seeing a shift to electric vehicles. The theme of Just Transition should continue to grow, embedding both the energy transition and its impact on people. Modern slavery, living wages, working conditions, unionisation, and social dialogue are structural issues that have been to some extent overshadowed by climate concerns until recently - but investors are starting to consider these more seriously, as echoed by a growing number of shareholder resolutions at company annual meetings. With the help of CSRD, investors will have the opportunity to get access to more comparable data on social factors for companies operating in the EU. We believe that we will need several years to see a satisfactory level of maturity. Active stewardship on that front will continue to be an important tool for us investors to help companies to shape their reporting. We'll encourage corporates to see this data as opportunities rather than a burden. Study case: Ocado As part of the Good Work coalition, we met with Ocado's head of reward and people director twice in 2024. Our goal was to push the company towards getting the real living wage accreditation. In our initial meeting, we sought to understand Ocado's approach to pay and explored the challenges Ocado faced in achieving accreditation. Ocado highlighted several concerns, including the impact of the external wage setting on its operations while the company prefers to work with unions to determine pay rates, also taking into account competitor wages. It noted that a significant portion of the workforce already earns above the living wage due to a combination of premiums, incentives, and benefits. Our second meeting with Ocado gave us the opportunity to reiterate our desire to see the company getting the living wage accreditation, and sought to understand its impact on company costs and sales. Following up on our first meeting, the company provided the percentage of their workforce earning the real living wage when premiums are included, and confirmed the living wage accreditation issue was discussed at board level – which is already a significant step.

Yet, the board has decided against it in line with the principles of independence and flexibility included in Ocado's broader approach to pay. Ocado has shown some responsiveness to the coalition's demands. If implementing the real living wage across the company remains an issue, Ocado's approach illustrates the complexity of the issue and underscores the importance of long-term collaboration with companies to highlight the broader benefits of adopting this standard, rather than solely demanding accreditation. Our ultimate goal is to find a balance between business realities and philosophy, and to improve the company's compensation practices for their employees. Therefore, we will continue to engage with Ocado in 2025, monitoring developments following the implementation of the new budget as well as progress made in matching the real living wage rates. Further case studies are available in our Stewardship report: <https://www.axa-im.com/responsible-investing/policies>.

- (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

# MANAGER SELECTION, APPOINTMENT AND MONITORING (SAM)

## OVERALL APPROACH

### EXTERNAL INVESTMENT MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 1	CORE	OO 21	N/A	PUBLIC	External investment managers	4

For the majority of your externally managed AUM in each asset class, which responsible investment aspects does your organisation consider important in the assessment of external investment managers?

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
<b>Organisation</b>				
(A) Commitment to and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior-level oversight and accountability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>				
(D) Adequate resourcing and incentives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Staff competencies and experience in responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Investment Process</b>				
(F) Incorporation of material ESG factors in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(G) Incorporation of risks connected to systematic sustainability issues in the investment process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Stewardship</b>				
(I) Policy(ies) or guidelines on stewardship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Policy(ies) or guidelines on (proxy) voting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Performance and Reporting</b>				
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(5) Private equity****(7) Infrastructure****(8) Hedge funds****Organisation**

(A) Commitment to and experience in responsible investment



(B) Responsible investment policy(ies)



(C) Governance structure and senior-level oversight and accountability

**People and Culture**

(D) Adequate resourcing and incentives



(E) Staff competencies and experience in responsible investment

**Investment Process**

(F) Incorporation of material ESG factors in the investment process



(G) Incorporation of risks connected to systematic sustainability issues in the investment process



(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment

**Stewardship**

(I) Policy(ies) or guidelines on stewardship



(J) Policy(ies) or guidelines on (proxy) voting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(K) Use of stewardship tools and activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(L) Incorporation of risks connected to systematic sustainability issues in stewardship practices	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(M) Involvement in collaborative engagement and stewardship initiatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(N) Engagement with policy makers and other non-investee stakeholders	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(O) Results of stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Performance and Reporting</b>			
(P) ESG disclosure in regular client reporting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(Q) Inclusion of ESG factors in contractual agreements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(R) We do not consider any of the above responsible investment aspects important in the assessment of external investment managers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

#### Additional context to your response(s): (Voluntary)

Established in 2022, AXA IM Prime is a fully integrated provider of investment solutions across private markets, including private equity, private debt, infrastructure and hedge funds. With €39 billion of AuM (as of 31 December 2024), it is an advanced ESG investor that aims to create sustainable value by encouraging best practices in private markets. Its goal is to promote sustainable ambition in the sector, a philosophy which is directly rooted in AXA IM's DNA to act for human progress by investing for what matters. The AXA IM Prime Responsible Investment policy is published in the Prime Investments section of the AXA IM corporate website: <https://www.axa-im.com/what-we-do/private-markets-hedge-funds-investments> AXA IM Prime is an advanced ESG investor that aims to creating sustainable value by encouraging best practices in private markets.

One of its goals is to promote sustainable ambition in the sector, a philosophy which is directly rooted in AXA IM's DNA to act for human progress by investing in what matters. We work in the following way to achieve this goal:

- Implementing a robust ESG selection and monitoring process at firm and funds levels to manage risks and identify opportunities across all asset classes and throughout the whole investment cycle;
- Influencing our partners to promote the deployment of ESG best practices in private markets;
- Supporting the deployment of capital towards products investing in social and environmental solutions and helping to tackle climate change. Each of these steps are described in more detail below under "ESG integration in practice".

AXA IM Prime aims to implement ESG integration in the whole investment cycle from pre-investment to exit phase/maturity.

The process is adapted to the specificities of each investment solution and the type of investment (primaries, secondaries, co-investments), as required. Pre-investment AXA IM Prime has a threefold ESG due diligence process, which helps investment teams integrate ESG into investment decisions and risk management and helps identify sustainable value creation opportunities. AXA IM Select Formerly know as Architas, AXA IM Select has been providing investment solutions globally since 2008 as part of the AXA Group. As of January 2024, we became an integral part of AXA IM to enhance and expand our services to our clients. We help investors meet their investment goals through our expertise in multi-manager investing. This means we combine multiple single-focus underlying funds, run by specialist managers, into a fully diversified single investment solution.

AXA IM manages €36.8 bn of assets as of 31th December 2024. AXA IM Select engages in responsible investment because we believe that financially-material ESG considerations can affect returns of risk-adjusted investments in the short, medium and long term. AXA IM Select is in a unique position to influence and direct capital and finance towards positive contributions to the environment and society, thereby facilitating the transition to a sustainable economy. It is therefore important that i) the funds that are selected and managed are aligned with this view in terms of their ability to identify, assess and manage both sustainability risks and opportunities and ii) AXA IM Select can effectively influence managers on their ESG journey and in turn they can effectively engage with issuers.

In order to do this, the evolving AXA IM Select responsible investment framework is anchored on three pillars: i) ESG due diligence ii) ESG exclusions and iii) Governance and monitoring. The ESG Due Diligence process is a mandatory part of the investment process at AXA IM Select, in which we qualitatively assess firms and underlying funds' RI credentials using proprietary assessments which results in a RAG rating for firms and an ESG score for each fund. We apply stringent minimum thresholds to ensure our portfolios consist of funds / mandates that are less likely to be exposed to not managed ESG risks and where applicable make positive contributions to environment and society. These are the potential pitfalls that wouldn't be identified by traditional financial analysis alone. The purpose of these scores is to provide managers with information about the ESG quality of mutual funds, in order to seek to improve the ESG footprint of offerings where possible. ESG DD is undertaken in two parts: the ESG Operational Due Diligence (ODD) assessment which is focused at firm level and ESG Investment Due Diligence (IDD) assessment focused at fund level.

## SERVICE PROVIDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 2	CORE	OO 21	N/A	PUBLIC	Service providers	4

**Which responsible investment aspects does your organisation consider important when assessing all service providers that advise you in the selection, appointment and/or monitoring of external investment managers?**

- (A) Incorporation of their responsible investment policy into advisory services
- (B) Ability to accommodate our responsible investment policy
- (C) Level of staff's responsible investment expertise
- (D) Use of data and analytical tools to assess the external investment manager's responsible investment performance
- (E) Other
- (F) We do not consider any of the above responsible investment aspects important when assessing service providers that advise us in the selection, appointment and/or monitoring of external investment managers
- (G) **Not applicable; we do not engage service providers in the selection, appointment or monitoring of external investment managers**

# SELECTION

## RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 4	CORE	OO 12, OO 21	SAM 5, SAM 6, SAM 7	PUBLIC	Responsible investment practices	General

**During the reporting year, did your organisation select new external investment managers or allocate new mandates to existing investment managers?**

- (A) Yes, we selected external investment managers or allocated new mandates to existing investment managers during the reporting year
  - (B) No, we did not select new external investment managers or allocate new mandates to existing investment managers during the reporting year
  - (C) Not applicable; our organisation is in a captive relationship with external investment managers, which applies to 90% or more of our AUM

**Additional context to your response(s): (Voluntary)**

Our usual ESG due diligence process applies, as described in SAM 1 when selecting new external investment manager or when allocating new mandates to existing investment managers.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 5	CORE	SAM 4	N/A	PUBLIC	Responsible investment practices	4

**During the reporting year, what responsible investment aspects did your organisation, or the service provider acting on your behalf, review and evaluate when selecting new external investment managers or allocating new mandates to existing investment managers?**

**Organisation**

- (A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- (B) Responsible investment policy(ies) (e.g. the alignment of their responsible investment policy with the investment mandate)
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates
    - (3) for a minority of our mandates
- (C) Governance structure and senior-level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)
  - Select from dropdown list
    - (1) for all of our mandates
    - (2) for a majority of our mandates

- (3) for a minority of our mandates

#### People and Culture

**(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### Investment Process

**(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks)**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

#### Performance and Reporting

**(I) ESG disclosure in regular client reporting**

Select from dropdown list

- (1) for all of our mandates**
- (2) for a majority of our mandates
- (3) for a minority of our mandates

**(J) Inclusion of ESG factors in contractual agreements**

Select from dropdown list

- (1) for all of our mandates
- (2) for a majority of our mandates**
- (3) for a minority of our mandates

- (K) We did not review and evaluate any of the above responsible investment aspects when selecting new external investment managers or allocating new mandates to existing investment managers during the reporting year

#### Additional context to your response(s): (Voluntary)

AXA IM Prime AXA IM Prime aims to implement ESG integration in the whole investment cycle from pre-investment to exit phase/maturity. The process described below is adapted to the specificities of each investment solution and the type of investment (primaries, secondaries, co-investments), as required. Pre-investment AXA IM Prime has a threefold ESG due diligence process, which helps investment teams integrate ESG into investment decisions and risk management and helps identify sustainable value creation opportunities.

1. Sectorial Exclusion Policies: For primary and co-investments, AXA IM Prime will not invest in portfolios which do not comply with AXA IM's sectorial exclusion policies;
- 2.

Minimum ESG criteria: AXA IM Prime will only invest in portfolios whose ability to manage ESG risks and opportunities is demonstrated by membership of the Principles for Responsible Investment (UN PRI), or the existence of an ESG policy, a senior-level oversight of ESG, and an internal or external staff implementing ESG, or by a commitment to build the above-mentioned capabilities within 12 months after the investment;

3. Scoring of targets' ESG capabilities: AXA IM Prime has developed a proprietary ESG Due Diligence & Monitoring Questionnaire (ESG DDMQ) based on industry best practices and recognized international standards, which allows it to score investment opportunities at both the investment firm and transaction levels for all deal types (primaries, secondaries and co-investments). This ESG score (i) includes minimum requirements, which must be satisfied in order for the investment to be investable by AXA IM Prime (ii) favors strong performers in the overall investment case, and (iii) provides a starting diagnosis for performance monitoring, engagement with third party general partners and future improvements.

For secondary investments, a simplified ESG DDMQ is completed pre-investment which does not require a minimum scoring. The ESG Due Diligence process is a mandatory part of the investment process at AXA IM Select, in which we qualitatively assess firms and underlying funds' RI credentials using proprietary assessments which results in a RAG rating for firms and an ESG score for each fund. We apply stringent minimum thresholds to ensure our portfolios consist of funds / mandates that are less likely to be exposed to not managed ESG risks and where applicable make positive contributions to environment and society. These are the potential pitfalls that wouldn't be identified by traditional financial analysis alone. The purpose of these scores is to provide managers with information about the ESG quality of mutual funds, in order to seek to improve the ESG footprint of offerings where possible.

ESG DD is undertaken in two parts: the ESG Operational Due Diligence (ODD) assessment which is focused at firm level and ESG Investment Due Diligence (IDD) assessment focused at fund level. At AXA IM Select, implementation of ESG exclusions is a key pillar of achieving responsible investment. Aside from exclusions based on ESG scores, we apply a range of sectorial or normative exclusion policies. By doing so, we reduce our exposure to ESG risk areas and this enables better management of sustainability risks and principal adverse impacts (PAI). AXA IM Select.

## APPOINTMENT

### SEGREGATED MANDATES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 8	CORE	OO 5.2, OO 13, OO 21	N/A	PUBLIC	Segregated mandates	4

Which responsible investment aspects do your organisation, or the service provider acting on your behalf, explicitly include in clauses within your contractual agreements with your external investment managers for segregated mandates?

- (A) Their commitment to following our responsible investment strategy in the management of our assets
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates
    - (3) for a minority of our segregated mandates
- (B) Their commitment to incorporating material ESG factors into their investment activities
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates
    - (3) for a minority of our segregated mandates
- (C) Their commitment to incorporating material ESG factors into their stewardship activities
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates
    - (3) for a minority of our segregated mandates
- (D) Their commitment to incorporating risks connected to systematic sustainability issues into their investment activities
  - Select from dropdown list
    - (1) for all of our segregated mandates
    - (2) for a majority of our segregated mandates
    - (3) for a minority of our segregated mandates
- (E) Their commitment to incorporating risks connected to systematic sustainability issues into their stewardship activities
- (F) Exclusion list(s) or criteria
  - Select from dropdown list

- (1) for all of our segregated mandates
- (2) for a majority of our segregated mandates
- (3) for a minority of our segregated mandates
- ☑ (G) **Responsible investment communications and reporting obligations, including stewardship activities and results**
  - Select from dropdown list
  - (1) for all of our segregated mandates
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☑ (H) **Incentives and controls to ensure alignment of interests**
  - Select from dropdown list
  - (1) for all of our segregated mandates
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☐ (I) Commitments on climate-related disclosure in line with internationally-recognised frameworks such as the TCFD
- ☑ (J) **Commitment to respect human rights as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights**
  - Select from dropdown list
  - (1) for all of our segregated mandates
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☑ (K) **Their acknowledgement that their appointment is conditional on the fulfilment of their agreed responsible investment commitments**
  - Select from dropdown list
  - (1) for all of our segregated mandates
  - (2) for a majority of our segregated mandates
  - (3) for a minority of our segregated mandates
- ☐ (L) Other
  - (M) We do not include responsible investment aspects in clauses within our contractual agreements with external investment managers for segregated mandates

**Additional context to your response(s): (Voluntary)**

For more details on our due diligence process at asset manager/general partners and underlying funds/mandates, please refer to question SAM 1 and related AXA IM Prime and AXA IM Select Responsible investment policies :

- AXA IM Select: <https://select.axa-im.com/responsible-investing-axaimselect>
- AXA IM Prime: <https://www.axa-im.com/what-we-do/private-markets-hedge-funds-investments>

# MONITORING

## RESPONSIBLE INVESTMENT PRACTICES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 9	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	4

**For the majority of your externally managed AUM in each asset class, which aspects of your external investment managers' responsible investment practices did your organisation, or the service provider acting on your behalf, monitor during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
<b>Organisation</b>				
(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>People and Culture</b>				
(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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**Investment Process**

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(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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**Performance and Reporting**

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(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(J) Inclusion of ESG factors in contractual agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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**(5) Private equity****(7) Infrastructure****(8) Hedge funds****Organisation**

(A) Commitment to and experience in responsible investment (e.g. commitment to responsible investment principles and standards)

(B) Responsible investment policy(ies) (e.g. the continued alignment of their responsible investment policy with the investment mandate)

(C) Governance structure and senior level oversight and accountability (e.g. the adequacy of their governance structure and reported conflicts of interest)

**People and Culture**

(D) Adequate resourcing and incentives (e.g. their team structures, operating model and remuneration structure, including alignment of interests)

(E) Staff competencies and experience in responsible investment (e.g. level of responsible investment responsibilities in their investment team, their responsible investment training and capacity building)

**Investment Process**

(F) Incorporation of material ESG factors in the investment process (e.g. detail and evidence of how such factors are incorporated into the selection of individual assets and in portfolio construction)

(G) Incorporation of risks connected to systematic sustainability issues in the investment process (e.g. detail and evidence of how such risks are incorporated into the selection of individual assets and in portfolio construction)

(H) Incorporation of material ESG factors and ESG risks connected to systematic sustainability issues in portfolio risk assessment (e.g. their process to measure and report such risks, their response to ESG incidents)

**Performance and Reporting**

(I) ESG disclosure in regular client reporting (e.g. any changes in their regular client reporting)

(J) Inclusion of ESG factors in contractual agreements

(K) We did not monitor any of the above aspects of our external investment managers' responsible investment practices during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 10	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**During the reporting year, which information did your organisation, or the service provider acting on your behalf, monitor for externally managed ESG passive products and strategies?**

	(1) Listed equity (passive)	(2) Fixed income (passive)
(A) How the external investment managers applied, reviewed and verified screening criteria	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) How the external investment managers rebalanced the products as a result of changes in ESG rankings, ratings or indexes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Evidence that ESG passive products and strategies meet the responsible investment criteria and process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not monitor ESG passive products and strategies	<input type="checkbox"/>	<input type="checkbox"/>
(F) Not applicable; we do not invest in ESG passive products and strategies	<input type="checkbox"/>	<input type="checkbox"/>

**(D) Other - Specify:**

We undertake a full ESG Due Diligence on ESG passive products. This includes scored questions under three sections: i) ESG integration in investment, e.g. ESG approach and evidence of application of the ESG approach ii) Engagement and stewardship iii) Risk and Reporting.

**Additional context to your response(s): (Voluntary)**

Our standard due diligence process at firm level, our ESG Operational Due Dilligence assessment, and ESG Investment Due Dilligence at portfolio level apply as well to passive investments strategies and products.

- The ESG Due Diligence process is a mandatory part of the investment process at AXA IM Select, in which we qualitatively assess firms and underlying funds' RI credentials using proprietary assessments which results in a RAG rating for firms and an ESG score for each fund. We apply stringent minimum thresholds to ensure our portfolios consist of funds / mandates that are less likely to be exposed to not managed ESG risks and where applicable make positive contributions to environment and society. These are the potential pitfalls that wouldn't be identified by traditional financial analysis alone. The purpose of these scores is to provide managers with information about the ESG quality of mutual funds, in order to seek to improve the ESG footprint of offerings where possible.

ESG DD is undertaken in two parts: the ESG Operational Due Diligence (ODD) assessment which is focused at firm level and ESG Investment Due Diligence (IDD) assessment focused at fund level.

- ESG ODD assessment at firm level: The areas covered include policies, firm level processes, governance, training, Key Performance Indicators (KPIs) and firm level commitments. It is a self-assessment so firms are provided an ESG specific questionnaire as part of the overall ODD process which they complete and submit along with any evidence requested, such as their policies. Depending on the responses, the AXA IM Select ODD team can choose to follow up with a discussion with the firm being assessed. The responses are assessed and a RAG rating outcome is finalised.

Amber and Green rated firms' funds are eligible for investment. However, red rated firms' funds are considered ineligible for investment (unless there is a reasonable case for an exemption from this rule which would go through approval at the RI Forum) and the firm cannot be used for any delegated mandates. Red rated firms can be those without an RI policy or without a dedicated RI resource or with unsatisfactory ESG integration at firm level. The list of firms and their latest assessment outcomes are stored on a Sharepoint site for the investment team to access. The assessment is refreshed at least every two years. On an ongoing basis Asset Managers are monitored in the media for possible adverse news with regards to their commitment to ESG initiatives and involvement in greenwashing practices.

- ESG IDD assessment at fund / mandate level: This is a qualitative self-assessment of funds or mandates based on a questionnaire completed by fund managers and comprises three scored sections that have their own weights and cover the following areas specifically at fund level: i) ESG integration that includes ESG approach, evidence of implementation of ESG approach and any consideration of impact ii) Engagement and stewardship that includes an engagement framework, how engagement is tracked and success measured and evidence of active ownership effecting investment decisions. iii) Risk and reporting includes ESG risk monitoring, ESG KPIs, ESG reporting and consideration of climate risk and biodiversity. The output of the assessment is an ESG score awarded to each fund / mandate. Currently the total score is out of 5, however this is subject to change.

ESG score thresholds are defined which all funds / mandates – new and invested – must meet in order to be eligible for investment and if an invested fund / mandate's score drops below the ESG Score threshold, there is an escalation process defined which can ultimately lead to removal from approved buy lists. There are two ESG Score thresholds used at AXA IM Select currently – one for SFDR Article 6 and Article 8 funds / mandates and one for SFDR Article 9 funds / mandates. The assessment is mandatory for all new and invested funds / mandates and the due diligence is carried out as part of the wider Investment Due Diligence for new funds or as part of monitoring funds. The assessment is refreshed at least every eighteen months. Using collected information – via the questionnaire and dedicated discussions with the fund manager if needed – sector analysts will form a view on the robustness of the ESG process (including peer comparison) and present findings back to the investment team. This question does not apply for AXA IM Prime.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 11	PLUS	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**Describe an innovative practice you adopted as part of monitoring your external investment managers' responsible investment practices in a specific asset class during the reporting year.**

AXA IM Prime As stated further above, AXA IM Prime has been established in January 2024. As a new business unit part of AXA IM, the responsible investment policy has been designed through 2024 and progressively implemented into funds. AXA IM Select AXA IM Select, former Architas, joined AXA IM 2023. Efforts in 2024 focused on aligning AXA IM Select approach with AXA IM, in particular on stewardship. AXA IM Select's voting rights were historically delegated to the subdelegated managers of our subdelegated funds. In 2024, with the integration within AXA IM, AXA IM Select has decided to align with AXA IM voting policy and therefore to retain the voting rights internally, in order to ensure consistency with regard to the voting process of AXA IM.

AXA IM Select started with a fund launched in July 2024 which is subdelegated to two external asset managers and expect to be in a position to retain votes on all its funds of mandates by 2025. One other key element more recently formalised as of the fourth quarter of 2024 is the engagement pillar via the RI Engagement Framework. Our goal is to create returns and long-term value while keeping sustainability central to everything we do to protect from risks and leverage opportunities. Contributing to this overall goal, the RI engagement objective is to have a positive impact through investments and to change practices for the better. This implies:

- Encouraging improved embedding of RI in investment processes
- Encouraging consistency of standards and reporting in the industry
- Supporting investment decision-making and improving financial and sustainability outcomes
- Encouraging transparency and disclosure
- Promoting RI.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 12	CORE	OO 14, OO 21	N/A	PUBLIC	Responsible investment practices	1

**For the majority of your externally managed AUM in each asset class, how often does your organisation, or the service provider acting on your behalf, monitor your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) At least annually	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Less than once a year	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) On an ad hoc basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(5) Private equity	(7) Infrastructure	(8) Hedge funds	
(A) At least annually	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(B) Less than once a year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(C) On an ad hoc basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Additional context to your response(s): (Voluntary)**

AXA IM Select All funds / mandates are monitored on a frequency of between quarterly, semi-annually and annually as specified in the due diligence process. Aside from an update of the IDD note, this can include direct discussions with the managers therefore closely liaising on all ESG related issues as well. The monitoring of funds by portfolio managers includes checking current and future potential of compliance with any agreed constraints, e.g. fund label requirements and SFDR classification related requirements. It is worth noting that all agreed constraints are monitored by the Investment Risk Monitoring department at an agreed frequency. AXA IM Prime AXA IM Prime recognizes that the investment/holding phase constitutes an important opportunity for dialogue with third party general partners and managers.

Drawing from the AXA IM engagement policy, AXA IM Prime has put in place a structured approach to ESG monitoring, dialogue and engagement with third party general partners and managers, which are prioritized on a range of criteria. The aim is to contribute to risk management and sustainable value creation during the ownership/holding phase. Monitoring and engagement activities are carried out directly by the investment team in collaboration with the ESG Team as required.

- Annual ESG data collection campaign: an ESG questionnaire is sent to third party general partners and managers to update the ESG scores and to collect ESG KPIs. Meetings may take place with the third party general partners and managers to discuss the reported ESG practices and the KPIs.
- Regular dialogues with third party general partners and managers to track the evolution of ESG practices, provide constructive feedback and discuss the identified key improvement areas, and if relevant, to monitor progress against previously defined objectives.
- Participation to governing bodies of the third party general partners and managers.

AXA IM Prime identifies four priority themes to address during dialogues and engagement: 1.

Climate change, in line with the four pillars of the TCFD recommendations (Governance, Strategy, Risk management, Metrics & Targets);

2. Diversity and inclusion, aligned with private market organizations' objective to increase the share of women among investment teams, senior management, and Boards;

3. ESG data quality and availability through the disclosure of comprehensive ESG reporting in line with industry frameworks;

4. ESG best practices, including becoming a UN PRI signatory, conducting ESG due diligence and engaging with portfolio companies on ESG.

Additional topics may be identified during the ESG due diligence if considered as a material risk and addressed in dialogues and engagement actions.

## ENGAGEMENT AND ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 15	PLUS	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

### Describe how your organisation engaged with external investment managers to improve their responsible investment practices during the reporting year.

AXA IM Prime As stated further above, AXA IM Prime has been established in January 2024. As a new business unit part of AXA IM, the responsible investment policy has been designed through 2024 and progressively implemented into funds. AXA IM Select AXA IM Select, former Architas, joined AXA IM 2023. Efforts in 2024 focused on aligning AXA IM Select approach with AXA IM, in particular on stewardship. AXA IM Select's voting rights were historically delegated to the subdelegated managers of our subdelegated funds. In 2024, with the integration within AXA IM, AXA IM Select has decided to align with AXA IM voting policy and therefore to retain the voting rights internally, in order to ensure consistency with regard to the voting process of AXA IM.

AXA IM Select started with a fund launched in July 2024 which is subdelegated to two external asset managers and expect to be in a position to retain votes on all its funds of mandates by 2025. One other key element more recently formalised as of the fourth quarter of 2024 is the engagement pillar via the RI Engagement Framework. Our goal is to create returns and long-term value while keeping sustainability central to everything we do to protect from risks and leverage opportunities. Contributing to this overall goal, the RI engagement objective is to have a positive impact through investments and to change practices for the better. This implies:

- Encouraging improved embedding of RI in investment processes
- Encouraging consistency of standards and reporting in the industry
- Supporting investment decision-making and improving financial and sustainability outcomes
- Encouraging transparency and disclosure
- Promoting RI.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 16	CORE	OO 14, OO 21	N/A	PUBLIC	Engagement and escalation	4

**What actions does your organisation, or the service provider acting on your behalf, include in its formal escalation process to address concerns raised during monitoring of your external investment managers' responsible investment practices?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	(5) Private equity	(7) Infrastructure	(8) Hedge funds
(A) Engagement with their investment professionals, investment committee or other representatives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Notification about their placement on a watch list or relationship coming under review	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) Reduction of capital allocation to the external investment managers until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Termination of the contract if failings persist over a (notified) period, including an explanation of the reasons for termination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) Holding off selecting the external investment managers for new mandates or allocating additional capital until any concerns have been rectified	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(F) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) Our organisation does not have a formal escalation process to address concerns raised during monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Additional context to your response(s): (Voluntary)**

AXA IM Select has defined an escalation process within its ESG ODD and IDD processes which can ultimately lead to the removal from approved buy lists. AXA IM Select's Risk team oversees post-trade controls and operates a dedicated process for flagging any identified issues or breaches. Once identified, the PM and the RI Lead from the Investment Team are notified before the delegated manager is contacted. An incident report is logged as needed

## VERIFICATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SAM 17	CORE	OO 14, OO 21	N/A	PUBLIC	Verification	1

**For the majority of your externally managed AUM in each asset class, how did your organisation, or the service provider acting on your behalf, verify that the information reported by external investment managers on their responsible investment practices was correct during the reporting year?**

	(1) Listed equity (active)	(2) Listed equity (passive)	(3) Fixed income (active)	(4) Fixed income (passive)
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	(5) Private equity	(7) Infrastructure	(8) Hedge funds
(A) We checked that the information reported was verified through a third-party assurance process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We checked that the information reported was verified by an independent third party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) We checked for evidence of internal monitoring or compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not verify the information reported by external investment managers on their responsible investment practices during the reporting year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, our investment process incorporates material governance factors	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○

#### Additional context to your response(s): (Voluntary)

1) LISTED EQUITY AXA IM's equity investment team is fundamentally driven, active in approach, and manages a range of qualitative and quantitative solutions. As well as fully embedding risk controls, our strategies also integrate a range of Environmental, Social and Governance (ESG) insights, which we believe helps to deliver sustainable long-term value. Qualitative equity: our unconstrained investment approach is conviction led, thematically driven, and underpinned by rigorous fundamental research and innovation. Our qualitative equity investment professionals apply in-depth company research and analysis, including company meetings, to identify the drivers of long-term returns for the stocks they cover and to capture future trends in the portfolios they construct.

As our qualitative portfolios reflect the high convictions of our portfolio managers, they tend to be relatively concentrated and fundamentally anchored, reflecting our deep understanding of corporate positioning and fundamentals of each stock in a portfolio. We seek to identify companies with the following fundamental attributes: -Growth potential in terms of sales, profits and cash generation -Flexible and scalable business model -Solid financial position -Dynamic management team, a transparent strategy and exposure to longer-term growth themes -A reasonable valuation not reflecting the full potential of the company -A solid ESG profile and consideration of the environmental factors

Quantitative equity: our quantitative investment approach combines vast sets of data and technology to seek investment opportunities on a global scale. We use advanced modelling techniques to conduct rigorous research, allowing the development of proprietary factor insights that we use to target specific investment outcomes for our clients.

Our cutting-edge investment platform captures traditional and non-traditional data on over 20,000 companies worldwide. In common with our qualitative strategies, our quantitative insights are granular, bottom up, and grounded in fundamentals. We use models developed over 30 years to analyse the ESG and fundamental characteristics of companies to determine their exposure to proprietary views on value, growth, quality, sentiment, and volatility, then determine the optimal blend of factor insights for each company based on its size, geography, and growth characteristics. Our quantitative solutions tend to be well diversified with low active risk. The investment process consists of the following three components: -Filter: targets Quality and Low Volatility factor exposure while controlling for tail risks -Diversify: aims to protect against concentration risk, while managing liquidity -Implement: integrates ESG insights, optimises to minimise trading costs and turnover This is all executed within one fully integrated and transparent investment process, which is overseen and continuously monitored by our investment and independent risk teams.

2) LISTED REAL ESTATE Our strategies aim to benefit from the growth potential of the global real estate markets by investing in securities issued by companies engaged in the real estate industry. Our style-neutral investment approach, which focuses on company fundamentals, has allowed us to outperform the benchmark in both rising and falling markets. We believe that real estate security markets occasionally display inefficiencies that active managers can measure and exploit to achieve added value versus the benchmark. Our investment philosophy is based on the following principles, which are aimed at maximising this alpha potential:

- Active & Bottom-up: our active and bottom-up stock-picking approach allows us to look beyond the benchmark to identify the most attractive property stocks within the universe and base our decisions on an in-depth fundamental bottom-up research and analysis.

- Long-term investment horizon: another key aspect of our investment approach is to act as "real investors" and "think long-term".

Market participants tend to overly focus on short-term events and underestimate the genuine potential of many listed real estate companies.

- Fundamental research: it is our principal source of added value and focuses on identifying companies which create value for shareholders, displaying the following attributes:

- Solid governance practices, strong management team and sustainability

- Historical ability to deliver above average cash flow and earnings growth with a robust business model

- Exposure to secular growth drivers This philosophy is the outcome of our investment team's longstanding experience in managing the asset class. We believe the three most important attributes for success in managing listed real estate portfolios lie in discipline, knowledge, and experience in order to avoid companies that will significantly drag down performance.

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Yes, we have a formal process that includes scenario analyses	(2) for a majority of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but it does not include scenario analyses			
(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)**

At AXA IM, we produce in-house ESG research and thought leadership on key themes including climate change, biodiversity, gender diversity and human capital, human rights and corporate governance. This research is conducted by experts within the RI Research and Sustainability & Governance teams. Additional research is conducted by macroresearch team as well as investment teams. Those research includes empirical analysis of ESG factors and pillars and the implications for European equity markets (<https://www.axa-im.com/asset-class-insights/equities/esg-dissection-european-equities>), analysis of top ESG equities resilience (<https://www.axa-im.com/news-and-experts-insights/investment-institute/sustainability/top-esg-equities-show-their-resilience-2021>), performance analysis of companies with the lowest carbon intensities (<https://www.axa-im.com/asset-class-insights/equities/there-premium-low-carbon-intensity-european-equities>). Research papers are published on the Investment Institute page of our website. This research allows us to identify ESG risks, understand and anticipate their impacts on the assets in which we invest as well as understand the environmental and social impacts of our investments. Key findings from this research also help guide adjustments to our stewardship and exclusion strategies. All our ESG through leadership are published in the dedicated Sustainability section of the AXA IM Investment Institute.

**Additional context to your response(s): (Voluntary)**

Within our investment teams, the primary source of information is proprietary research, which benefits all our investment teams. Macro Environment Research Macroeconomic research team All our portfolio managers leverage the expertise of our economists, who conduct independent and thorough research on global macroeconomic trends and financial market developments. The Macroeconomic Research team, composed of seasoned economists, develops forecasts and economic scenarios across key regions and asset classes, enhancing our investment process with their insights on monetary policies, economic cycles and asset class perspectives. Continuous interaction between the research and portfolio management teams is integral to our investment process, with communications ranging from informal exchanges (e-mail, discussions) to formal reports (flash reports, regular research reports and meetings) and monthly meetings for asset allocation strategy recommendations following discussions between portfolio managers and analysts. ESG Thematic Research AXA IM's RI Research team is in charge of ESG thematic research, focusing currently on Climate, Biodiversity, Human Capital, Human Rights, and Diversity. The team's research informs investment decisions across platforms by highlighting material ESG risks and structural developments impacting sectors and companies. The team also leads shareholder engagement on these themes, influencing issuers' strategies through proactive or reactive measures with companies facing controversies. The team also regularly publishes 'white papers' on relevant RI/ESG topics and ESG/Impact integrated investment solutions, which can be found under the following link: <https://www.axa-im.com/investment-institute#sustainability> AXA IM Stewardship The RI Coordination and Governance team handles transversal RI projects (like the implementation of regulations) and conduct governance research as well as engagement on governance issues, and are in charge of the implementation of the voting policy. They work closely with the RI Research team to build and lead AXA IM's stewardship strategy. This research is complemented with fundamental research at issuer level: Bottom-up qualitative and quantitative research on ESG complements the top-down research.

Investment teams can rely on ESG scoring and ESG key performance indicators provided by external sources – but which can be adjusted internally based on a robust qualitative analysis – and internally developed frameworks relying on recognized external frameworks such as the Climate Color framework for assessing the robustness of issuer's pathways to Net Zero, and impact frameworks on listed equities and green, social and sustainability bonds assessing their level of impact. ESG Scoring at Issuer Level AXA IM's ESG research adds an extra layer to traditional fundamental research by integrating the financial implications of ESG factors on companies in both the short and long term. Climate Color Framework The purpose of AXA IM Climate Colour framework for Corporates is to assess the credibility of transition strategies and plans defined by investee companies as defined by the NZIF: the framework is AXA IM's interpretation of the "Asset Level Assessment & Targets" component of the NZIF part for "Listed Equity & Corporate Fixed Income". The framework is a combination of qualitative assessment and a quantitative model, which are complementary.

The qualitative climate colour assessment determines the colour of a company, whereas the quantitative climate colour model is an input to the qualitative assessment and determines the default colour of a company in the absence of a qualitative analysis AXA IM has also defined a Sustainable Investment framework to identify assets which are contributing to environmental and/or social objectives. To qualify as a sustainable investment, an investment has to meet the following criteria:

- 1. Contribute to an environmental or social objective;
- 2. Do No Significant Harm: respect of "Do No Significant Harm" principle (DNSH) on other environmental or social sustainability factors;
- 3.

Good Governance: demonstrate that investee follows good governance practices, requiring to have a policy to assess good governance practices (sound management structures, employee relations, remuneration and tax compliance). Impact investment analysts at AXA IM evaluate companies' positive contributions to environmental and social objectives, aligning with the corresponding UN Sustainable Development Goals (SDGs). They ensure there is no significant harm to these objectives. Their research is notably guided by AXA IM's approach to impact investing in listed assets ESG KPIs & scores are an easy way to synthesize all material ESG information to then choose between thousands of issuers. Fund managers can assess how companies mitigate ESG risks or use ESG dimension to improve their competitive position within their own sector.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?**

	(1) Active - quantitative	(2) Active - fundamental
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process	(1) in all cases	(1) in all cases
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes	o	o

**Additional context to your response(s): (Voluntary)**

- Fundamental equities:  
After the application of ESG filters based on AXA IM's exclusion policies, the investment team conducts bottom-up fundamental analysis for our stock selection. The goal is to focus the portfolio on companies that meet our Philosophy: with strong fundamentals that have solid perspective of sales and margin growth. We will also have a special focus upon this kind of stock, not adequately valued by the market. This assessment involves ESG analysis amongst other financial assessments. Meetings with the top management of the companies that are considered for investment and visits to their premises complement our fundamental analysis.

This forms an essential part of our research process, to validate a company's strategy and the quality of its management. Whilst quantitative scores are a primary source of ESG information, allowing us to go in details into each of the ESG criteria and sub-factors, we remain at the same time aware of the limits of a purely quantitative approach as some scores only rely on companies' level of disclosure. As such, we decided to complement our quantitative inputs with qualitative analysis and hired three equity ESG analysts, sitting next to the investment teams. They take part in team and company meetings and their role is to optimise the day-to-day incorporation of ESG factors into our investment decisions. These experts conduct their own fundamental research on extra-financial criteria of companies under investment consideration, and their recommendations are key for validating a company's integration in the portfolio. Portfolio construction During the last step of our process, we construct the portfolio in accordance with our buy and sell disciplines.

Our objective is to build a concentrated portfolio of 45-55 stocks that is well-diversified across sectors and regions, that reflects our strongest convictions on mispriced profitable growth stocks. This ensures that stock selection remains the primary source of alpha. We also aim to build a portfolio that presents a superior Environmental profile (lower carbon exposure), through the selection of the best performing companies based on our proprietary Environment score. The weight of each security in the portfolio is the result of a detailed risk/return analysis, which takes into account the specific convictions of the investment team and the security's appreciation potential compared to a target price. The risk level assigned to the security (liquidity, volatility etc.) and the market outlook are taken into account, too.

In this process, the portfolio management team benefits from the support of the portfolio engineers of the Investment Analytics team, which provides comprehensive analysis on the risks present in portfolios and on unwanted systemic biases that may arise from potential investment opportunities. Our most focused ESG strategies rely on our proprietary impact framework

- Quantitative equities Our quantitative investment approach combines vast sets of data and technology to seek investment opportunities on a global scale. We use advanced modelling techniques to conduct rigorous research, allowing the development of proprietary factor insights that we use to target specific investment outcomes for our clients. Our cutting-edge investment platform captures traditional and non-traditional data on over 20,000 companies worldwide.

In common with our qualitative strategies, our quantitative insights are granular, bottom up, and grounded in fundamentals.

We use models developed over 30 years to analyse the ESG and fundamental characteristics of companies to determine their exposure to proprietary views on value, growth, quality, sentiment, and volatility, then determine the optimal blend of factor insights for each company based on its size, geography, and growth characteristics. Our quantitative solutions tend to be well diversified with low active risk. The investment process consists of the following three components:

- Filter: targets Quality and Low Volatility factor exposure while controlling for tail risks
- Diversify: aims to protect against concentration risk, while managing liquidity
- Implement: integrates ESG insights, optimises to minimise trading costs and turnover This is all executed within one fully integrated and transparent investment process, which is overseen and continuously monitored by our investment and independent risk teams.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(2) in a majority of cases	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(2) in a majority of cases	(1) in all cases	(1) in all cases

(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability (2) in a majority of cases (1) in all cases (1) in all cases

(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors (2) in a majority of cases (1) in all cases (1) in all cases

(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process ○ ○ ○

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.**

We have chosen to illustrate our integration of ESG factors with a practical case of stock selection, here Dassault Systemes (DSY). Dassault Systemes is a French company producing software tools for 3D product design, simulation, manufacturing, and other 3D related applications. Clients across different industries, require technical tools to develop innovative products or solutions, via more time-, cost- and resource-efficient processes. Innovation in materials, processes and in technology, are critical to achieve the Sustainable Development Goals by 2030. Simultaneously, sustainability is among the key growth-drivers of global innovation spending.

Research and Development plays a critical role in the delivery of innovative products, and global GDP invested in R&D has continued to rise in the past decades. Increased investment in R&D is essential to more efficiently and effectively find solutions for global challenges, such as decarbonising production processes, or accelerating novel drug development. DSY is well positioned to continue to benefit from this structural growth trend for many years ahead. During the process of researching the company, in addition to fundamental and financial factors, we also assessed the sustainability of the business, including Materiality and Additionality of DSY's sustainability efforts. DSY's software contribute to reducing emissions via data-driven solutions.

The co. reported that 67% of its 2023 revenue was eligible to the EU Taxonomy and 33% was aligned with the EU2 Taxonomy (activities supporting climate change mitigation). We also assessed Intentionality and Measurability. DSY demonstrates good intentionality to contribute to the efficient development of sustainable innovations. The group follows a purpose to provide businesses and people with technologies that permit to harmonize product, nature and life. DSY has established excellent operational governance mechanisms and a robust strategy, to ensure it follows its purpose.

Regarding Human Capital, Dassault Systemes has set up policies and set up initiatives to promote a diverse, engaged and trained workforce. On diversity and inclusion, Dassault has worked around goals to increase the share of women in senior management roles. There is board-of-director-level oversight for the sustainable development strategy, with the presence of a Lead Independent Director and Lead director on sustainability (also independent of interests) and the strategy also feeds into product development. Non-financial and ESG-related metrics are included in executive compensation packages, with ESG criteria representing 15% of total short-term incentives. Last but not least, we also assessed Negative Externalities.

Although Dassault Systemes' solutions and operations do not produce direct and material externalities, a minor share of revenues are derived from sale of solutions to carbon intensive sectors such as offshore oil and gas, oil and gas exploration. Customers linked to carbon-intensive sectors (fossil fuels in particular) represent less than 5% of revenues.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

	(1) Passive equity	(2) Active - quantitative	(3) Active - fundamental
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(2) for a majority of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process			
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors	o	o	o

## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 7	PLUS	OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

Within its range of passive strategies, AXA IM range of passive Equity products includes “Paris-Aligned Benchmark” (PAB) strategies (27.5%) that follow a decarbonization objective. These strategies aim to promote environmental and social characteristics by excluding certain issuers based on ESG characteristics, and by tracking an Index designed to achieve a net zero carbon emissions level by 2050. AXA IM relies on indices provided by external providers, such as MSCI and ICE. For passive strategies with ESG tilts, AXA IM selects indices which embedded ESG criteria in their construction, and carefully review to methodology to ensure its robustness and consistency with regulations and alignment with the investment strategy.

For “PAB” indices exclusionary filters are applied to remove issuers with certain ESG and/or climate-related business involvements, companies with involvement in controversial weapons and tobacco, companies that are not compliant with the UN Global Compact and additional exclusions related to fossil fuel business involvements. Regarding decarbonization, the index incorporates carbon targets to reduce the carbon level relative to the Parent Index by 50% on its inception date and maintaining at least a 7% reduction thereafter. This approach influences the weights of holdings, as the Index carbon reduction is met by applying weighting tilts factors to constituents ranked based on their relevant carbon metrics.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

**How does your organisation select the ESG index(es) or benchmark(s) for your passive listed equity assets?**

- (A) We commission customised indexes
- (B) We compare the methodology amongst the index providers available**

Explain:

The choice of a benchmark for our passive products with an ESG tilt aligns with AXA IM DNA as a responsible asset manager, dedicated to supporting the transition to Net Zero. Our process starts by defining the focus and the strategy of our passive funds. We then evaluate external index providers and compare their index methodologies, considering in particular the data sources, its transparency, the exclusions filters applied, and the methodology to define weights as well as their alignment with regulatory requirements applicable to the financial product. We also consider the historical performance against other relevant indices. This process involves a conversation with benchmark providers. Once we have selected our indices, we maintain an ongoing exchange with the index providers and actively participate to consultations regarding possible methodological changes. This ensures that we are comfortable with the methodology of the index and are aware of the impact of any changes on the fund’s holdings and ESG objectives.

- (C) We compare the costs of different options available in the market**

Explain:

- (D) Other

# POST-INVESTMENT

## ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

**Additional context to your response(s): (Voluntary)**

AXA IM RI policies and any updates are validated by the Sustainability Strategic Committee. Then, the ban lists derived by exclusion policies and their regular updates are validated by the ESG Monitoring & Engagement Committee following a review by investment team and Committee members. After validation, the exclusion lists are sent to investment teams and investment guidelines team in charge of pre- and post-trade controls for implementation. The ESG criteria are covered by AXA IM's control framework, with responsibilities spread between the first level of controls performed by the business and second level of controls performed by dedicated teams. ESG-related investment guidelines consist of our exclusion policies, as well as eligibility criteria and rules specific to some funds, including those which have been awarded sustainability-related labels.

Monitoring is carried out as follows:

- The portfolio management teams are primarily responsible for the implementation of policies and commitments. Funds' specific RI objectives are reported in monthly Investment Oversight Forums. Following ban lists and/or eligible universe updates, portfolio managers divest from issuers taking into account the client's or the fund's best interest.
- The investment guidelines team ensures independent and systematic pre-and post-trade controls on policies and fund-level commitments. This team monitors the correct application of the exclusion lists derived from top-level RI policies and ESG standards, sustainability-related labels and other fund-specific commitments as mentioned in their regulatory documentation.
- The compliance department carries out ad hoc controls on the work performed by the investment guidelines team but also makes sure that RI internal processes are respected, and ensures compliance with regulatory requirements in AXA IM's RI strategy at both entity and fund level.
- The risk management department assesses the likely impact of sustainability risks on the products' return and for listed assets it classifies them within three levels: low, medium and high
- The audit department performs periodic controls.

Audits are performed according to an annual risk-based audit plan, which is approved and monitored by our governance bodies, in particular the AXA IM Audit & Risk Committee. Higher risk areas and those required by regulation to be covered regularly are subject to audits on a more frequent basis compared to the less risky areas, which are covered over a longer cycle.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) Active - quantitative	(2) Active - fundamental
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion	<input type="checkbox"/>	<input type="checkbox"/>

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

### Additional context to your response(s): (Voluntary)

The Emerging Risk Management Framework aims to ensure the consistency of the process of identification, assessment, mitigation, and management of the emerging risks faced by AXA IM. Emerging risks can potentially have serious consequences if they are not anticipated in a timely manner. Emerging risks are defined as either new risks, or risks that already exist but one or more of the components of the risk's current dynamics are not adequately understood and could potentially be impactful in the next 15 years. Those risks typically originate outside the firm, in a large spectrum of domains, including environmental (climate change, biodiversity loss, etc.), global economy (changes in macroeconomic conditions, financial market instability, etc.), geopolitics (instability, conflicts, etc.), political or societal (societal or cultural shift, influence of media and social medias, etc.), technological (disruptive technology, new forms of cybercrime, etc.), or business environment (regulation, competitive landscape, supply chain, etc.).

Chief risk officers are responsible for the early detection of risks. The Emerging Risk Management Framework is designed to enhance AXA IM's understanding of these risks and allow us to adapt our business and processes accordingly. By encouraging a foresight approach, it is also an opportunity for risk management functions to contribute to the strategy of the company. The purpose of the current exercise is to identify changes and assess how and when those evolutions will impact the firm, notably on the three dimensions below:

- Strategic dimension: evolutions with the potential to threaten achievements of the firm's strategic objectives or to impair the long-term value of the firm, challenging its viability as a going concern (e.g. damage to reputation)
  - Business dimension: evolutions with the potential to materially impact the firm's business risk profile
  - Operational dimension: evolutions with the potential to materially impact the firm's operating framework or materially impact the firm's operational risk profile
- The Emerging Risk Management Framework includes:
- Risk identification: The risk identification is performed through interviews with key stakeholders from a large number of AXA IM departments (including investment platforms, client group, legal, regulatory development team, innovation team, responsible investment team, human resources, etc.) and with inputs from AXA IM executives.
  - Risk prioritisation: All risks are assessed according to their severity and their impact time horizon. Risks are then prioritised using the severity assessment performed, and based on any other relevant prioritisation criteria.
  - Mitigation actions: As part of this exercise, existing mitigation plans are identified and new mitigation plans are agreed where relevant. The outcomes of the emerging risks exercise are discussed at the AXA IM Global Risk Committee.

#### Emerging risk exercise 2024 outcomes

In this context, ESG risks includes a large spectrum of risks, from climate change and biodiversity loss, to societal and cultural aspects, as well as its impact on the firm environment (e.g. sustainability-related regulations), on the competitive landscape (e.g. impact on economy and market, emergence of new types of products), or on the firm operating framework (e.g. impact of supply chain). On top of already well known ESG emerging risks (e.g. increasing frequency and materiality of extreme weather events, volatility and complexity of ESG regulations), the 2024 Emerging Risk exercise notably included more recent outcomes:

- On societal and cultural aspects, the emergence of ESG backlash and greenblushing in the U.S. is increasing asset management firms' reputational risk when publicly promoting strong ESG ambitions. Another example of risk in this area is the growing public concerns about emerging social issues which is increasing firms' reputational risk on the 'S' dimension of the ESG risk, in a context of lack of adequate tools to measure social factors.
- On competitive landscape aspects, the outstanding lower maturity of some ESG related markets (carbon credit, deforestation, water risk and food security, etc.) is increasing asset management firms' reputational risk when invested in those markets, in a context of increasing investors and Non-Governmental Organisation's (NGO's) scrutiny (e.g. higher risk of adverse events such as fraud, higher risk of controversy on investments because of lack of reliable metrics, difficulties for the firm to demonstrate adequacy of an investment decision, etc.). To be noted also is the development of new or growing ESG markets, such as products that enable actions on adaptation to climate risk (rather than on reducing the climate risk), or blue bonds in the biodiversity loss area.

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

The transition to a low-carbon economy is one of the defining trends of this century. Despite recent headwinds, investments in low-carbon transition grew 11% to a record USD 2.1 tn in 2024. The growth was driven by the electrification of transport, renewable energy, power grids and energy storage investments. The transition to low carbon energy sources will continue to be supported by increasing energy demands to support the AI revolution and the ongoing need for energy security. At AXA IM, we incorporate climate analysis throughout our investment process for equity funds.

- Some of our bespoke strategies start by defining their climate focus at inception phase. For example, the AXA WF Clean Energy equity fund seeks to identify companies with exposure to the clean economy, defined as the universe of companies whose activities contribute to the achievement of the environmentally focussed UN SDGs through improving resource sustainability, supporting the energy transition or addressing the issue of water scarcity.

- At the issuer level, we have a rigorous assessment process to evaluate the climate profile of companies. It includes both quantitative indicators and qualitative review of companies' reports and actions, to identify those best positioned to support the funds' decarbonization trajectory. We also have a proprietary impact methodology to assess the extent of a company's positive contribution to a positive environmental or social outcome. One example is Valeo, a global original equipment manufacturer and automotive supplier. A key focus for the company is its commitment to reducing carbon emissions by supporting electric vehicles (EVs). Valeo offers a range of electrification solutions for hybrid and EVs, including mild hybrid 48V systems and high voltage electrification systems.

- It also has a division dedicated to battery thermal management for EVs, enhancing battery life, range, and rapid charging.
- At portfolio level, a range of climate-related KPIs is available to portfolio managers to assess the performance of their funds, such as carbon intensity, decarbonization profiles versus a benchmark, and scenario analysis. The metrics are also shared with clients in regular reporting at fund and entity level.

There is academic and industry evidence of low-carbon companies and funds overperforming their carbon-agnostic peers. One study by AXA demonstrated that, historically, the 20% lowest carbon intensive companies have shown a median annual performance of +8.1%, surpassing other baskets which failed to exceed +7%. Relative to the European equity market, low-carbon-intensity European companies have averaged an excess return of 60 basis points (+3.9% versus +3.3%) per calendar year since 2011.

Another analysis by AXA IM on the MSCI ACWI benchmark shows that companies with high ESG scores fared better than those with inferior scores, delivering an excess return of 5.4 ppts. For more information, please visit <https://www.axa-im.com/asset-class-insights/equities/there-premium-low-carbon-intensity-european-equities> and <https://www.axa-im.com/news-and-experts-insights/investment-institute/sustainability/top-esg-equities-show-their-resilience-2021> . <https://www.axa-im.com/news-and-experts-insights/investment-institute/sustainability/top-esg-equities-show-their-resilience-2021>.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens

(C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings

- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, our investment process incorporates material governance factors	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(B) Yes, our investment process incorporates material environmental and social factors	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM	(2) for a majority of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion	○	○	○	○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors	○	○	○	○

#### Additional context to your response(s): (Voluntary)

AXA IM Core AXA IM's fixed income philosophy is reflected in our investment process, which has been constructed in order to exploit the opportunities and sources of alpha derived from our core beliefs while mitigating downside risk. Our process undertakes a regular, rigorous assessment of the macroeconomic, financial market and regulatory environment. The global fixed income process is disciplined, repeatable and consistent, and comprises the five-steps described below and will integrate the eligible investment universe when building the portfolio. Forecasting (Steps One and Two) takes place on a quarterly basis, whereas Steps Three to Five take place on a continuous basis. Step One: Defining the macroeconomic environment Step Two: Defining market expectations and active strategy recommendations using MVST analysis (Macro, Valuation, Sentiment and Technical indicators) Step Three: Investment strategy and portfolio construction Security selection is achieved by considering only issuers which belong to the eligible universe, as described below.

Throughout the investment process, portfolio managers balance fundamentals with relative value in order to identify issuers and securities which represent the best credit risk and the most attractive relative value for the portfolio. Portfolio managers bear the ultimate responsibility for portfolio construction and security selection. The RI integration is implemented at several levels:

- First by defining the eligible universe by excluding issuers which are not in line with our RI minimum standards (such as having poor ESG scores, being involved in severe controversial activities or carrying high reputational risks).
- At the issuer level, our fundamental credit research assesses the materiality of ESG risks on financial metrics.
- At the portfolio construction level, as portfolio managers have access to all KPIs and ESG scores in their front office tools in order to make investment decisions.

Step Five: Continuous strategy review In addition to on-going interaction with the RI analysts, portfolio managers interact on a regular basis through investment committees, team meetings and formal weekly Alpha Group calls, as well as on an ad hoc basis with analysts, portfolio engineers and macroeconomists, allowing the best ideas to flow from the research process into the security selection process. On a monthly basis, the RI experts meets with fixed income investment teams managing Responsible Investment funds. The goal of this meeting is to ensure that the RI commitments and ambitions are respected and also to empower fixed income investment teams with ESG knowledge. Step Four:

Risk monitoring AXA IM Alts

- Private debt and alternative credit We have an ESG advanced framework in place for both private debt and alternative credit.

It is a three-step process, with ESG integration capturing each expertise's specificities:

1. Defining the investable universe: Limiting investments exposed to specific ESG risks, with exclusion policies focused on climate (coal & tar sands), biodiversity (ecosystem protection & deforestation), human rights (controversial weapons, severe violations of UNGC principles, white phosphorus weapons), soft commodities and tobacco
2. Integrating ESG factors into decisions: ESG bottom-up approach integrated within the investment decision process. Proprietary methodologies capturing Alternative Debt specificities through quantitative and qualitative assessment.
3. Qualitative sustainability assessment: Assessing the sustainability risk of an investment and how it could impact the performance. Could lead to decline an investment if the sustainability risks are too high.

- Infrastructure Debt A proprietary ESG risk rating methodology specific to Infrastructure Debt provides an ESG risk assessment to all projects financed during the due diligence phase.

The ESG rating is a tool developed by AXA IM to integrate material ESG factors relevant to infrastructure debt investors and aligned with well-established frameworks such as CBI Taxonomy, EU Taxonomy, SFDR, UN SDG, GRI, ICMA, TCFD and SASB. It has been constructed around 3 pillars: Environment (E), Social (S) and Governance (G), each covered by dedicated factors and indicators. The rating asks borrowers 18 questions that thoroughly assess ESG risk exposure and evolution throughout the investment cycle and align with the reporting requirements under SFDR and Article 29 disclosure regulation (PAIs, including carbon emissions...). ESG rating methodology provides a solid basis to compare the ESG credentials of a wide range of investments across different infrastructure sectors, deeper insights into each investment's idiosyncratic ESG risks.

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a formal process that includes scenario analyses	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM
(B) Yes, we have a formal process, but does it not include scenario analyses			
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion	○	○	○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets	○	○	○

**(A) Yes, we have a formal process that includes scenario analyses - Specify: (Voluntary)**

Effective fixed income portfolio management seeks to maximise risk-adjusted returns. Given the asymmetric risk profile of this asset class, AXA IM's fixed income investment teams believe limiting downside risk is a key driver of long-term performance – and that ESG plays an important part in that. Our credit analysts consider ESG factors to identify material concerns that could impair the credit quality and long-term sustainability of issuers in our markets. This process helps to identify those risks most relevant to credit investors, which should in turn help to minimise downside risk. Analysts and portfolio managers incorporate a wide range of ESG factors into credit analyses, focusing on those most relevant to a given credit.

ESG factors are also important for sovereign and quasi-sovereign debt and are therefore integrated into our investment process, with different quantitative indicators for sovereign issuers to corporate issuers

- ESG analysis is embedded into our active fixed income research process and credit analysts incorporate ESG analysis in their internal research reports.

These reports highlight the relevant ESG strengths and weaknesses as well as an issuer's performance on specific issues. Analysts also comment on actions that the issuer is taking to mitigate ESG weaknesses and its targets to improve ESG performance. We also benefit from impact analysis conducted by a dedicated ESG & Impact Research team at corporate level using a five-pillar proprietary framework.

Both ESG and Credit analysts perform assessment on issuers' climate transition credibility, available to PMs when considering investment decisions.

- PMs analysts have access to multiple sources of ESG data (internal and third-party). Among the key ESG topics, risks and key performance indicators (KPIs) recently highlighted were greenhouse gas emissions and details of any issuer plans and targets to reduce those emissions, as well as water intensity, labour relations and board diversity.

### Additional context to your response(s): (Voluntary)

Within our investment teams, the primary source of information is proprietary research, which benefits all our investment teams. As described in section FI 1, the investment teams rely on the fundamental research: macro research, ESG thematic research, complemented with research at issuer level, using ESG scoring, climate color framework, impact investing frameworks, ESG KPIs. Alternative credit AXA IM's corporate blanket screening policy on climate risks, soft commodities, palm oil, and controversial weapons, tobacco producers, companies in violation of international norms & standards, those involved in severe controversies and on companies involved on white phosphorus activities are an integral part of the Alternative Credit investment process. ESG factors form part of the investment decision-making process and are used to identify and address risks. ABS and CLO teams have formalized their ESG approach in order to be able to provide ESG scoring and sustainability risk analysis for all investments.

The ABS ESG focus on asset, country and counterparty involved in the securitisation; CLO focus on CLO manager ESG process analysis, given the managed nature of the underlying portfolio. Teams can rely on AXA IM's ESG research tool to assess timely ESG rating and monitoring of most European banks. Investment teams are responsible for assessing ESG scores on individual investments. To do so, they can rely on both external and internal research. Internal research relies mainly on questionnaires circulated to counterparties on top of the ESG counterparty scores produced by AXA IM Responsible Investment Team (based on external source providers: MSCI, Trucost, CDP, Findox and Sustainalytics).

The investment team will complement this data with MSCI data for country analysis and data provided by the issuers relating to the securitised portfolio. All sources of data (internal and external) will allow teams to produce ESG score for the investment according to their methodology. Depending on asset class (whether ABS or CLOs), the ESG assessment will vary. For granular portfolio, a combination of country, asset and counterparty scoring will be used by the investment team. For non-granular portfolio and typically for CLOs, more emphasis is placed on the CLO-managers asset selection and ESG-policy. AXA IM provide ESG scoring for underlying investments since 2021.

This reporting will allow discussion between the investment team and clients in order to monitor efforts and agree on targets/ results. Quarterly qualitative comment on ESG related issues will be available.

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Additional context to your response(s): (Voluntary)

AXA IM Core Our Credit Research Analysts focus on providing fundamental, bottom-up investment analysis and recommendations on issuers under their coverage. They are organised by sector, allowing for technical expertise and high-quality analysis. In line with our long-term approach, their goal is to identify issuers with solid fundamentals and monitor their evolution over time. In addition to name-by-name credit analysis, the Credit Analysts publish 3- to 12-month sector outlooks on a quarterly basis including a fundamental ranking, from strongest to weakest, utilising our proprietary internal rating scale. Credit Analysts support investment decisions principally by providing in-depth investment analysis of new issuers in the market ahead of launch and by closely monitoring existing credit exposures to identify downside credit risks. An investment analysis includes an independent credit and relative value assessment of the issuer/issue. Our rigorous research process strives for consistent analysis quality, focusing on risks that could affect the income and proceeds in a forward-looking manner to anticipate changes in issuers' credit quality. This five-step research process goes beyond simple financial analysis. It includes all the factors affecting a company, its specificities and its industrial context and focuses on the following points for each issuer:

1. Sectors, to determine the short- and long-term trends, success and risk factors a company faces.
2. Business model of the companies, to understand the relevancy of its strategy within its sector and through the business cycle.
3. Management and governance of the companies, including our appreciation of the treatment of bondholders compared to other stakeholders.
4. Financials, with a forward-looking view, to reconcile and translate our beliefs on the strategy above in hard numbers.

For this, we focus on the capability to generate future cash flow, financial strength (current and anticipated), and liquidity. We also analyse liquidity concerns in detail to ensure long-term survival, even under harsh conditions. This provides us with a view on the expected evolution of the company going forward in credit risk terms.

5. Risk of an exogenous credit event (leveraged buyouts, mergers and acquisitions, legal risk, etc).

When relevant, we also study several specific items such as:  The company's legal structure, to get a clear view of the creditor's position and avoid undesirable subordination  The criteria for legal protection of the creditors and other specific covenants Furthermore, our Credit Research Analysts consider relevant ESG and climate factors into their analysis, including assessing an issuer's ESG quality relative to its sector peers. As further described above, Credit Analysts and Portfolio Managers, in their security selection, rely on ESG data provided in their Front Office tool, and complement with their own fundamental ESG research: ESG Scores, ESG KPIs and Climate Colors, Sustainable Investment frameworks.

For most focused ESG strategies, portfolio managers complement their research with impact investment analyst research who evaluate companies' positive contributions to environmental and social objectives, aligning with the corresponding UN Sustainable Development Goals (SDGs). They ensure there is no significant harm to these objectives. Their research is notably guided by AXA IM's approach to impact investing in listed assets, which emphasises several key factors such as intentionality, materiality, additionality, measurability, and negative externalities. They work closely with Portfolio Managers and Credit Research Analysts to provide an extra-financial analysis that complements traditional financial research. A proprietary framework has been developed to define the Green, Social and Sustainable bonds eligible universe mainly based on the Green & Social Bond Principles (GSBP) and the "Climate Bonds Initiative" (CBI) guidelines. 1st pillar: Issuer's Sustainability strategy 2nd pillar: Type of projects 3rd pillar: Management of proceeds 4th pillar: Environmental and/or Social Impact – Ongoing monitoring and reporting Incorporation of ESG on Alternative assets are further described in the next section.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a framework that differentiates ESG risks by sector	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM

(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector

(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

**Additional context to your response(s): (Voluntary)**

For alternative credit, ABS and CLO teams have formalized their ESG approach in order to be able to provide ESG scoring and sustainability risk analysis for all investments. The ABS ESG focus on asset, country and counterparty involved in the securitisation; CLO focus on CLO manager ESG process analysis, given the managed nature of the underlying portfolio. Teams can rely on AXA IM's ESG research tool to assess timely ESG rating and monitoring of most European banks. Investment teams are responsible for assessing ESG scores on individual investments. To do so, they can rely on both external and internal research.

Internal research relies mainly on questionnaires circulated to counterparties on top of the ESG counterparty scores produced by AXA IM Responsible Investment Team (based on external source providers: MSCI, Trucost, CDP, Findox and Sustainalytics). The investment team will complement this data with MSCI data for country analysis and data provided by the issuers relating to the securitised portfolio. All sources of data (internal and external) will allow teams to produce ESG score for the investment according to their methodology. Depending on asset class (whether ABS or CLOs), the ESG assessment will vary. For granular portfolio, a combination of country, asset and counterparty scoring will be used by the investment team.

For non-granular portfolio and typically for CLOs, more emphasis is placed on the CLO-managers asset selection and ESG-policy. AXA IM provide ESG scoring for underlying investments since 2021. This reporting will allow discussion between the investment team and clients in order to monitor efforts and agree on targets/ results. Quarterly qualitative comment on ESG related issues will be available. Other asset classes are covered by ESG Scoring methodologies : ILS, RegCap, Mortgages & NPL. A specific ESG scoring from infrastructure debt has been developed and is used by our fund managers in their investment process. A proprietary ESG risk rating methodology specific to Infrastructure Debt portfolio underlying investments was developed in 2017 for the purpose of providing an ESG risk assessment to all projects financed during the due diligence phase.

The rating was enhanced in 2023 to better align with best market standards and extend the consideration of extra-financial criteria to the full investment cycle, from the investment universe' screening to the due diligence phase, all throughout the holding period. It is a tool developed by AXA IM to integrate material ESG factors relevant to infrastructure debt investors and aligned with well-established frameworks such as CBI Taxonomy, EU Taxonomy, SFDR, UN SDG, GRI, ICMA, TCFD and SASB. It has been constructed around 3 pillars: Environment (E), Social (S) and Governance (G), each covered by dedicated factors and indicators. The rating is based on a questionnaire that asks borrowers 18 questions to thoroughly assess ESG risk exposure and evolution throughout the investment cycle and align with the reporting requirements under SFDR and Article 29 disclosure regulation (PAIs, including carbon emissions, etc.). Commercial Real Estate debt is also assessed on ESG.

Non-financial criteria are taken into consideration during the due diligence and investment committee process at the time of acquisition. A scoring methodology specific to the asset class was developed in 2016 for the purpose of providing an ESG score to all portfolios' underlying assets. The CRE debt ESG rating tool emulates the approach in place on the real estate equity side, analysing key environmental and social criteria and KPIs of the underlying real estate assets to determine relative ESG performance at the assets and project level. It is carried out using answers provided by the loan sponsor, the ultimate owner of the underlying asset, to a comprehensive ESG survey that is sent to them pre-investment and on an annual basis. Analysts are however encouraged to challenge that information whenever possible based on available data. Please bear in mind that sometimes assumptions are made, and proxy data used to circumvent data scarcity at the underlying asset level.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How does your organisation incorporate material ESG factors when selecting private debt investments during the due diligence phase?**

- (A) We use a qualitative ESG checklist
  - Select from dropdown list:
    - (1) in all cases
    - (2) in a majority of cases
    - (3) in a minority of cases

**(B) We assess quantitative information on material ESG factors, such as energy consumption, carbon footprint and gender diversity**

Select from dropdown list:

- (1) in all cases
- (2) in a majority of cases**
- (3) in a minority of cases

**(C) We check whether the target company has its own responsible investment policy, sustainability policy or ESG policy**

Select from dropdown list:

- (1) in all cases
- (2) in a majority of cases**
- (3) in a minority of cases

**(D) We hire third-party consultants to do technical due diligence on specific material ESG factors where internal capabilities are not available**

**(E) We require the review and sign-off of our ESG due diligence process by our investment committee, or the equivalent function**

Select from dropdown list:

- (1) in all cases**
- (2) in a majority of cases
- (3) in a minority of cases

**(F) We use industry-recognised responsible investment due diligence questionnaire (DDQ) templates**

Select from dropdown list:

- (1) in all cases
- (2) in a majority of cases**
- (3) in a minority of cases

**(G) We use another method of incorporating material ESG factors when selecting private debt investments during the due diligence process**

Specify:

The private debt team specifically incorporates ESG at 3 levels: 1/ The team applies the 9 AXA-IM Global sector exclusions policies: Controversial weapons, Climate Risk, Ecosystem Protection and Deforestation, Soft Commodities, Tobacco, White phosphorus weapon producers, Severe controversies, Violations of International norms and standards, Countries with severe human rights violations. 2/ Sustainability Pillar. The teams integrate Sustainability risk analysis in its credit due diligence to capture medium-term ESG-related risks. This is formalized in the credit notes through a specific "Sustainability" pillar and is taken into consideration in the investment decision. The 6 other pillars being "Sector", "Business Profile", "Cash flow generation", "Enterprise value", "Ownership & Management", "Capital structure & credit documentation".

The "Sustainability" pillar aims at clarifying that the needs for the Company's current performance are sustainable and do not compromise its future performance. It encompasses three factors – "Environment", "Social" and "Economic", also called "Planet", "People" and "Profit". 3/ Since 2019, each new investment in private debt undergoes a specific analysis and is assigned an ESG score. This analysis has been updated in 2022 to increase the number of ESG criteria taken into account in the ESG scoring from 32 to 55. This is a systematic approach to collect ESG data on investments, using a specialized third party provider. This constructive approach comes in addition to and supplements the sector exclusion policies and Sustainability analysis. Infrastructure debt: the ESG rating provides a solid basis to compare the ESG credentials of a wide range of investments across different infrastructure sectors, as well as deeper insights into each investment's idiosyncratic ESG risks.

Moreover, we conduct a carbon assessment on all debt investments. The NZIF has been chosen as the reference framework for our decarbonization strategy.

Select from dropdown list:

- (1) in all cases
- (2) in a majority of cases**
- (3) in a minority of cases

**(H) We do not incorporate material ESG factors when selecting private debt investments during the due diligence phase**

**Additional context to your response(s): (Voluntary)**

Infrastructure debt: A proprietary ESG risk rating methodology specific to Infrastructure Debt portfolio underlying investments was developed in 2017 for the purpose of providing an ESG risk assessment to all projects during the due diligence phase. The rating was enhanced in 2023 to better align with best market standards and extend the consideration of extra-financial criteria to the full investment cycle, from the investment universe' screening to the due diligence phase, all throughout the holding period. The ESG rating provides a solid basis to compare the ESG credentials of a wide range of investments across different infrastructure sectors, as well as deeper insights into each investment's idiosyncratic ESG risks. Moreover, we conduct a carbon assessment on all debt investments. The NZIF (Net Zero Investment Framework) has been chosen as the reference framework for our decarbonization strategy for infrastructure debt. Under the NZIF framework, each investee company, borrower, and potential investment opportunity is classified into one of five Paris alignment profiles: Not Aligned, Committed to Aligning, Aligning, Aligned, or Net Zero/Climate Solution. As of December 2023, an original assessment was conducted to evaluate the infrastructure debt portfolios' exposure to these profiles, establishing a baseline for future progress.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

	(1) SSA	(2) Corporate	(3) Private debt
(A) We incorporate it into the forecast of financial metrics or other quantitative assessments	(1) for all of our AUM	(1) for all of our AUM	(3) for a minority of our AUM
(B) We make a qualitative assessment of how material ESG factors may evolve	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM
(C) We do not incorporate significant changes in material ESG factors	o	o	o

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?**

● **(A) At both key counterparties' and at the underlying collateral pool's levels**

Explain: (Voluntary)

At AXA IM, we have deployed a process for investment in securitised products. Since 2021, ESG rating has been adapted to securitization specificities in assessing country/collateral, counterparty and asset/project factor depending on the expertise as follows:

- Country/Collateral
- Counterparty
- Asset / Project In details by securitised product nature:
  - CLOs We have created a proprietary methodology to assess ESG risks for new CLO investments. Both the CLO manager and the CLO portfolio are examined, which allows us a dual and dynamic approach. The portfolio score assesses the accuracy of ESG criteria for the CLO manager when selecting loans.

This approach still mainly relies on the CLO manager actions and convictions. The portfolio score and the CLO manager score both lead to a global ESG score for the CLO.

- ILS We assess the 3 ESG pillars: Environment, Social and Governance using data related to the 3 key components of an ILS structure: Collateral, Sponsor and Ultimate beneficiary.
- RegCap In RegCap investments, the originating bank generally designates a systemic commercial bank which sources and underwrites exposures included in the initial portfolio and replenishments. The originator is responsible for workout process when defaults occur and is the counterpart of the protection agreement and often the recipient of the deal cash collateral.
- ABS, mortgages & NPL AXA IM ABS, mortgages and NPL team decomposes its investment universe into three categories: Counterparty, Asset and Country.

We assess the ESG pillars: E, S and G using data related to these 3 categories. Our methodology to assess ESG risks for ABS, mortgages and NPL is based on research from internal and external data providers (such as counterparty, country or portfolio assessment). Each new investment undergoes an ESG analysis. For more details on our ESG assessment on those asset classes, please refer to our 2022 TCFD-Article 29 Report : <https://www.axa-im.com/document/7945/view>.

- o (B) At key counterparties' level only
- o (C) At the underlying collateral pool's level only

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process	(1) for all of our AUM	(1) for all of our AUM	(2) for a majority of our AUM

(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways

(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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## PASSIVE INVESTMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Passive investments	1

**Provide an example of how material ESG factors influenced weightings and tilts in the design of your passively managed funds.**

We manage passive Fixed Income ETFs, which are replicating standard indices provided by external data providers, for both traditional and ESG integrated strategies. Within the fixed income passive range we have a “Paris-Aligned Benchmark” (PAB) ETF, representing 79.8% of the range, that follows a decarbonization objective. This strategy aims to promote environmental and social characteristics by excluding certain issuers based on ESG characteristics, and by tracking an Index designed to achieve a net zero carbon emissions level by 2050. AXA IM relies on indices provided by external providers, such as MSCI and ICE. For passive strategies with ESG tilts, AXA IM selects indices which embedded ESG criteria in their construction, and carefully review to methodology to ensure its robustness and consistency with regulations and alignment with the investment strategy. For “PAB” indices exclusionary filters are applied to remove issuers with certain ESG and climate-related business involvements, companies with involvement in controversial weapons and tobacco, companies that are not compliant with the UN Global Compact, and additional exclusions related to fossil fuel business involvements. Regarding decarbonization, the index incorporates carbon targets to reduce the carbon level relative to the Parent Index by 50% on its inception date and maintaining at least a 7% reduction thereafter. This approach influences the weights of holdings, as the Index carbon reduction is met by applying weighting tilts factors to constituents ranked based on their relevant carbon metrics.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 10	PLUS	OO 19, OO 21	N/A	PUBLIC	Passive investments	1

**How does your organisation select the ESG index(es) or benchmark(s) for your passive fixed income assets?**

- (A) We commission customised indexes
- (B) We compare the methodology amongst the index providers available

Explain:

The choice of a benchmark for our passive products aligns with AXA IM DNA as a responsible asset manager, dedicated to supporting the transition to Net Zero. Our process starts by defining the focus and the strategy of our passive investments. We then evaluate external index providers and compare their index methodologies, considering in particular the data sources, its transparency, the exclusions filters applied, and the methodology to define weights. We also consider the historical performance against other relevant indices. This process involves a conversation with benchmark providers. Once we have selected our data providers and indices, we maintain an ongoing exchange with the index providers and actively participate to consultations regarding possible methodological changes. This ensures that we are comfortable with the methodology of the index and are aware of the impact of any changes on the fund's holdings and ESG objectives.

- (C) We compare the costs of different options available in the market
- (D) Other

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(D) We use another method of incorporating material ESG factors into our portfolio's risk management process				

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

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**Additional context to your response(s): (Voluntary)**

AXA IM RI policies and any updates are validated by the Sustainability Strategic Committee. Then, the ban lists derived by exclusion policies and their regular updates are validated by the ESG Monitoring & Engagement Committee following a review by investment team and Committee members. After validation, the exclusion lists are sent to investment teams and investment guidelines team in charge of pre- and post-trade controls for implementation. The ESG criteria are covered by AXA IM's control framework, with responsibilities spread between the first level of controls performed by the business and second level of controls performed by dedicated teams. ESG-related investment guidelines consist of our exclusion policies, as well as eligibility criteria and rules specific to some funds, including those which have been awarded sustainability-related labels.

Monitoring is carried out as follows:

- The portfolio management teams are primarily responsible for the implementation of policies and commitments. Funds' specific RI objectives are reported in monthly Investment Oversight Forums. Following ban lists and/or eligible universe updates, portfolio managers divest from issuers taking into account the client's or the fund's best interest.
- The investment guidelines team ensures independent and systematic pre- and post-trade controls on policies and fund-level commitments. This team monitors the correct application of the exclusion lists derived from top-level RI policies and ESG standards, sustainability-related labels and other fund-specific commitments as mentioned in their regulatory documentation.
- The compliance department carries out ad hoc controls on the work performed by the investment guidelines team but also makes sure that RI internal processes are respected, and ensures compliance with regulatory requirements in AXA IM's RI strategy at both entity and fund level.
- The risk management department assesses the likely impact of sustainability risks on the products' return and for listed assets it classifies them within three levels: low, medium and high. The audit department performs periodic controls. Audits are performed according to an annual risk-based audit plan, which is approved and monitored by our governance bodies, in particular the AXA IM Audit & Risk Committee. Higher risk areas and those required by regulation to be covered regularly are subject to audits on a more frequent basis compared to the less risky areas, which are covered over a longer cycle.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

	(1) SSA	(2) Corporate	(3) Securitised	(4) Private debt
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Additional context to your response(s): (Voluntary)

The Emerging Risk Management Framework aims to ensure the consistency of the process of identification, assessment, mitigation, and management of the emerging risks faced by AXA IM. Emerging risks can potentially have serious consequences if they are not anticipated in a timely manner. Emerging risks are defined as either new risks, or risks that already exist but one or more of the components of the risk's current dynamics are not adequately understood and could potentially be impactful in the next 15 years. Those risks typically originate outside the firm, in a large spectrum of domains, including environmental (climate change, biodiversity loss, etc.), global economy (changes in macroeconomic conditions, financial market instability, etc.), geopolitics (instability, conflicts, etc.), political or societal (societal or cultural shift, influence of media and social medias, etc.), technological (disruptive technology, new forms of cybercrime, etc.), or business environment (regulation, competitive landscape, supply chain, etc.).

Chief risk officers are responsible for the early detection of risks. The Emerging Risk Management Framework is designed to enhance AXA IM's understanding of these risks and allow us to adapt our business and processes accordingly. By encouraging a foresight approach, it is also an opportunity for risk management functions to contribute to the strategy of the company. The purpose of the current exercise is to identify changes and assess how and when those evolutions will impact the firm, notably on the three dimensions below:

- Strategic dimension: evolutions with the potential to threaten achievements of the firm's strategic objectives or to impair the long-term value of the firm, challenging its viability as a going concern (e.g. damage to reputation)
  - Business dimension: evolutions with the potential to materially impact the firm's business risk profile
  - Operational dimension: evolutions with the potential to materially impact the firm's operating framework or materially impact the firm's operational risk profile
- The Emerging Risk Management Framework includes:
- Risk identification: The risk identification is performed through interviews with key stakeholders from a large number of AXA IM departments (including investment platforms, client group, legal, regulatory development team, innovation team, responsible investment team, human resources, etc.) and with inputs from AXA IM executives.
  - Risk prioritisation: All risks are assessed according to their severity and their impact time horizon. Risks are then prioritised using the severity assessment performed, and based on any other relevant prioritisation criteria.
  - Mitigation actions: As part of this exercise, existing mitigation plans are identified and new mitigation plans are agreed where relevant. The outcomes of the emerging risks exercise are discussed at the AXA IM Global Risk Committee.

#### Emerging risk exercise 2024 outcomes

In this context, ESG risks includes a large spectrum of risks, from climate change and biodiversity loss, to societal and cultural aspects, as well as its impact on the firm environment (e.g. sustainability-related regulations), on the competitive landscape (e.g. impact on economy and market, emergence of new types of products), or on the firm operating framework (e.g. impact of supply chain). On top of already well known ESG emerging risks (e.g. increasing frequency and materiality of extreme weather events, volatility and complexity of ESG regulations), the 2024 Emerging Risk exercise notably included more recent outcomes:

- On societal and cultural aspects, the emergence of ESG backlash and greenblushing in the U.S. is increasing asset management firms' reputational risk when publicly promoting strong ESG ambitions. Another example of risk in this area is the growing public concerns about emerging social issues which is increasing firms' reputational risk on the 'S' dimension of the ESG risk, in a context of lack of adequate tools to measure social factors.
- On competitive landscape aspects, the outstanding lower maturity of some ESG related markets (carbon credit, deforestation, water risk and food security, etc.) is increasing asset management firms' reputational risk when invested in those markets, in a context of increasing investors and Non-Governmental Organisation's (NGO's) scrutiny (e.g. higher risk of adverse events such as fraud, higher risk of controversy on investments because of lack of reliable metrics, difficulties for the firm to demonstrate adequacy of an investment decision, etc.). To be noted also is the development of new or growing ESG markets, such as products that enable actions on adaptation to climate risk (rather than on reducing the climate risk), or blue bonds in the biodiversity loss area.

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 21	N/A	PUBLIC	Performance monitoring	1

During the reporting year, how did your organisation incorporate material ESG factors when monitoring private debt investments?

(A) We used a qualitative ESG checklist

Select from dropdown list:

- (1) in all cases
- (2) in the majority of cases
- (3) in the minority of cases

(B) We assessed quantitative information on material ESG factors, such as energy consumption, carbon footprint and gender diversity

Select from dropdown list:

- (1) in all cases
- (2) in the majority of cases
- (3) in the minority of cases

(C) We hired third-party consultants to do technical assessment on specific material ESG factors where internal capabilities were not available

(D) We used industry body guidelines

Select from dropdown list:

- (1) in all cases
- (2) in the majority of cases
- (3) in the minority of cases

(E) We used another method to incorporate material ESG factors into the monitoring of private debt investments

Specify:

The ESG analysis and scoring is reviewed at least once a year, using the refresh of the 55 ESG criteria provided by our third-party specialized provider

Select from dropdown list:

- (1) in all cases
- (2) in the majority of cases
- (3) in the minority of cases

(F) We did not incorporate material ESG factors when monitoring private debt investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

AXA IM green, social, and sustainability bonds strategies exemplify well our approach to ESG integration in a fixed income portfolio. At the issuer level, our dedicated green bond analysts assess the quality of a labelled bonds, focusing in particular its alignment with the issuer's strategy, the quality of the projects financed and of the selection process, the management of proceeds, and the availability of reports and metrics to assess the bond's impact over time. For example, the team has a positive opinion on Orsted green bond. We consider that issuing green bonds is fully consistent with Orsted's climate and sustainability ambitions. The company is aiming at achieving net-zero emissions by 2040, with the following reduction targets: 98 % reduction by 2025 and 99 % reduction by 2030 (from 2006) for scope 1&2 emissions intensity; 77 % reduction by 2030, and 99 % reduction by 2040 (from 2018) from scope 1, 2 and 3 emissions intensity (excluding natural gas sales); and 67 % reduction by 2030, and 90 % reduction by 2040 (from 2018) for scope 3 emissions from natural gas sales. Orsted is rated with a blue climate color. We also appreciate the fact that 100% of the company's 2024-2030 CAPEX will be directed to renewable energy development – which reinforces the role of green bonds issuances. 100% of the proceeds are directed to renewable energy projects – onshore and offshore wind and solar PV assets. We welcome the alignment with EU Taxonomy technical criteria, DNSH and minimum social safeguards requirements. The selection is done by a dedicated committee where Orsted's sustainability department cooperates with the treasury department. The proceeds are managed through a separated account, with a 12 months lookback period. The allocation is verified by an external auditor. The company also publishes an impact report with KPIs. Regarding broader market dynamics, the performance of green bonds in 2024 was strong: the green bond markets outperformed the conventional bond market for the second year in a row (this has been the case in six of the past eight calendar years). Alongside this, the green bond market also broke new records of issuance with \$447bn in 2024. This dynamic has led the Green, Social and Sustainability (GSS) universe to match its 2021 record of issuance and thus outpace 2023 by 17%. Looking ahead, we believe the combination of the strong performance, improving regulatory landscape, a supportive macro backdrop, and yield levels close to the 10-year high4 will offer attractive opportunities for green bonds in 2025. CRE Debt Our Vittorini restructuring case study is a good example of a default situation in which we ceased the asset and implemented ESG capex to increase our recovery: For background, in 2008, we acquired a 7-y loan originated by Barclays to JP Morgan as sponsor. In 2014, due to impossibility to refinance the loan, AXA IM's Watchlist Committee decided to cease the asset as we had the possibility to operate it and upgrade it thanks to our asset management colleagues. At the time the estimated value of the asset was at c. €23.1m (equal to c. 71% of the initial loan amount). After taking possession of the asset, a capex improvement plan was put in place by AXA IM's asset management teams for a budget of €11m aiming at improving the asset's ESG performance to foster its liquidity.

As part of this plan, we renovated the full façade, the reception, common spaces and installed new shared facilities. As a result of this improvement plan, the building obtained the LEED Gold label, which is one of the highest environmental labels. This ambitious ESG improvement plan allowed us to attract new tenants in the building in order to reach 100% occupancy and to sell the asset quickly and at a much higher price (€32.1m net disposal price) leading to a 100%+ recovery.

## THEMATIC BONDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	PLUS	OO 20, OO 21	N/A	PUBLIC	Thematic bonds	3

**What percentage of environmental, social and/or other labelled thematic bonds held by your organisation has been verified?**

**As a percentage of your total labelled bonds:**

(A) Third-party assurance	(5) >75%
(B) Second-party opinion	(5) >75%
(C) Approved verifiers or external reviewers (e.g. via CBI or ICMA)	(5) >75%

### **Additional context to your response(s): (Voluntary)**

AXA IM has developed a proprietary green bond assessment framework. We then built on this to create new frameworks for social and sustainability bonds. These are very similar in terms of structure, but some aspects differ due to the specificities of social and sustainability bonds. This approach is continuously evolving and aims to fulfil three main objectives:

- Driving investments toward authentic and impactful green assets and social projects
- Raising the integrity and transparency standards of the Green, Social, and Sustainability bonds (GSSB) market;
- Ensuring that GSSB issuers are committed to fighting climate change and addressing sustainability challenges and that this commitment is reflected in business practices and operations.

Selectivity is key in ensuring that only the most relevant and impactful green and social projects receive the necessary financing.

This framework relies on a qualitative assessment made by the Core Sustainability Investments team into the Q2 scoring frameworks and on the Bloomberg database, whether it is a corporate or sovereign bond, to produce an enhanced ESG score for GSSB issuances. It is used systematically for our Global Green Bonds and Social Bonds strategies specifically, and also to inform the decisions of portfolio managers for other strategies, but not applied systematically. On average, since 2014, our green bond framework has led us to exclude around one in five bonds presented to us as green, social, or sustainable. AXA IM's GSSB assessment framework, notably inspired by the Green and Social Bond Principles (GSBP) and the Climate Bonds Initiative (CBI), is made up of four pillars:

1. The environmental, social and governance (ESG) quality and strategy of the issuer

2. The use of proceeds and the process for project selection

3. The management of proceeds

4. Impact reporting For each pillar, our analysts review, assess, and monitor several well-defined criteria, many of which are mandatory. At the very least, the issuer must surpass our exclusion criteria and comply with our "requirement" criteria to be investable. If a GSSB also meets our "expectation" criteria, it would place the issuer among the GSSB leaders.

The factors outlined below are indicative and non-exhaustive. This is primarily because individual GSSBs can vary and therefore their assessment involves subjective criteria, as is always the case in qualitative analyses. In the third pillar, the analysis aims to verify that the issuer has sufficient guarantees in place to control the allocation of proceeds to eligible projects. We require from issuer to describe the internal process used to track the proceeds and we review the external/independent verification of proceeds allocations. At AXA IM, we believe that the use of proceeds of a green bond should reflect the issuer's efforts towards improving its overall environmental strategy and its alignment with the Paris Agreement on climate change.

On the social side, the issuer should also make its ambition to deliver positive societal outcomes clear. Full transparency about the projects financed and the tracking of the proceeds is therefore essential to our assessment. We pay particular attention to impact reporting, where both qualitative and quantitative indicators are expected.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 16	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Thematic bonds	1

**What pre-determined criteria does your organisation use to identify which non-labelled thematic bonds to invest in?**

- (A) The bond's use of proceeds
- (B) The issuers' targets
- (C) The issuers' progress towards achieving their targets
- (D) The issuer profile and how it contributes to their targets
- (E) We do not use pre-determined criteria to identify which non-labelled thematic bonds to invest in
- (F) Not applicable; we do not invest in non-labelled thematic bonds

**Additional context to your response(s): (Voluntary)**

As described in the previous question, AXA IM has developed a proprietary framework for assessing Green, Social and Sustainability bonds based on widely recognized framework including the Green & Social Bond Principles (GSBP) and the Climate Bonds Initiative. For our most focused ESG strategies committing to invest a significant portion of their assets under management into Green, Social and/or Sustainability bonds, the investment teams rely on our proprietary framework to identify GSSBs meeting our expectations, which would place the issuer among the GSSB leaders in our views. At AXA IM, we believe that the use of proceeds of a green bond should reflect the issuer's efforts towards improving its overall environmental strategy and its alignment with the Paris Agreement on Climate change. On the social side, the issuer should also make its ambition to deliver positive societal outcomes clear. Full transparency about the projects financed and on the tracking of the proceeds is therefore essential to our assessment.

We pay particular attention to impact reporting, where both qualitative and quantitative indicators are expected. Our proprietary GSSB framework is composed of 4 pillars to determine whether a GSSB is eligible to invest in at the issuance, but also through regular reviews after issuance:

1. Issuer's sustainability strategy
  - o Overall strategy's alignment with green bond and social bond projects
  - o Environmental or Social track record and targets
  - o Impact Bond-specific one-on-one meetings with the issuer
  - o Meetings with the management team
  - o Controversies
  - o ESG Scores
2. Type of projects
  - o Breakdown of projects mainly based on the Green Bond Principles ('GBP'), Social Bond Principles (SBP), and the Climate Bond Initiative ('CBI') categories: renewable energies, energy efficiency, green buildings, low carbon transportation, water, waste management, sustainable land-use, adaptation structure, biodiversity protection, and others such as social themes including job creation, access to essential services (education, health, financial services), affordable housing, etc.
  - o Environmental or Social benefits: determination of how the underlying project(s) contribute to environmental objectives such as climate change mitigation, biodiversity conservation or natural resource conservation.
  - o Some projects are systematically excluded, for instance:
    - Exploration, production, and exploitation of fossil fuels
    - All nuclear subsidiaries: uranium extraction, concentration, refining, uranium enrichment, manufacturing fuel assembly, construction and exploitation of nuclear reactor, treatment of fuel assembly waste, nuclear decommissioning, and radioactive waste management.
3. Management of proceeds
  - o To ensure the proceeds will fund the eligible projects, analysts answer several questions:
  - o Are the proceeds used to refinance existing projects vs. finance new projects and assets?
  - o Does the company disclose its management of proceeds?
  - o Are the proceeds deposited in a segregated account?
  - o Is there an internal process to track the proceeds?
  - o Is there any external verification? (external auditors)
4. Impact Report – Ongoing monitoring and reporting
  - o We look for companies that are able and committed to reporting on the environmental impacts that the green and social projects achieve, at least annually.
  - o We look for specific KPIs on an individual project basis or an aggregated basis to measure the impact generated by our investments.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 17	CORE	Multiple, see guidance	N/A	PUBLIC	Thematic bonds	1, 2, 6

**During the reporting year, what action did you take in the majority of cases when you felt that the proceeds of a thematic bond were not allocated appropriately or in accordance with the terms of the bond deal or prospectus?**

- (A) We engaged with the issuer
- (B) We alerted thematic bond certification agencies
- (C) We sold the security
- (D) We blacklisted the issuer
- (E) Other action
  - (F) We did not take any specific actions when the proceeds of a thematic bond were not allocated according to the terms of the bond deal during the reporting year
  - (G) Not applicable; in the majority of cases, the proceeds of thematic bonds were allocated according to the terms of the bond deal during the reporting year

**Additional context to your response(s): (Voluntary)**

Our engagement activities on green, social and sustainability bonds issuances are twofold:

- On GSSBs on which we are invested, we perform an annual regular review of issuers' impact reporting to ensure effective allocation of proceeds to green or social projects as initially planned at the issuance
- Engage with GSSB issuers to review their sustainability ambitions, pressing them for stricter alignment of eligible criteria with recognised environmental standards, support them in the reinforcement of their impact reporting

In 2024, we held meetings with 92 issuers of labelled bonds. Out of these meetings, 63 focused on green bonds, 15 on sustainability bonds, 10 on social bonds, and four on sustainability-linked bonds. We had the highest number of discussions with banks and other financial institutions, followed by supranationals, sub-sovereigns, and agencies (SSAs), and utilities.

This year, our discussions primarily centered on green bonds and green projects, reflecting their significant share of market activity, while fewer engagements were conducted with sustainability-linked bond issuers due to a slow-down in issuance volume. Key themes for 2024 included net zero alignment, particularly within high-impact sectors such as utilities, financial institutions, and real estate. These discussions were driven by our Climate Colour assessments. As long-term investors, we aim to ensure issuers' commitments under labelled bond frameworks align with their broader sustainability ambitions. Discussions explored the integration of Paris-aligned targets for significant emissions scopes, decarbonisation plans, emissions reporting, and capital allocation to climate measures.

These are critical factors that feed into our Climate Colour framework and drive our assessment of issuers' ESG profile. Dialogues were also held with sovereign issuers, focusing on their national net zero strategies. Regarding use of proceeds, we provided feedback on issuers' sustainable financing frameworks, pressing for stricter alignment of eligibility criteria with recognised environmental standards (e.g. Climate Bonds Initiative, EU Taxonomy), while exploring the potential incorporation of the EU Green Bond Standards. Impact reporting remains a key aspect of our use-of-proceeds bonds assessments, with an increasing focus on improving the quality and relevance of reported metrics (see case studies below).

We believe these discussions to be more effective when held at the pre-issuance stage, where companies and organisations are more receptive to investor feedback on sustainability expectations. We also replied to requests from issuers seeking to better understand our preferences and requirements. In addition to issuer-specific discussions, we participated in broader market dialogues to address regulatory developments, investor expectations, and promote best practices in the labelled bond space. This includes issuer-investor roundtables organised by syndicate banks, sustainable debt conferences, and ICMA working groups. Focus on impact reporting

In 2024, we dedicated more time to engagements on impact reporting, which is a key element of our assessment frameworks. Following a review of previous labelled bond assessments, we engaged with issuers whose reporting practices we identified as needing some improvement, aiming to enhance transparency and alignment with best practices.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 18	CORE	OO 17 FI, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

**For all your fixed income assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?**

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as any deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our fixed income assets subject to ESG screens

**Additional context to your response(s): (Voluntary)**

At AXA IM, we place great emphasis on clear, transparent communication with our clients. Our policies with clear description of their objectives, exclusion criteria and scope of application are published on AXA IM website (<https://www.axa-im.com/responsible-investing/policies>). Any evolution of our RI policies are reported in our Annual TCFD-Article 29 report, and mentioned within the relevant policy. Furthermore, at fund level, applied policies are mentioned in the legal documentation.

# REAL ESTATE (RE)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 21, OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

**What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?**

- (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail and education) and geography
- (B) Guidelines on our ESG approach to new construction
- (C) Guidelines on our ESG approach to major renovations
- (D) Guidelines on our ESG approach to standing real estate investments
- (E) Guidelines on pre-investment screening
- (F) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (G) Guidelines on our approach to ESG integration into long-term value creation efforts
- (H) Guidelines on our approach to ESG reporting
- (I) Guidelines on our engagement approach related to third-party property managers
- (J) Guidelines on our engagement approach related to tenants
- (K) Guidelines on our engagement approach related to construction contractors
- (L) Our responsible investment policy(ies) does not cover real estate-specific ESG guidelines

**Additional context to your response(s): (Voluntary)**

At AXA IM, our approach to responsible investment is guided by a comprehensive set of ESG policies that define how we manage our real estate portfolios in a sustainable and forward-looking manner. ESG considerations are embedded at every stage of the investment lifecycle, from due diligence and acquisition to asset management and divestment. This systematic integration helps us identify risks and opportunities early on, support value creation, and future-proof our investments. At pre-investment stage, our ESG guidelines clearly outline the criteria for eligible investments, including a robust exclusions policy. This helps us avoid assets and activities that do not align with our sustainability principles, such as those with high environmental or social risks.

In addition, we are committed to ensuring that all new developments meet ambitious sustainability standards. This includes targeting best-in-class environmental certifications, minimising carbon emissions, and designing buildings that are resilient, resource-efficient, and contribute positively to their communities.

Finally, collaboration is essential to achieving our ESG goals. We work closely with property managers and tenants to promote sustainable practices in daily operations, from energy and water efficiency to waste reduction and wellbeing initiatives, in order to drive continuous improvement across our assets.

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3	CORE	OO 21	RE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential real estate investments?

- (A) We assessed ESG materiality for each property, as each case is unique
  - Select from dropdown list:
    - (1) for all of our potential real estate investments
    - (2) for a majority of our potential real estate investments
    - (3) for a minority of our potential real estate investments
- (B) We performed a mix of property level and property type or category level ESG materiality analysis
- (C) We assessed ESG materiality at the property type or category level only
- (D) We did not conduct ESG materiality analysis for our potential real estate investments

**Additional context to your response(s): (Voluntary)**

AXA IM Real Estate's sustainability team works closely with the Asset Management and Fund Management team for each asset to understand the risks and opportunities for improvement and better integrate social aspects of ESG.

AXA IM Alts has developed an ESG rating grid as early as 2016 to assess the ESG performance of its physical real estate assets and to have an internal benchmarking tool, with a view to developing the ESG roadmap for its portfolio assets.

The main objectives of this rating grid are to enable asset managers to understand ESG performance and to establish short, medium, and long-term action plans to manage and improve the ESG performance of their assets. It also aims at providing an objective assessment of the performance of assets and evaluate the impact and effectiveness of the ESG strategy implemented.

The rating grid for real estate assets has been developed around 3 pillars: Environment (E), Social (S) and Governance (G), each covered by dedicated indicators. The assessment is linked to the performance of a building over a defined period and therefore considers criteria that can be measured at the asset level.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential real estate investments?

- (A) We used GRI standards to inform our real estate ESG materiality analysis
- (B) We used SASB standards to inform our real estate ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our real estate ESG materiality analysis
- (D) We used GRESB Materiality Assessment (RC7) or similar to inform our real estate ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our real estate ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our real estate ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our real estate ESG materiality analysis
- (H) We used green building certifications to inform our real estate ESG materiality analysis
- (I) We engaged with the existing owners and/or managers (or developers for new properties) to inform our real estate ESG materiality analysis
- (J) Other

**Additional context to your response(s): (Voluntary)**

At AXA IM, we have developed an internal ESG rating framework to assess and monitor the sustainability performance of our real estate assets. This rating is structured around the three key ESG pillars and is aligned with AXA IM Alts' broader ESG strategy. The ESG rating is based on a comprehensive set of indicators designed to capture both risks and opportunities across each pillar. These metrics were selected using leading market standards and frameworks, including the GRESB materiality assessment, sustainability certifications, and other recognised best practices.

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence your selection of real estate investments?

- (A) Material ESG factors were used to identify risks  
Select from dropdown list:
  - (1) for all of our potential real estate investments
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)  
Select from dropdown list:
  - (1) for all of our potential real estate investments
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)  
Select from dropdown list:
  - (1) for all of our potential real estate investments
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments

- (D) Material ESG factors were used to identify opportunities for value creation**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (G) Material ESG factors did not influence the selection of our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential real estate investments?**

- (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (B) We send detailed ESG questionnaires to target properties**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (D) We conduct site visits**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (E) We conduct in-depth interviews with management and/or personnel**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (F) We conduct detailed external stakeholder analysis and/or engagement
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**
  - (2) for a majority of our potential real estate investments
  - (3) for a minority of our potential real estate investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list:
  - (1) for all of our potential real estate investments**

- (2) for a majority of our potential real estate investments
- (3) for a minority of our potential real estate investments
- (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential real estate investments

## SELECTION, APPOINTMENT AND MONITORING OF THIRD-PARTY PROPERTY MANAGERS

### SELECTION PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 26	N/A	PUBLIC	Selection process of third-party property managers	1, 4

During the reporting year, how did you include material ESG factors in all of your selections of third-party property managers?

- (A) We requested information from potential third-party property managers on their overall approach to material ESG factors
- (B) We requested track records and examples from potential third-party property managers on their management of material ESG factors
- (C) We requested information from potential third-party property managers on their engagement process(es) with stakeholders
- (D) We requested documentation from potential third-party property managers on their responsible procurement practices, including responsibilities, approach and incentives
- (E) We requested the assessment of current and planned availability and aggregation of metering data from potential third-party property managers
- (F) Other
- (G) We did not include material ESG factors in our selection of third-party property managers

#### Additional context to your response(s): (Voluntary)

We work with a core group of third-party property managers with whom we've built longstanding relationships over the years. Each time we acquire a new asset, we appoint one of these trusted managers to ensure consistency and alignment with our standards. Over the past five years, this approach has meant we haven't needed to initiate a formal selection process for new property managers. In some cases, we've temporarily worked with existing managers already overseeing newly acquired assets, and during such transitions, we strive to maintain clear and collaborative communication.

### APPOINTMENT PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 7	CORE	OO 26	N/A	PUBLIC	Appointment process of third-party property managers	1, 4

How did you include material ESG factors when appointing your current third-party property managers?

- (A) We set dedicated ESG procedures in all relevant property management phases
- Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers

- (3) for a minority of our third-party property managers
- (B) We set clear ESG reporting requirements**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (C) We set clear targets on material ESG factors**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (D) We set incentives related to targets on material ESG factors**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (E) We included responsible investment clauses in property management contracts**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (F) Other
- (G) We did not include material ESG factors in the appointment of third-party property managers

## MONITORING PROCESS OF THIRD-PARTY PROPERTY MANAGERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 8	CORE	OO 26	N/A	PUBLIC	Monitoring process of third-party property managers	1, 4

### How do you include material ESG factors when monitoring current third-party property managers?

- (A) We monitor the performance of quantitative and/or qualitative targets on material environmental factors**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (B) We monitor the performance of quantitative and/or qualitative targets on material social factors**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (C) We monitor the performance of quantitative and/or qualitative targets on material governance factors
- (D) We monitor progress reports on engagement with tenants**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (E) We require formal reporting at least yearly**  
Select from dropdown list:
  - (1) for all of our third-party property managers
  - (2) for a majority of our third-party property managers**
  - (3) for a minority of our third-party property managers
- (F) We have discussions about material ESG factors with all relevant stakeholders at least yearly**  
Select from dropdown list:

- (1) for all of our third-party property managers
- (2) for a majority of our third-party property managers
- (3) for a minority of our third-party property managers
- (G) We conduct a performance review of third-party property managers against targets on material ESG factors and/or a financial incentive structure linked to material ESG factors
  - Select from dropdown list:
    - (1) for all of our third-party property managers
    - (2) for a majority of our third-party property managers
    - (3) for a minority of our third-party property managers
- (H) We have internal or external parties conduct site visits at least yearly
- (I) Other
  - (J) We do not include material ESG factors in the monitoring of third-party property managers

## CONSTRUCTION AND DEVELOPMENT

### CONSTRUCTION REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 9	CORE	OO 24	N/A	PUBLIC	Construction requirements	1

What ESG requirements do you currently have in place for all development projects and major renovations?

- (A) We require the management of waste by diverting materials (e.g. from construction and demolition, reusable vegetation, rocks and soil) from disposal
- (B) We require the minimisation of light and noise pollution that would affect the surrounding community
- (C) We require the performance of an environmental and social site impact assessment
- (D) We require the protection of the air quality during construction
- (E) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development
- (F) We require the protection of surface water, groundwater and aquatic ecosystems by controlling and retaining construction pollutants
- (G) We require constant monitoring of health and safety at the construction site
- (H) We require engagement with local communities and other stakeholders during the design and/or planning process
- (I) Other
  - Specify:

AXA IM requires construction suppliers to respect our social requirements on work sites.

- (J) We do not have ESG requirements in place for development projects and major renovations

### MINIMUM BUILDING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 10	CORE	OO 24	N/A	PUBLIC	Minimum building requirements	1

What minimum building requirements do you have in place for development projects and major renovations?

- (A) We require the implementation of the latest available metering and internet of things (IoT) technology
  - Select from dropdown list:
    - (1) for all development projects and major renovations

- (2) for a majority of our development projects and major renovations
  - (3) for a minority of our development projects and major renovations
- (B) We require the building to be able to obtain a recognised green and/or healthy building certification for new buildings
  - Select from dropdown list:
    - (1) for all development projects and major renovations
    - (2) for a majority of our development projects and major renovations
    - (3) for a minority of our development projects and major renovations
- (C) We require the use of certified (or labelled) sustainable building materials
  - Select from dropdown list:
    - (1) for all development projects and major renovations
    - (2) for a majority of our development projects and major renovations
    - (3) for a minority of our development projects and major renovations
- (D) We require the installation of renewable energy technologies where feasible
  - Select from dropdown list:
    - (1) for all development projects and major renovations
    - (2) for a majority of our development projects and major renovations
    - (3) for a minority of our development projects and major renovations
- (E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction
- (F) We require water conservation measures
  - Select from dropdown list:
    - (1) for all development projects and major renovations
    - (2) for a majority of our development projects and major renovations
    - (3) for a minority of our development projects and major renovations
- (G) We require common health and well-being measures for occupants
  - Select from dropdown list:
    - (1) for all development projects and major renovations
    - (2) for a majority of our development projects and major renovations
    - (3) for a minority of our development projects and major renovations
- (H) Other
  - (I) We do not have minimum building requirements in place for development projects and major renovations

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11	CORE	OO 21	RE 11.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your real estate investments?

- (A) Yes, we tracked KPIs on environmental factors
  - Percentage of real estate assets this applies to:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75 to 95%
    - (5) >95%
- (B) Yes, we tracked KPIs on social factors
  - Percentage of real estate assets this applies to:
    - (1) >0 to 10%
    - (2) >10 to 50%
    - (3) >50 to 75%
    - (4) >75 to 95%
    - (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of real estate assets this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%
- (D) We did not track KPIs on material ESG factors across our real estate investments

**Additional context to your response(s): (Voluntary)**

Our Sustainability team collaborates closely with the Asset Management and Fund Management teams for each asset to identify risks and opportunities to enhance the performance of our real estate portfolio. We have implemented a firm-wide Environmental Management System (EMS) that centralises key sustainability data across our buildings. This includes certifications, Energy Performance Certificates (EPCs), energy and water consumption, waste metrics, and more. The EMS enables us to assess the ESG performance of each asset and develop targeted short- and medium-term action plans to improve their sustainability profile. This data also supports the measurement of the portfolio's carbon footprint and informs the development of asset-specific strategies, with clear objectives ranging from immediate improvements to long-term goals. Sustainability performance is continuously analysed and monitored within the EMS, providing a transparent and trackable framework for all stakeholders to follow progress and outcomes.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 11.1	PLUS	RE 11	N/A	PUBLIC	Monitoring	1

**Provide examples of KPIs on material ESG factors you tracked across your real estate investments during the reporting year.**

(A) ESG KPI #1

Energy We track the annual energy consumption ((kwh/sqm) of main energy sources: electricity, heating, cooling. We do this to ensure they 1) comply with regulatory requirements and standard expectations 2) contribute to AXA IM's goal of improving the energy efficiency of its assets.

(B) ESG KPI #2

Carbon We track buildings' carbon intensity (kgCO2/sqm). To reduce emissions associated with buildings' energy consumption, AXA IM promotes the use of electricity from renewable energy sources.

(C) ESG KPI #3

Water We track annual water consumption (m3) of buildings. Our aim is to oversee and control the amount of water consumed by the asset and identify potential reduction levers or anomalies (e.g. leakages, system failures...)

(D) ESG KPI #4

Waste We track the amount of waste generated on-site. This allows us to analyse waste types (hazardous waste, non-hazardous, landfill, recycling, incineration, waste to energy, landfill) and identify potential levers of action.

(E) ESG KPI #5

Biodiversity We track the % of site area that is vegetated. Collecting this data helps us assess the potential ecological value of an asset and how it may be enhanced. Vegetated areas contribute to improving occupants' health, well-being and potential productivity through the proximity to elements of the natural environment.

(F) ESG KPI #6

Certification We track the number of buildings with a valid third-party independent sustainability certification. Such certifications reflect well the amount and quality of measures implemented that contribute to a building's ESG performance. Certifications used include BREEAM, HQE, LEED, DNB, MINERGIE, SNBS... AXA IM's goal is to have 75% of our AUM certified by 2030.

(G) ESG KPI #7

Comfort and wellbeing We track the implementation of measures in place to evaluate and improve the comfort and wellbeing of tenants. We may undertake refurbishments, to include biodiversity measures and wellness considerations (i.e. green spaces, gyms...) Such actions help our tenants live more comfortably, retain staff and enhance the appeal of buildings.

(H) ESG KPI #8

Engagement We track tenant satisfaction through our annual tenant survey. The latter is conducted on a growing number of assets to better understand their needs and concerns, to assess the performance of the services provided by the property managers and to engage with our tenants. AXA IM Real estate aims to have >95% commercial AUM covered by a tenant survey on a rolling 3-year basis.

(I) ESG KPI #9

Responsible procurement We track the integration of sustainability clauses included in our contracts with service providers.

(J) ESG KPI #10

Climate Resilience We track on an annual basis how exposed our buildings are to physical risks linked to natural catastrophes and climate change. We use a tool created by the AXA Group Natural Catastrophe (NatCat) teams to procure the physical risk rating of an asset. We look at the individual risk level for Floods, Earthquakes, Windstorms and Hail (the latter is assessed but not currently considered when determining risk levels.)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 12	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**During the reporting year, what ESG building performance data did you collect for your real estate assets?**

- (A) Energy consumption**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (B) Water consumption**  
 Select from dropdown list:
  - (1) for all of our real estate assets**
  - (2) for a majority of our real estate assets
  - (3) for a minority of our real estate assets
- (C) Waste production**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets
  - (3) for a minority of our real estate assets**
- (D) Other
- (E) We did not collect ESG building performance data for our real estate assets

**Additional context to your response(s): (Voluntary)**

AXA IM aims to achieve 100% data collection for all its real estate portfolio in scope. From the moment an asset enters our portfolio, we systematically engage with property managers to maximize the amount of data collected. However, several operational implementation difficulties hamper the progress of our strategy. One of the main challenges is the obtention of tenant consumption data. Currently, there are no obligations for tenants to share information relating to their energy consumption, and the General Data Protection Regulation (GDPR) in Europe makes this access to data all the more complex. Data from certain property asset classes, such as residences, is also harder to monitor and control due to their smaller common area, tenant turnover, and data confidentiality. Despite these challenges, AXA IM remains committed to improving data collection and overcoming these obstacles to enhance our real estate portfolio management.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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RE 13	CORE	OO 21, OO 26	RE 13.1	PUBLIC	Monitoring	1, 2
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**What processes do you have in place to support meeting your targets on material ESG factors for your real estate investments?**

- (A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance**  
 Select from dropdown list:
  - (1) for all of our real estate assets**
  - (2) for a majority of our real estate assets
  - (3) for a minority of our real estate assets
- (B) We implement certified environmental and social management systems across our portfolio**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (C) We make sufficient budget available to ensure that the systems and procedures needed are established**  
 Select from dropdown list:
  - (1) for all of our real estate assets**
  - (2) for a majority of our real estate assets
  - (3) for a minority of our real estate assets
- (D) We hire external verification services to audit performance, systems, and procedures**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (E) We collaborate and engage with our third-party property managers and/or tenants to develop action plans**  
 Select from dropdown list:
  - (1) for all of our real estate assets**
  - (2) for a majority of our real estate assets
  - (3) for a minority of our real estate assets
- (F) We develop minimum health and safety standards
- (G) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users**  
 Select from dropdown list:
  - (1) for all of our real estate assets
  - (2) for a majority of our real estate assets**
  - (3) for a minority of our real estate assets
- (H) Other
- (I) We do not have processes in place to help meet our targets on material ESG factors for our real estate investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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RE 13.1	PLUS	RE 13	N/A	PUBLIC	Monitoring	1, 2
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**Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.**

(A) Process one

Improving our buildings' carbon footprint AXA IM is proactively acting on reducing the carbon emissions of its assets under management. We have adopted a target to reduce landlord operational emissions by 20% in 2025. Reducing such emissions relies on 4 main levers of action: improving the intrinsic characteristics of the building, switching to low-carbon energy and optimizing use through process optimisation and/or engaging with tenants. For that purpose, we assess the performance and stranding risks of our building to identify their decarbonisation potential, through the deployment of energy audits, starting with most at risk assets (eg. Either stranding before 2030 or with high materiality in our portfolios).

To measure our building stranding risk, we have developed an in-house methodology, using EPC ratings as the foundation. EPCs offer a third-party-audited and standardized assessment of a building's energy characteristics. Unlike actual consumption data, energy ratings are mainly derived from a thermodynamic analysis of the building's insulation, heating, cooling systems, and energy sources. These ratings are thus a more reliable and objective metric for benchmarking energy performance across different regions and asset types. This is especially important for a portfolio as diverse as ours, which spans different asset types, countries, regulations, and climates. The long-term goal of the model is to provide a consistent and scalable framework for assessing the decarbonization potential of all our assets. The model will eventually phase out as more comprehensive and consistent EPC data becomes available across all countries in which we operate. The overarching objective of our model is to align our decarbonization strategies with our long-term sustainability goals. By focusing on the intrinsic energy performance of our buildings, as measured by energy ratings, the model enables us to:

1. Identify priority buildings for energy efficiency improvements, based on their EPC rating and potential for carbon reduction.
2. Develop decarbonization pathways that are consistent with both our internal sustainability objectives and external regulatory frameworks, such as the Carbon Risk Real Estate Monitor (CRREM) pathways.
3. Standardize the way we measure and report energy performance and carbon emissions across the portfolio, ensuring that our data is consistent, comparable, and reliable.
4. Support investment decision-making by providing clear, data-driven insights into where energy efficiency investments will have the greatest impact on reducing carbon emissions.
5. Scenario analysis The model also provides a framework for ensuring that our buildings remain compliant with future regulatory requirements and market trends, particularly as governments push for faster decarbonization and higher standards of energy efficiency in real estate.

(B) Process two

(B) Process two

Improving buildings' energy efficiency In 2023, we launched a pilot in France to test the effectiveness of an Energy Supervisor in optimizing energy use in commercial buildings. To maximize impact, we partnered with a specialized energy optimization firm, working closely with Property Managers to drive additional savings and enhance energy performance. The process follows two key phases:

1. Audit and savings Assessment – The external Energy Supervisor conducts a thorough audit of the assets, identifies potential efficiency measures, and estimates achievable savings.
2. Action plan implementation – In collaboration with the Property Manager and under the guidance of the Asset Manager, the supervisor develops and begins executing a tailored action plan.

Building on its success, the pilot was expanded across Europe in 2024. A dedicated clause has been integrated in core PM's contract to ensure a deep focus on building energy use optimisation and specific assets are targeted for more detailed support with an external provider, building on French pilot's feedback and learnings.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 14	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period?**

**(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

**(B) We review our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list:

- (1) for all of our real estate investments
- (2) for a majority of our real estate investments
- (3) for a minority of our real estate investments

(C) We, or the external advisors that we hire, support our real estate investments with specific ESG value-creation opportunities

Select from dropdown list:

- (1) for all of our real estate investments
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (D) Other
  - (E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 15	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe how you ensure that material ESG risks are adequately addressed in the real estate investments where you hold a minority stake.**

Our goal is to enhance the value of assets we manage on behalf of our clients in a responsible and sustainable way. To do so, we have actively integrated ESG criteria into our investment decision-making processes. In our direct real estate investment business, we include consideration of non-financial criteria such as environmental, social and governance (ESG) factors as well as sustainability risks. Even where we hold a minority stake, we aim to unlock the potential of our assets and believe we can influence positive change. Pre-investment Real estate investments where we hold a minority stake are assessed in a similar manner as assets where we detain full ownership. At AXA IM Alts, ESG considerations are embedded in our investment process from the outset. Specifically, we incorporate five ESG parameters at the Investment Committee (IC) stage.

Prior to IC, we conduct a preliminary ESG analysis and develop an ESG dashboard, which includes:

- Screening in line with AXA IM ESG standards (e.g. fossil fuel exclusions)
- Regulatory risk assessment (e.g. EPC ratings, local compliance obligations)
- Climate physical risk assessment
- CRREM risk assessment (Carbon Risk Real Estate Monitor)
- Initial proprietary ESG scoring In parallel, we have developed a proprietary ESG rating system designed to gather detailed ESG data, assess potential CAPEX needs, and outline a preliminary action plan for each asset.

This data collection process is fully integrated into the platform of our data management partner, Deepki. We apply the same responsible investment processes for assets with a minority stakes as we do for those where we hold full ownership. As mentioned above, all properties under direct management by the real estate asset management team within AXA IM Alts are subject to an ESG score at the time of acquisition and while under management (parking, plot of land and assets under development are out of scope). It provides an internal benchmarking tool and allows us to develop an ESG roadmap for our portfolio assets. Depending on the mandate, our co-investors may be in charge of the day-to-day operational management of the building. An alignment of our ESG approaches and the transparent, direct exchange of information between co-investors is therefore essential to unlock the full potential of each investment. Post-investment To maximize the impact of our collaboration, in certain instances we may share data on the actual building's use.

Our data management platform allows us to centralize, monitor and visualize utility level data, transposed into scope 1, 2 and 3 emissions at the asset, and to clearly report and compare performance year-on-year. It allows for fine-grained monitoring of building environmental impact (energy, water, waste) and brings together all ESG information for assets under management: ESG rating, ESG action plan, certifications, EPC, GRESB, CRREM, etc. It thus provides them a real mapping of the assets under management and how efficient they are.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 16	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

In line with our commitment to responsible investment, we have integrated ESG considerations into all investment processes in real assets. Within our real estate portfolios, AXA IM is committed to reducing our energy and water use, waste production and greenhouse gas emissions. reducing carbon emissions and improving overall ESG features of its assets under management. Decarbonize By applying responsible resource reduction investment strategies, we strive to enhance both our environmental and investment performance. Given our global scale and footprint, we recognize that we have a significant opportunity to make a positive impact. To achieve this goal, we've accelerated efforts to mitigate our impact on the environment improve assets' ESG parameters and decarbonize through a concrete, ESG Action Plan for each of our assets. Every ESG Action Plan identifies relevant levers to be undertaken to optimize consumptions that can improve the assets' ESG performance.

These can be short term (6 months – 1 year) and long-term actions (up to 5 years). If some actions remain relevant for all building types (e.g.LED relamping), adjusting action plans to the building’s specificities based on its typology and its current built is crucial. This way, a strategy and key priorities (certification, improved energy systems...) are defined for each building based on annual actual data collected. They are updated through our data management platform every year before the end of March. These action plans are included in our assets annual strategic review (ASAP) and integrated in asset financial planning. Our ESG Action Plans consolidate and consider the following elements:

- Decarbonization trajectory targets when available
- GRESB targets
- ESG rating
- Energy audit recommendations
- Certification pre-assessment / optimization reports
- Sector specific guidelines
- French Specific : Decret Tertiaire Roadmap.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 17	CORE	OO 21	N/A	PUBLIC	Monitoring	1

**What proportion of your real estate assets has obtained a green or sustainable building certification?**

- (A) All of our real estate assets have obtained a green or sustainable building certification
- (B) A majority of our real estate assets have obtained a green or sustainable building certification
- (C) A minority of our real estate assets have obtained a green or sustainable building certification
- (D) None of our real estate assets have obtained a green or sustainable building certification

## STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 18	CORE	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

**How does your third-party property manager(s) engage with tenants?**

- (A) They engage with real estate tenants on energy, water consumption and/or waste production  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties
  - (3) for a minority of our buildings or properties
- (B) They engage with real estate tenants by organising tenant events focused on increasing sustainability awareness, ESG training and guidance  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties
  - (3) for a minority of our buildings or properties
- (C) They engage with real estate tenants by offering green leases  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties
  - (3) for a minority of our buildings or properties
- (D) They engage with real estate tenants by identifying collaboration opportunities that support targets related to material ESG factors  
 Select from dropdown list:
  - (1) for all of our buildings or properties
  - (2) for a majority of our buildings or properties

- (3) for a minority of our buildings or properties
- (E) They engage with real estate tenants by offering shared financial benefits from equipment upgrades
  - Select from dropdown list:
    - (1) for all of our buildings or properties
    - (2) for a majority of our buildings or properties
    - (3) for a minority of our buildings or properties
- (F) Other
  - (G) Our third-party property manager(s) do not engage with tenants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 19	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

**During the reporting year, how did you or the organisations operating on your behalf engage with the local community above and beyond what is required by relevant regulations for asset design, use and/or repurposing?**

Our main objective is to engage in a dialogue with the main stakeholders identified as having an impact on the deployment and achievement of the fund's ESG performance objectives. This exchange allows us to better understand their expectations, increase their awareness of ESG issues and involve them in improving the ESG performance of assets. Tenants As users of the assets, we actively engage with tenants of our buildings under management, convinced that cooperation with tenants is a necessary condition for the implementation of effective measures over the long term. It has been demonstrated that the proper use of a building's facilities is a key factor in reducing its environmental impact. For this reason, it is essential to be proactive in supporting tenants to make good use of building facilities and to provide them with recommendations and good practices to implement. Our tenant engagement efforts are focused around three core areas:

- Learning: We distribute an ESG guide to tenants of our residential assets to help them lower their energy consumption and reduce their home carbon footprint.

We track the number of assets for which such tools are already deployed and aim to provide impactful ESG guides to other typologies of assets.

- Monitoring: We integrate an ESG clause (green lease) as standard to new contracts or contract renewal. We have green lease clauses across our portfolios and review these annually to ensure they adequately address the landlord and tenant opportunity, for example in relation to data sharing, collaboration, energy performance and cost-recovery clauses.

- Liaising: We perform annual tenant satisfaction surveys to collect feedback from our tenant on their user experience and level of satisfaction. Property managers play a key role in the implementation of our ESG strategy. They are responsible for the day-to-day management of assets, both in terms of administrative (rental management) and technical aspects and play an advisory role in terms of the long-term development of the assets.

They collect data that is fed into our environmental data management system to help monitor consumption data and help drive asset management initiatives with respect to sustainability. This data is then used by our teams to establish the ESG score of each asset in the portfolio and define a short- and medium-term action plan to significantly improve the sustainability of our investments. Because they have a precise knowledge of the buildings and a privileged relationship and constant contact with the tenants, we put in place a support approach for the administrators so that they can continue to play a decisive role in the deployment of the ESG strategy of the management company. We closely monitor and review their performance/success to that end.

Pre-defined ESG KPIs are put in place with the property managers. For example, we look at the completeness of ESG data within our company-wide data management platform and measure tenant satisfaction regarding their performance through our annual tenant surveys.

Third-party property managers Our asset management team has regular engagement with property managers to ensure the portfolio assets are managed appropriately to the satisfaction of the occupiers and in accordance with the lease terms. Our agreement contracts specifies the service levels required to support the management of assets in line with our ESG objectives. Aspects include monitoring, measurement and reporting utility data and improvement initiatives; controls including compliance; proposing and supporting improvements; supply chain management and stakeholder engagement. These requirements include key performance indicators.

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 20	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

**During the reporting year, what responsible investment information was shared with potential buyers of real estate investments?**

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (E) The outcome of our latest ESG risk assessment of the property(s)**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (F) Key ESG performance data on the property(s) being sold**  
Select from dropdown list:
  - (1) for all of our real estate investments**
  - (2) for a majority of our real estate investments
  - (3) for a minority of our real estate investments
- (G) Other
  - (H) No responsible investment information was shared with potential buyers of real estate investments during the reporting year
  - (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 21	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report on your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the property level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that serious ESG incidents were reported
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

# INFRASTRUCTURE (INF)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 1	CORE	OO 21, OO 29, OO 30	N/A	PUBLIC	Investment guidelines	1 to 6

**What infrastructure-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?**

- (A) Guidelines on our ESG approach tailored to each infrastructure sector and geography where we invest
- (B) Guidelines on our ESG approach to greenfield investments
- (C) Guidelines on our ESG approach to brownfield investments
- (D) Guidelines on pre-investment screening
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to ESG reporting
- (H) Guidelines on our engagement approach related to the workforce
- (J) Guidelines on our engagement approach related to contractors
- (K) Guidelines on our engagement approach related to other external stakeholders, e.g. governments, local communities, and end-users
- (L) Our responsible investment policy(ies) does not cover infrastructure-specific ESG guidelines

**Additional context to your response(s): (Voluntary)**

At AXA IM, our approach to responsible investment is guided by a comprehensive set of ESG policies that define how we manage our infrastructure portfolio in a sustainable and forward-looking manner. ESG considerations are embedded at every stage of the investment lifecycle, from due diligence and acquisition to asset management and divestment. This systematic integration helps us identify risks and opportunities early on, support value creation, and future-proof our investments. At pre-investment stage, our ESG guidelines clearly outline the criteria for eligible investments, including a robust exclusions policy. This helps us avoid assets and activities that do not align with our sustainability principles, such as those with high environmental or social risks.

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

**For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters, or other constitutive fund documents?**

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon a client's request
- (C) We added responsible investment commitments in side letters upon a client's request

- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3	CORE	OO 21	INF 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential infrastructure investments?

- (A) We assessed ESG materiality at the asset level, as each case is unique
  - Select from dropdown list
    - (1) for all of our potential infrastructure investments
      - (2) for a majority of our potential infrastructure investments
      - (3) for a minority of our potential infrastructure investments
    - (B) We performed a mix of industry-level and asset-level ESG materiality analyses
    - (C) We assessed ESG materiality at the industry level only
    - (D) We did not conduct ESG materiality analysis for our potential infrastructure investments

**Additional context to your response(s): (Voluntary)**

At AXA IM, we systematically assess the ESG materiality of assets as a core part of our investment process. Our proprietary ESG rating methodology combines a wide range of indicators drawn from market best practices and international frameworks to ensure a robust and comparable assessment across asset classes. In addition to this, we use 3rd party consultants to conduct a dedicated technical ESG due diligence process for each investment. This step enables us to go beyond standardized metrics and identify the specific ESG risks and opportunities that are most relevant to the asset in question. Through this analysis, we determine the key sustainability themes and issues that could influence long-term value creation and resilience.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3.1	CORE	INF 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?

- (A) We used GRI standards to inform our infrastructure ESG materiality analysis
- (B) We used SASB standards to inform our infrastructure ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our infrastructure ESG materiality analysis
- (D) We used the GRESB Materiality Assessment (RC7) or similar to inform our infrastructure ESG materiality analysis
- (E) We used the environmental and social factors detailed in the IFC Performance Standards (or similar standards used by development finance institutions) in our infrastructure ESG materiality analysis
- (F) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our infrastructure ESG materiality analysis
- (G) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our infrastructure ESG materiality analysis
- (H) We used geopolitical and macro-economic considerations in our infrastructure ESG materiality analysis
- (I) We engaged with existing owners and/or managers (or developers for new infrastructure assets) to inform our infrastructure ESG materiality analysis
- (J) Other

Specify:

Climate Bond Initiative and EU Taxonomy

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**During the reporting year, how did material ESG factors influence the selection of your infrastructure investments?**

- (A) Material ESG factors were used to identify risks**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)
- (D) Material ESG factors were used to identify opportunities for value creation**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (G) Material ESG factors did not influence the selection of our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential infrastructure investments?**

- (A) We conduct a high-level or desktop review against an ESG checklist for initial red flags**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments

- (B) We send detailed ESG questionnaires to target assets**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (D) We conduct site visits**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (E) We conduct in-depth interviews with management and/or personnel
- (F) We conduct detailed external stakeholder analyses and/or engagement
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list
  - (1) for all of our potential infrastructure investments**
  - (2) for a majority of our potential infrastructure investments
  - (3) for a minority of our potential infrastructure investments
- (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential infrastructure investments

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9	CORE	OO 21	INF 9.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your infrastructure investments?

- (A) Yes, we tracked KPIs on environmental factors**  
Percentage of infrastructure assets this applies to:
  - (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75 to 95%
  - (5) >95%**
- (B) Yes, we tracked KPIs on social factors**  
Percentage of infrastructure assets this applies to:
  - (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75 to 95%
  - (5) >95%**
- (C) Yes, we tracked KPIs on governance factors**

Percentage of infrastructure assets this applies to:

- (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75 to 95%
  - (5) >95%
- (D) We did not track KPIs on material ESG factors across our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 9.1	PLUS	INF 9	N/A	PUBLIC	Monitoring	1

**Provide examples of KPIs on material ESG factors you tracked across your infrastructure investments during the reporting year.**

(A) ESG KPI #1

Carbon Emissions (scope 1, 2 and 3)

(B) ESG KPI #2

Compliance with UNGC and OECD Guidelines on Multinational Enterprise

(C) ESG KPI #3

Board Gender Diversity

(D) ESG KPI #4

Water consumption in water-stressed areas

(E) ESG KPI #5

Amount of hazardous waste over total waste production

(F) ESG KPI #6

Implementation of a biodiversity and habitat preservation policy

(G) ESG KPI #7

Measures adopted for climate risk adaptation

(H) ESG KPI #8

Implementation of Health & Safety policy

(I) ESG KPI #9

Healthy & Safety metrics

(J) ESG KPI #10

Presence of employee compensation scheme linked to ESG

**Additional context to your response(s): (Voluntary)**

From acquisition onwards, we monitor performance across a range of financial, operational, and ESG key performance indicators (KPIs) to ensure our investee companies continue to meet our expectations. In 2023, we enhanced our ESG scoring framework by integrating additional criteria—such as physical and transition climate risks, as well as biodiversity-related risks—into our ESG rating process. We also implemented formal annual ESG performance tracking for every asset in the AXA European Infrastructure Fund portfolio. Specifically for our infrastructure equity platform, we rely on ESG data collected directly from our investee companies each year. Where data is unavailable, we complement our analysis with ESG proxy data modelled by Iceberg DataLab. This approach enables us to assess both the carbon footprint and broader ESG performance of our investments.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10	CORE	OO 21, OO 30	INF 10.1	PUBLIC	Monitoring	1, 2

**What processes do you have in place to support meeting your targets on material ESG factors for your infrastructure investments?**

**(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

**(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessments and analyses**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(C) We implement certified environmental and social management systems across our portfolio

**(D) We make sufficient budget available to ensure that the systems and procedures needed are established**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments

(E) We hire external verification services to audit performance, systems, and procedures

(G) We develop minimum health and safety standards

(H) We conduct ongoing engagement with all key stakeholders, e.g. local communities, NGOs, governments, and end-users

(I) Other

(J) We do not have processes in place to help meet our targets on material ESG factors for our infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 10.1	PLUS	INF 10	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two processes you put in place during the reporting year to support meeting your targets on material ESG factors.**

(A) Process one

- In 2024, we have evolved our investment and decision-making process to adopt a clear and harmonised decarbonization approach that is aligned with Paris Agreement commitments across our entire infrastructure equity portfolio. We are now systematically embedding our interim net-zero targets into our investment processes to ensure alignment with climate goals. Thus, we have been assessing the Paris alignment profile and decarbonization potential of all our investments pre-, post- investment and throughout their holding period..
- We use science-based pathways to analyze the possible GHG emission reductions trajectory for each investee company to determine where it stands in comparison to relevant sectoral pathways and whether it is on track with the latter based on available carbon data.
- At acquisition: Our due diligence process systematically embeds criteria to align with our climate ambitions. Each investment opportunity undergoes an alignment assessment using proprietary tools to determine its alignment with our targets. This helps identify whether further action is needed to achieve these goals in the most efficient and relevant way.
- During ownership: We reassess annually our investee companies' Paris alignment and carbon profiles and monitor their progress towards their targets. Furthermore, we have strengthened our engagement approach to ensure Paris alignment and decarbonization targets are at the top of their strategic priorities..

#### (B) Process two

- We updated our proprietary ESG rating system to assess and monitor the ESG performance of an asset, from its acquisition to its disposal.
- The rating is aligned to mainstream infrastructure ESG international standards (CBI Taxonomy, SDGs, GRI, SASB, ILO, ICMA, TCFD, UNPRI, GRESB Infrastructure, NZAMI, UNGC, OECD guidelines, and Infrastructure Green labels) and other regulatory frameworks (PAI, EU Taxonomy) to guarantee an ambitious approach in line with industry best practices.
- The intention of this methodology is to allow the investment teams to understand the asset's ESG performance and identify areas of improvement, to guide priority topics for customized engagement action plans with investee companies.
- The ESG rating is scored out of 10, with 10 representing the best performance and 0 the worst, based on 42 questions covering 16 topics and 25 subtopics across the Environmental (E), Social (S), and Governance (G) pillars.
- A streamlined ESG risk assessment tool for early-stage investment screening also provides an initial evaluation of a company's expected ESG performance at a time when the investment team has limited access to the target company.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 11	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

#### Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?

**(A) We develop asset-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list

- (1) for all of our infrastructure investments
- **(2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list

- (1) for all of our infrastructure investments
- **(2) for a majority of our infrastructure investments**
- (3) for a minority of our infrastructure investments

**(C) We, or the external advisors that we hire, support our infrastructure investments with specific ESG value-creation opportunities**

Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- **(3) for a minority of our infrastructure investments**

(D) Other

- (E) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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INF 12	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2
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**Describe how you ensure that material ESG risks are adequately addressed in the infrastructure investments where you hold a minority stake.**

We are integrating sustainability considerations across AXA IM Alts' infrastructure business. A set of resources and tools has been developed to support ESG integration all along the investment process. We developed a proprietary scoring system to assess and monitor the ESG performance of an asset, from its acquisition to its disposal. The rating is aligned to mainstream infrastructure ESG international standards (CBI Taxonomy, SDGs, GRI, SASB, ILO, ICMA, TCFD, UNPRI, GRESB Infrastructure, NZAMI, UNGC, OECD guidelines, and Infrastructure Green labels) and other regulatory frameworks (PAI, EU Taxonomy) to guarantee an ambitious approach in line with industry best practices. The intention of this methodology is to allow the investment teams to understand the asset's ESG performance and identify needs for improvement, to guide priority topics for engagement with investee companies. The ESG rating is scored out of 10, with 10 representing the best performance and 0 the worst, based on 42 questions covering 16 topics and 25 subtopics across the Environmental (E), Social (S), and Governance (G) pillars. A streamlined ESG risk assessment tool for early-stage investment screening also provides an initial evaluation of a company's expected ESG performance when the investment team has limited access to the target. This "light version" targets 8 key ESG topics.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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INF 13	PLUS	OO 21	N/A	PUBLIC	Monitoring	2
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**Describe how your ESG action plans are defined, implemented and monitored throughout the investment period.**

In the past, we developed action plans on an ad hoc basis, tailoring them to specific situations as they arose. However, this approach is now evolving into a more systematic and structured framework. With the introduction of both our ESG rating and decarbonization targets at the end of 2024, we are shifting towards a more consistent and strategic way of engaging with our investee companies. These new frameworks provide a clear foundation for identifying areas for improvement and setting actionable next steps. Going forward, action plans will be more systematically integrated into our engagement process.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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INF 14	CORE	OO 21	INF 14.1	PUBLIC	Monitoring	1, 2
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**How do you ensure that adequate ESG-related competence exists at the asset level?**

- (A) We assign our board responsibility for ESG matters**  
Select from dropdown list
  - (1) for all of our infrastructure investments**
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (B) We ensure that material ESG matters are discussed by our board at least yearly**  
Select from dropdown list
  - (1) for all of our infrastructure investments**
  - (2) for a majority of our infrastructure investments
  - (3) for a minority of our infrastructure investments
- (C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only
- (D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives)
- (E) We support the asset by finding external ESG expertise, e.g. consultants or auditors**  
Select from dropdown list

- (1) for all of our infrastructure investments
- (2) for a majority of our infrastructure investments
- (3) for a minority of our infrastructure investments
- (F) We share best practices across assets, e.g. educational sessions and the implementation of environmental and social management systems
  - Select from dropdown list
    - (1) for all of our infrastructure investments
    - (2) for a majority of our infrastructure investments
    - (3) for a minority of our infrastructure investments
- (G) We apply penalties or incentives to improve ESG performance in management remuneration schemes
  - Select from dropdown list
    - (1) for all of our infrastructure investments
    - (2) for a majority of our infrastructure investments
    - (3) for a minority of our infrastructure investments
- (H) Other
- (I) We do not ensure that adequate ESG-related competence exists at the asset level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 14.1	PLUS	INF 14	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two initiatives adopted as part of your ESG competence-building efforts at the asset level during the reporting year.**

(A) Initiative one

We engage with companies to ensure they have the necessary ESG expertise and resources to implement effective policies and systems. In 2024, we expanded our support by offering external services to help investee companies participating in GRESB enhance their ESG performance. For companies lacking in-house ESG capabilities or joining GRESB for the first time, we facilitate connections with the right expertise and financial resources to set them up for success. This year, we supported assets throughout the data collection process, conducted gap analyses for their GRESB submissions to identify missing policies, and, where needed, provided asset-level physical risk assessments.

(B) Initiative two

Our ESG data collection project not only provided us with valuable insights but also highlighted the need for greater clarity in how certain KPIs are computed. As a result, we took the initiative to support some of our investee companies by offering targeted training sessions on KPI calculation methodologies. Specifically, we worked with companies to refine their approach to reporting PAIs, including carbon data. Through this engagement, we helped them better understand the underlying methodologies, ensuring consistency and accuracy in the data they share with us. This process has not only improved the quality of ESG data but also strengthened our collaboration with investees.

## STAKEHOLDER ENGAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 15	PLUS	OO 21	N/A	PUBLIC	Stakeholder engagement	1, 2

### How do you ensure that appropriate stakeholder engagement is carried out during both due diligence for potential investments and the ongoing monitoring of existing investments?

In 2024, we launched a structured ESG data collection initiative that also covered our infrastructure equity investments. As part of this effort, we engaged our investee companies through a dedicated survey designed to capture key ESG indicators relevant to equity ownership. The survey addresses a wide range of material ESG topics, including principal adverse impacts, alignment with green taxonomies, carbon management (such as Paris alignment and decarbonisation strategies), climate risk exposure and mitigation, biodiversity preservation, health and safety practices, gender diversity, social contributions, and governance standards.

This tool supports both pre- and post-investment ESG performance and risk assessments on an annual basis, forming the basis for tailored engagement with our investee companies and co-investors. In 2024, the survey was distributed to all investee companies across our €4 billion portfolio, achieving a 100% response rate. The 2025 edition of the survey will be launched shortly, with results expected in the second quarter.

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 16	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

### During the reporting year, what responsible investment information was shared with potential buyers of infrastructure investments?

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD or GRESB
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company
- (F) Key ESG performance data on the asset or portfolio company being sold
- (G) Other
- (H) No responsible investment information was shared with potential buyers of infrastructure investments during the reporting year
- (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 17	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- (A) We reported through a publicly-disclosed sustainability report
- (B) We reported in aggregate through formal reporting to investors
- (C) We reported at the asset level through formal reporting to investors
- (D) We reported through a limited partners advisory committee (or equivalent)
- (E) We reported at digital or physical events or meetings with investors
- (F) We had a process in place to ensure that reporting on serious ESG incidents occurred
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

# PRIVATE EQUITY (PE)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1 to 6

#### What private equity–specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- (C) Guidelines on pre-investment screening
- (D) Guidelines on minimum ESG due diligence requirements
- (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- (G) Guidelines on our approach to monitoring ESG risks, ESG opportunities and ESG incidents
- (H) Guidelines on our approach to ESG reporting
- (I) Our responsible investment policy(ies) does not cover private equity–specific ESG guidelines

#### Additional context to your response(s): (Voluntary)

Private Equity investments are covered by our AXA IM Responsible Investment policy. We believe the proper management of ESG issues is critical to the long-term sustainability of businesses, and as such, the consideration, integration, and active stewardship of ESG issues is a fundamental part of our investment process. We have developed a framework for the management of ESG issues that takes account of the alignment of prospective investments with applicable AXA IM RI policies, ESG regulations, recognised standards and norms such as the International Finance Corporation's Environmental and Social Performance Standards, the Environmental, Health and Safety Guidelines of the World Bank, and the International Labour Organization's fundamental principles. This assessment framework is applied to investments during due diligence and over the tenure of our investments.

Our ESG assessment framework covers a comprehensive list of potential adverse impacts in line with emerging regulations. Our assessment framework takes account of a range of ESG issues including climate risks; biodiversity; pollution; health and safety; human rights; conservation of protected areas and protection of indigenous communities; and governance concerns, amongst others. The ESG assessment framework is used to assess investees' performance on material ESG issues and identify areas where improvements are needed. The ESG assessment framework is systematically applied to all our investments. Where we identified areas of improvement, we develop Environmental and Social Action Plans (ESAP) in collaboration with investees, detailing actions to be undertaken in relation to environmental and social issues identified as part of investment monitoring activities.

The ESAP includes responsibilities and timelines within which corrective action needs to be undertaken. We actively monitor implementation of action plans and overall ESG performance throughout our investment tenure.

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters or other constitutive fund documents?

- (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request
- (C) We added responsible investment commitments in side letters upon clients' request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	OO 21	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- (A) We assessed ESG materiality at the portfolio company level, as each case is unique
  - Select from dropdown list
    - (1) for all of our potential private equity investments
      - (2) for the majority of our potential private equity investments
      - (3) for a minority of our potential private equity investments
  - (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses
  - (C) We assessed ESG materiality at the industry level only
  - (D) We did not conduct ESG materiality analyses for our potential private equity investments

#### Additional context to your response(s): (Voluntary)

We evaluate both financial and non-financial performance using a comprehensive ESG framework. This ensures our investment decisions are aligned with the proper management of ESG issues. Our ESG assessment framework is applied systematically to all our investments, assessing the alignment of prospective investments with applicable AXA IM RI policies, ESG regulations, standards and norms. This framework also determines the investee's performance on material ESG issues and identifies areas where improvements are needed. We actively monitor the implementation of action plans and overall ESG performances throughout our investment tenure. To address areas of improvement, we develop Environmental and Social Action Plans (ESAP) in collaboration with investees. This plan details the necessary actions for environmental and social issues identified in investment monitoring activities, including the responsibilities and timelines to complete the corrective action.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

**During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?**

- (A) We used GRI standards to inform our private equity ESG materiality analysis
- (B) We used SASB standards to inform our private equity ESG materiality analysis
- (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis
- (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis
- (H) We engaged with the prospective portfolio company to inform our private equity ESG materiality analysis
- (I) Other

**Additional context to your response(s): (Voluntary)**

Investments made through AXA IM Alts Impact Investing strategies are systematically assessed and monitored for alignment with a robust set of ESG policies, standards, and international best practices throughout the entire investment life cycle. Our ESG management approach is guided by the following frameworks:

- AXA IM Responsible Investment Policies
  - IFC Performance Standards on Environmental and Social Sustainability
  - Relevant sustainability and environmental standards
  - EU Sustainable Finance Disclosure Regulation (SFDR) requirements
  - Sector-specific good international industry practices (GIIP) and guidelines
- Building on more than a decade of experience, AXA IM has developed proprietary ESG Requirements.

Adherence to these requirements is contractually binding for all portfolio investments and forms a core part of our due diligence and ongoing monitoring process.

**Step 1: Project screening**

- Check against exclusion list
- Identify potential ESG investment risks
- Pre-selection of ESGs
- Desk-based analysis and report with ESG improvement opportunities
- Assessment for foundation, considerations and potential for enhancement
- Full assessment of compliance with ESG requirements
- Evaluation with site visits, external expertise (E&S advisors, legal teams...)

**Step 4: Investment agreement**

- Ensure ESG requirements are covered in binding agreements
- Regular assessments to ensure the meeting of ESG requirements
- Monitoring through internal ESG and portfolio teams
- Check for long-term ESG impact
- Review of ESG value creation and ensure documentation for sustainability of impact post-exit.

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

**During the reporting year, how did material ESG factors influence the selection of your private equity investments?**

- (A) Material ESG factors were used to identify risks**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (B) Material ESG factors were discussed by the investment committee (or equivalent)**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (D) Material ESG factors were used to identify opportunities for value creation
- (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for the majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (F) Material ESG factors impacted investments in terms of the price offered and/or paid
- (G) Material ESG factors did not influence the selection of our private equity investments

### **Additional context to your response(s): (Voluntary)**

The AXA IM Alts Impact Investing strategy maps, monitors and evaluates the social and environmental performance of our investments. This ensures alignment with both financial targets and long-term impact objectives. Before making investments, we determine whether they are aligned with our fully integrated strategy. We assess the relevance, directness, depth and scale of proposed investments, and review challenges and solutions. We define impact objectives that correspond with one or more of our four core strategies and align with social and environmental issues. This serves as a guideline to follow over time, serving our clients while addressing broader systemic issues. We continuously monitor the achievement of positive impacts against the expectations set for each investment. We work with our investees to agree on impact metrics and KPIs that form an established basis against which to monitor the impact performance of investments considering, among other metrics, the UN SDGs. Our investment documents clearly reflect the expected information on financial and impact performance, as well as the frequency of reporting. Impact is evaluated across the entire investment trajectory, measuring the extent to which investments are generating positive social and environmental impacts and supporting the UN's SDGs. The AXA Impact Hub offers greater insight and credibility to stakeholders. The tech-based, modular IMM solution allows investors to track impact performance in real time through qualitative and quantitative indicators, performance tracking and data visualisation tools.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?

- (A) We do a high-level or desktop review using an ESG checklist for initial red flags**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (B) We send detailed ESG questionnaires to target companies**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (C) We hire third-party consultants to do technical due diligence on specific material ESG factors**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for a majority of our potential private equity investments**
  - (3) for a minority of our potential private equity investments
- (D) We conduct site visits**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for a majority of our potential private equity investments**
  - (3) for a minority of our potential private equity investments
- (E) We conduct in-depth interviews with management and/or personnel**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (F) We conduct detailed external stakeholder analyses and/or engagement**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for a majority of our potential private equity investments**
  - (3) for a minority of our potential private equity investments
- (G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal**  
Select from dropdown list
  - (1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential private equity investments

**Additional context to your response(s): (Voluntary)**

Investments made through AXA IM Alts Impact Investing strategies are systematically assessed and monitored for alignment with a robust set of ESG policies, standards, and international best practices throughout the entire investment life cycle. Our ESG management approach is guided by the following frameworks:

- AXA IM Responsible Investment Policies
  - IFC Performance Standards on Environmental and Social Sustainability
  - Relevant sustainability and environmental standards
  - EU Sustainable Finance Disclosure Regulation (SFDR) requirements
  - Sector-specific good international industry practices (GIIP) and guidelines
- Building on more than a decade of experience, AXA IM has developed proprietary ESG Requirements.

Adherence to these requirements is contractually binding for all portfolio investments and forms a core part of our due diligence and ongoing monitoring process.

Step 1: Project screening

- Check against exclusion list
- Identify potential ESG investment risks
- Pre-selection of ESGs
- Desk-based analysis and report with ESG improvement opportunities
- Assessment for foundation, considerations and potential for enhancement
- Full assessment of compliance with ESG requirements
- Evaluation with site visits, external expertise (E&S advisors, legal teams...)

Step 2: Screening at Fund Investment Committee (IC)

- Ensure ESG requirements are covered in binding agreements

Step 3: Due diligence ahead of investment committee 2 (IC2)

- Regular assessments to ensure the meeting of ESG requirements

Step 4: Investment agreement

- Monitoring through internal ESG and portfolio teams
- Check for long-term ESG impact Review of ESG value creation and ensure documentation for sustainability of impact post-exit.

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	OO 21	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?

(A) Yes, we tracked KPIs on environmental factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(B) Yes, we tracked KPIs on social factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

(C) Yes, we tracked KPIs on governance factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%

- (4) >75 to 95%
- (5) >95%
- (D) We did not track KPIs on material ESG factors across our private equity investments

**Additional context to your response(s): (Voluntary)**

We continuously monitor the achievement of positive impacts against the expectations set for each investment. We work with our investees to agree on impact metrics and KPIs that form an established basis against which to monitor the impact performance of investments considering, among other metrics, the UN SDGs. Our investment documents clearly reflect the expected information on financial and impact performance, as well as the frequency of reporting. Impact is evaluated across the entire investment trajectory, measuring the extent to which investments are generating positive social and environmental impacts and supporting the UN's SDGs. The AXA Impact Hub offers greater insight and credibility to stakeholders. The tech-based, modular IMM solution allows investors to track impact performance in real time through qualitative and quantitative indicators, performance tracking and data visualisation tools. ESG performance is reported in our 2024 impact report available on our website : <https://alts.axa-im.com/responsible-investing/impact-investing>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6.1	PLUS	PE 6	N/A	PUBLIC	Monitoring	1

**Provide examples of KPIs on material ESG factors you tracked across your private equity investments during the reporting year.**

- (A) ESG KPI #1  
CO2 emissions
- (B) ESG KPI #2  
Board composition
- (C) ESG KPI #3  
Energy consumption
- (D) ESG KPI #4  
Biodiversity impacts
- (E) ESG KPI #5  
Exposure to controversial weapons
- (F) ESG KPI #6  
Human Rights
- (G) ESG KPI #7  
Labour Rights
- (H) ESG KPI #8  
Pollution indicators
- (I) ESG KPI #9  
ESG Incidents
- (J) ESG KPI #10  
Adherence to ESG exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 7	CORE	OO 21	PE 7.1	PUBLIC	Monitoring	1, 2
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**What processes do you have in place to support meeting your targets on material ESG factors for your private equity investments?**

- (A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance
- (B) We implement international best practice standards, such as the IFC Performance Standards, to guide ongoing assessments and analyses**
  - Select from dropdown list
    - (1) for all of our private equity investments**
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (C) We implement certified environmental and social management systems across our portfolio
- (D) We make sufficient budget available to ensure that the systems and procedures needed are established**
  - Select from dropdown list
    - (1) for all of our private equity investments**
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (E) We hire external verification services to audit performance, systems, and procedures
- (F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users**
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments**
- (G) We implement 100-day plans, ESG roadmaps and similar processes**
  - Select from dropdown list
    - (1) for all of our private equity investments**
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (H) Other**
  - Specify:
    - Continuous stewardship and engagement using our board seats and participation in ESG Committees.
    - We also hold ongoing review meetings with portfolio companies as necessary as part of our periodic reporting and monitoring processes
  - Select from dropdown list
    - (1) for all of our private equity investments**
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 7.1	PLUS	PE 7	N/A	PUBLIC	Monitoring	1, 2
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**Describe up to two processes you have put in place during the reporting year to help meet your targets on material ESG factors.**

(A) Process one

One of our key focus with our portfolio company is monitoring and manage their operational impacts on climate change. We have engaged ClimateSeed, a consulting company focused on helping companies assess and reduce their carbon emissions, to assist our companies in calculating their baseline carbon emissions and working with them on related climate action activities.

(B) Process two

Working with our Investment Committee and AXA IM Alts Head of Responsible Investment, we have an annual monitoring review of ESG practices by our portfolio companies. This is assessed and scored. Companies whose scores have declined below a certain threshold are the focus of dedicated engagement and action plans.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 8	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Describe material ESG risks and ESG opportunities that you integrate into your 100-day plans, including those accountable for their successful completion and how the process is monitored.**

Our 100 day plans include a range of risks and oppoportunities across environmental, social and governance dimensions and different investment strategies may have differing ESG issues which are relevant to the particular strategies. These include – Environmental, Social Management Systems (ESMS), Climate change risks and opportunities, health and safety, impact on human rights, labour conditions, data risks, board, esg governance, community relations, indigenous rights amongst others. We have a dedicated Impact & ESG team focused on working with the investment team and our investee companies to build 100-day plans, a legal team to integrate them into legal documents. Our Impact & ESG team are responsible, along with the investment leads for monitoring progress and are accountable for completion.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 9	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2

**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(B) We adjust our ESG action plans based on performance monitoring findings at least yearly

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(D) We engage with the board to manage ESG risks and ESG opportunities post-investment

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

(E) Other

- (F) We do not manage material ESG risks and opportunities post-investment

**Additional context to your response(s): (Voluntary)**

We have developed a framework for the management of ESG issues that takes account of the alignment of prospective investments with applicable AXA IM RI policies, ESG regulations, recognised standards and norms such as the International Finance Corporation's Environmental and Social Performance Standards, the Environmental, Health and Safety Guidelines of the World Bank, and the International Labour Organization's fundamental principles. This assessment framework is applied to investments during due diligence and over the tenure of our investments. Our ESG assessment framework covers a comprehensive list of potential adverse impacts in line with emerging regulations. Our assessment framework takes account of a range of ESG issues including climate risks; biodiversity; pollution; health and safety; human rights; conservation of protected areas and protection of indigenous communities; and governance concerns, amongst others. The ESG assessment framework is used to assess investees' performance on material ESG issues and identify areas where improvements are needed. The ESG assessment framework is systematically applied to all our investments. Where we identified areas of improvement, we develop Environmental and Social Action Plans (ESAP) in collaboration with investees, detailing actions to be undertaken in relation to environmental and social issues identified as part of investment monitoring activities. The ESAP includes responsibilities and timelines within which corrective action needs to be undertaken. We actively monitor implementation of action plans and overall ESG performance throughout our investment tenure.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 10	PLUS	OO 21	N/A	PUBLIC	Monitoring	1, 2
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**Describe how you ensure that material ESG risks are adequately addressed in the private equity investments in which you hold a minority stake.**

From the inception of our contacts with companies and as part of screening, we make our ESG requirements clear and inform prospects that ESG due diligence and alignment with our ESG requirements are a fundamental part of investment decision making. We also inform them that if there are gaps in their ESG policies and practices, agreeing to an ESAP which is integrated into legal documentation and to which they are accountable, will be a requirement for investment. We also include reporting requirements, including incident reporting, in our legal documentation.

Following investment, we hold periodic meetings with our investees to update the plans, and the reporting requirements means which are legally binding means that we can monitor progress and have information on which stewardship is based.

It is also our usual practice to negotiate board seats, or where not possible, board advisor seats to enable our representatives to participate in the active stewardship of companies in critical matters, including ESG.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 11	PLUS	OO 21	N/A	PUBLIC	Monitoring	2
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**Describe how your ESG action plans are currently defined, implemented and monitored throughout the investment period.**

We have developed our own ESG requirements which have been incorporated into a template for assessing prospective investments. These ESG requirements cover pertinent ESG issues that are relevant to the investment strategy and the company. Following due diligence, when ESG gaps are identified, a focused meeting is held with prospective investees and ESG action plan (ESAP) is agreed which is then discussed and approved at the Investment Committee. The final ESAP is detailed, identifying the ESG gap(s), the remedial action and a defined time by which the gap should be closed. This ESAP is incorporated into side letters or other legal documentation for accountability.

Post investment, the Impact and ESG team with the support of the investment lead is responsible for monitoring its successful implementation. We have a regular quarterly reporting update requirements with our investees which is followed up with a meeting to address issues, update results and provide support as necessary.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12	CORE	OO 21	PE 12.1	PUBLIC	Monitoring	1, 2

**How do you ensure that adequate ESG-related competence exists at the portfolio company level?**

- (A) We assign the board responsibility for ESG matters**  
Select from dropdown list
  - (1) for all of our private equity investments
  - (2) for a majority of our private equity investments**
  - (3) for a minority of our private equity investments
- (B) We ensure that material ESG matters are discussed by the board at least yearly**  
Select from dropdown list
  - (1) for all of our private equity investments
  - (2) for a majority of our private equity investments**
  - (3) for a minority of our private equity investments
- (C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only
- (D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)
- (E) We support the portfolio company in developing and implementing its ESG strategy**  
Select from dropdown list
  - (1) for all of our private equity investments**
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments
- (F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors**  
Select from dropdown list
  - (1) for all of our private equity investments
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments**
- (G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems**  
Select from dropdown list
  - (1) for all of our private equity investments**
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments
- (H) We include penalties or incentives to improve ESG performance in management remuneration schemes**  
Select from dropdown list
  - (1) for all of our private equity investments
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments**
- (I) Other
- (J) We do not ensure that adequate ESG-related competence exists at the portfolio company level

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 12.1	PLUS	PE 12	N/A	PUBLIC	Monitoring	1, 2

**Describe up to two initiatives taken as part of your ESG competence-building efforts at the portfolio company level during the reporting year.**

(A) Initiative 1

During the year, we had a session on GHG emissions accounting for our portfolio companies, which are typically SMEs or based in markets (e.g. sub-Saharan Africa, where GHG Emissions accounting is still nascent).

(B) Initiative 2

We have provided consultants to support our companies to develop credible environmental and social management systems (ESMS) as this is critical to organisational capacity to identify, manage and monitor relevant ESG issues.

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 13	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

**During the reporting year, what responsible investment information was shared with potential buyers of private equity investments?**

- (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
- (B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD
- (C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)
- (D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)
- (E) The outcome of our latest ESG risk assessment on the asset or portfolio company
- (F) Key ESG performance data on the asset or portfolio company being sold
- (G) Other
- (H) No responsible investment information was shared with potential buyers of private equity investments during the reporting year
- (I) **Not applicable; we had no sales process (or control over the sales process) during the reporting year**

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

**During the reporting year, how did you report your targets on material ESG factors and related data to your investors?**

- (A) **We used a publicly disclosed sustainability report**
- (B) **We reported in aggregate through formal reporting to investors**
- (C) **We reported at the portfolio company level through formal reporting to investors**
- (D) **We reported through a limited partners advisory committee (or equivalent)**
- (E) We reported back at digital or physical events or meetings with investors
- (F) **We had a process in place to ensure that reporting on serious ESG incidents occurred**
- (G) Other
- (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year

# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

**(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

**(2) The UNFCCC Paris Agreement**

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

**(1) Environmental**

(2) Social

(3) Governance-related

(4) Other

(3) Sustainability outcome name

Climate Change

(4) Number of targets set for this outcome

(1) No target

**(2) One target**

(3) Two or more targets

**(B) Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

(1) The UN Sustainable Development Goals (SDGs) and targets

**(2) The UNFCCC Paris Agreement**

(3) The UN Guiding Principles on Business and Human Rights (UNGPs)

(4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

(5) The EU Taxonomy

(6) Other relevant taxonomies

(7) The International Bill of Human Rights

(8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

(9) The Convention on Biological Diversity

(10) Other international, regional, sector-based or issue-specific framework(s)

- (2) Classification of sustainability outcome
- (1) **Environmental**
  - (2) Social
  - (3) Governance-related
  - (4) Other
- (3) Sustainability outcome name
- Net Zero Targets
- (4) Number of targets set for this outcome
- (1) No target
  - (2) One target
  - (3) **Two or more targets**
- (C) Sustainability outcome #3**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
  - (2) The UNFCCC Paris Agreement
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights
  - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - (9) **The Convention on Biological Diversity**
  - (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
- (1) **Environmental**
  - (2) Social
  - (3) Governance-related
  - (4) Other
- (3) Sustainability outcome name
- Biodiversity
- (4) Number of targets set for this outcome
- (1) No target
  - (2) **One target**
  - (3) Two or more targets
- (D) Sustainability outcome #4**
- (1) Widely recognised frameworks used to guide action on this sustainability outcome
- (1) The UN Sustainable Development Goals (SDGs) and targets
  - (2) The UNFCCC Paris Agreement
  - (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
  - (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
  - (5) The EU Taxonomy
  - (6) Other relevant taxonomies
  - (7) The International Bill of Human Rights
  - (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
  - (9) The Convention on Biological Diversity
  - (10) **Other international, regional, sector-based or issue-specific framework(s)**
- (2) Classification of sustainability outcome
- (1) **Environmental**
  - (2) **Social**
  - (3) **Governance-related**
  - (4) Other

(3) Sustainability outcome name

Sustainability targets

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(E) Sustainability outcome #5

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

Gender Diversity

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

(F) Sustainability outcome #6

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

Sovereign CCPI Index

(4) Number of targets set for this outcome

- (1) No target
- (2) One target
- (3) Two or more targets

- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Climate Change
(1) Target name	Exit coal by 2040
(2) Baseline year	2019
(3) Target to be met by	2030
(4) Methodology	AXA IM committed to exit coal in OECD countries by 2030 and in non-OECD countries by 2040. AXA IM notably relies on its Climate Risks policy to reduce its coal exposure by lowering exclusion thresholds over the years since the introduction of our Coal policy in 2017. From 2026, AXA IM will apply a lowered threshold and exclude investee companies with more than 10% of revenues from coal production or coal power generation.
(5) Metric used (if relevant)	Revenues and CapEx
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	0,36% of AUM with exposure to coal mining revenues (using 2024 data)
(8) Target level or amount (if relevant)	0%
(9) Percentage of total AUM covered in your baseline year for target setting	100%
(10) Do you also have a longer-term target for this?	(1) Yes

## (B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	Net Zero Targets
(1) Target name	Net Zero by 2050 or sooner
(2) Baseline year	
(3) Target to be met by	2050
(4) Methodology	<p>AXA IM is committed to achieving net zero emissions across our portfolios by 2050 or sooner<sup>105</sup>, 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. Our commitment is aligned with the frameworks proposed by the TCFD, the Institutional Investor Group on Climate Change (IIGCC) and the latter, coordinated by the Paris Aligned Investment Initiative (PAII). It is further evidenced by our active involvement in international initiatives such as Climate Action 100+ (CA 100+) and the Climate Bonds Initiative.</p> <p>AXA IM published its first net zero target in October 2021, as part of the first NZAM progress report. This target was subsequently revised in April 2022, to cover 68% of all AuM as at end of 2024;</p> <ul style="list-style-type: none"><li>• Specific net zero targets have been set for Corporates (Fixed Income and Listed Equity), Sovereigns, and direct Real Estate Equity asset classes based on industry standards;</li><li>• Early 2025, we have developed a net zero framework and set new 2030 and 2040 targets for our Infrastructure equity and debt investments that are ambitious, compared well to competitors and are realistic given the good starting point of the portfolios:</li><li>• For Infrastructure Equity: 100% of total AuM aligning, aligned, net-zero or climate solution by end of 2030, and 100% aligned, net-zero or climate solution by end of 2040;</li><li>• For Infrastructure Debt: Similarly, infrastructure debt will be adopting interim 2030 net zero targets. Those will be disclosed when finalized.</li></ul> <p>Since 2022, to support the implementation of those targets, we are using a Climate colour framework for Corporates incorporating internal and external information to determine the net zero profile of assets and inform investment decisions. The framework for Corporates has been enhanced in H2 2024 to reinforce the qualitative guidelines we provide internally to our ESG analysts that determines issuer's net zero alignment. Besides, we have also set a new Climate colour framework for Sovereigns which also builds on the NZIF guidelines. It will continue to be enhanced over time as disclosures and transition plans from companies improve.</p>
(5) Metric used (if relevant)	To reach this target we rely on various targets and metrics on our corporate, sovereign and real estate assets

(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	There are various baselines for our underlying Net Zero targets
(8) Target level or amount (if relevant)	Zero net emissions across all AXA IM AUMs by 2050 or sooner
(9) Percentage of total AUM covered in your baseline year for target setting	
(10) Do you also have a longer-term target for this?	(2) No

**(B2) Sustainability Outcome #2: Target details**

(B2) Sustainability Outcome #2:	Net Zero Targets
(1) Target name	Carbon Intensity of Corporate assets
(2) Baseline year	2019
(3) Target to be met by	2025
(4) Methodology	The carbon intensity reduction target for listed corporate assets is based on the weighted average carbon intensity (WACI) by revenues of our assets. For the carbon intensity by revenues, we rely on Trucost S&P for listed corporate assets for the amount of GHG emissions released into the atmosphere in 2022 in proportion to each investee company's revenue. It is expressed in tons of CO2 equivalent per USD million of revenues of the Scope 1 + 2 GHG emissions of each investee company.
(5) Metric used (if relevant)	Intensity-based: tCO2e/Mn USD Revenue
(6) Absolute or intensity-based (if relevant)	(2) Intensity-based
(7) Baseline level or amount (if relevant):	147.8 tCO2e/\$M of revenues (end of 2019 data)
(8) Target level or amount (if relevant)	25% reduction by 2025 and 50% reduction by 2050
(9) Percentage of total AUM covered in your baseline year for target setting	60%

(10) Do you also have a longer-term target for this?

(1) Yes

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**(C1) Sustainability Outcome #3: Target details**

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(C1) Sustainability Outcome #3: Biodiversity

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(1) Target name €1.2bn in Natural Capital Solutions

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(2) Baseline year 2022

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(3) Target to be met by 2028

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(4) Methodology The objective of this strategy is to support nature-based solution by focusing on financing activity that ensure that vulnerable or high value natural habitats are protected from deforestation, including both financing to address the drivers of deforestation and to improve forest conservation efforts, quantified through the issuance of voluntary carbon credits. The portfolio will combine strategic equity investments, with stakes in companies supporting the natural capital ecosystem in local markets, the provision of carbon solutions, and direct project financing.

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(5) Metric used (if relevant) Investments in natural capital solutions

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(6) Absolute or intensity-based (if relevant) (1) Absolute

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(7) Baseline level or amount (if relevant): €50m

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(8) Target level or amount (if relevant) €1.2m

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(9) Percentage of total AUM covered in your baseline year for target setting 0.1%

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(10) Do you also have a longer-term target for this?

(2) No

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**(D1) Sustainability Outcome #4: Target details**

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(D1) Sustainability Outcome #4: Sustainability targets

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(1) Target name Certified Real Estate Assets (NZ Targets)

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(2) Baseline year 2022

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(3) Target to be met by	2025
(4) Methodology	50% of direct real estate AuM under CRREM pathway by 2025. Baseline is based on a reference portfolio against CRREM V1 composed of 80 assets located in France, Germany, UK, Italy and Belgium against CRREM V1(9). 2023 and 2024 figures are measured against CRREM V2. Following a change in the methodology, the 2024 figure covers c. 100% of the total real estate equity AuM in scope (including assets not owned for the entire reporting year, i.e., acquired over 2022 or 2023) vs c. 35% in 2023. This change explains the decrease of aligned assets in 2024 compared to 2023. Assets are included in the KPI only if whole building data is available with actuals (complete data) or gap filling and extrapolation (good quality estimates): assets without EPC or equivalent nor whole building data available are deemed to be stranded.
(5) Metric used (if relevant)	CRREM pathway
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	54% AuM at end of 2022 (based on FY 2021 data)
(8) Target level or amount (if relevant)	50% of direct real estate AuM under CRREM pathway by 2025
(9) Percentage of total AUM covered in your baseline year for target setting	14%
(10) Do you also have a longer-term target for this?	

**(E1) Sustainability Outcome #5: Target details**

(E1) Sustainability Outcome #5:	Gender Diversity
(1) Target name	30% Gender Diversity at board level
(2) Baseline year	2020
(3) Target to be met by	2025

(4) Methodology

AXA IM leverages on its stewardship activities to achieve this target. Since 2021, we have targeted listed companies in developed market economies where at least one-third of the Board of Directors is not gender diverse, and oppose management on selected resolutions to signal our concerns. This 33% diversity target enables us to hold all companies in which we invest to the same high standards of achieving greater diversity, as well as advancing gender diversity in developed market economies. AXA IM has and will continue to push all companies, in both developed and emerging markets, to disclose and report against their executive committee gender diversity policy and targets. We also engage with companies on diversity. We are part of the French, UK and Japanese 30% Club which coordinate investment community's approach to gender diversity, in particular to explain the investment case for more diverse boards and senior management teams.

(5) Metric used (if relevant)

Percentage of women on board

(6) Absolute or intensity-based (if relevant)

(1) Absolute

(7) Baseline level or amount (if relevant):

N/A

(8) Target level or amount (if relevant)

30%

(9) Percentage of total AUM covered in your baseline year for target setting

(10) Do you also have a longer-term target for this?

(2) No

**(F1) Sustainability Outcome #6: Target details**

(F1) Sustainability Outcome #6:

Sovereign CCPI Index

(1) Target name

Sovereign CCPI score (NZ Targets)

(2) Baseline year

(3) Target to be met by

(4) Methodology

Beat the CCPI score of the ICE BofA World Sovereign Bond Index at end of each year. This target is a component of our overall Net Zero targets.

(5) Metric used (if relevant)

Climate Change Performance Index

(6) Absolute or intensity-based (if relevant)

(7) Baseline level or amount (if relevant):

(8) Target level or amount (if relevant)

(9) Percentage of total AUM covered in your baseline year for target setting 20%

(10) Do you also have a longer-term target for this?

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: Climate Change	Exit coal by 2040	2040	0%
(B2) Sustainability Outcome #2: Net Zero Targets	Carbon Intensity of Corporate assets	2030	-50%

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets

- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
- (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

Provide details of your nearest-term net zero targets per asset class.

**Corporate & infrastructure equity**

- (B) NZAOA TSP asset class breakdown
  - Listed equity (incl. REITs, funds)
  - Private equity high emitting Infrastructure direct
  - Private equity direct (incl. low emitting infrastructure)
  - Private equity and infrastructure funds

**Corporate & infrastructure debt finance**

- Publicly traded corporate debt
- Private loans to high emitting infrastructure
- Private loans to unlisted / privately held companies and infrastructure (low emitting)
- Private debt funds

**Real estate**

- Directly held real estate

**Target details**

**(B) NZAOA TSP asset class breakdown: Real estate: Directly held real estate**

(1) Our organisation has not set any target for this asset class ○

(2) Baseline year 2019

(3) Target to be met by 2025

(4) Emissions included in target

## (5) Methodology

kgCO<sub>2</sub>e/m<sup>2</sup> As since 2025 the ESG data campaign in Q2 is now using y-2 ESG data instead of y-1, progress measured in 2024 on the carbon intensity is the same than in 2023. The 2025 target is already achieved since end of 2022. These results reflect AXA IM Alt's active policy to optimise building energy use and minimise carbon emissions, acting on three complementary areas: 1) Improving asset's performance 2) Switching to lower emitting energy sources 3) optimizing building use and engaging with tenant. This target is part of AXA IM For Progress Monitor <https://www.axaim.com/championing-sustainability/axa-im-progress-monitor> For corporate assets (fixed income and listed equities), we also have established targets: => 25% reduction of the weighted average carbon intensity (WACI) by 2025 and 50% by 2030.

Baseline is 147.8 tCO<sub>2</sub>e/\$M revenues at end of 2019. AXA IM achieved a 51.2% reduction at end of 2024. Scope 1 and 2 only due to limited data quality and availability on Scope 3: coverage of Scope 3 to be increased in the coming years, consequently with possible review of the baseline as well.

=> 100% AUM in material sectors net zero, aligned or aligning by 2040 using AXA IM Climate Coloring Framework.

36% of corporate AuM in material sectors is considered net zero, aligned or aligning (end of 2021 data - baseline). At end 2024, 82.5% of AUM in material sectors were net zero, aligned or aligning. Net Zero, aligned or aligning. This encompasses issuers categorised as 'Dark blue', 'Blue' and 'Light blue' according to AXA IM Climate colour framework.

The significant progress in the past years compared to 2021 is due to a large increase i) of companies with SBTi targets (c. 35% of total listed corporates AuM with validated targets at end of 2024, and c. 32% at end of 2023) and ii) in the coverage of corporate issuers with colours in our framework (e.g. qualitative colour assessments done internally: c.

33k at end of 2024 against c. 2k at end of 2022).

=> 6% of AUM invested in climate solutions by 2025 using AXA IM's Green Investment definition. This definition is available in our 2024 TCFD-Article 29 Report (<https://www.axa-im.com/document/7945/view>).

2.1% of AuM dedicated to climate solutions (end of 2019 data - baseline). 6% of AuM at end of 2022 was invested in Climate solutions. The methodological approach may evolve as data coverage on EU Taxonomy alignment will increase in the coming years. We expect this will lead us to revise our target.

=> 50% of financed emissions net zero or aligned by 2025 using AXA IM Climate Coloring Framework.

This corresponds to issuers categorized as 'Dark Blue' or 'Blue' in AXA IM coloring framework (<https://www.axa-im.com/document/7945/view>). 46% of financed emissions in material sectors are already net zero or aligned (end of 2021 data - baseline). As end of 2024, 30.4% of financed emissions are net zero or aligned. The reported figures exclude issuers with no carbon data (i.e., 'Grey' in our framework).

As in 2022 our data coverage increased significantly (i.e. with lower grey issuers), the progress since 2022 is proportionally lower. When including 'Grey' issuers in the calculation (in the denominator), we find a steady share in 2023 and 2024 compared to 2021 with c. 30% (against 29.5% at end of 2021).

This absence of progress is largely explained by the significant reduction of issuers with no data in the past years.

=> 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030. The baseline is 52% of financed emissions at end of 2021 (42% from collaborative only and 38% from individual only). 71.9% of financed emissions at end of 2024 (39.3% from collaborative only, and 63.6% from individual only).

Engagement activities conducted directly by AXA IM are accounted for the two previous years of engagement, along with emissions subject to collaborative engagement even if AXA IM does not systematically participate, in line with NZIF. Collaborative engagement only includes Climate Action 100+.

=> Beat the CCPI score of the ICE BofA World Sovereign Bond Index at end of each year. AXA IM reach 56.2 / 100 at end of 2024 data, compared to 46.9/100 for the ICE BofA World Sovereign Bond Index.

Progress is measured against the benchmark not against historical data, following NZIF1.0 recommended target setting guidance. Outperformance compared to the benchmark is due to concentration of sovereign bonds from countries with a high score (France in particular).

=> 50% of direct real estate AuM under CRREM pathway by 2025. AXA IM reached 61% at end of 2024. Baseline is 54% AuM at end of 2022.

(6) Metric used	(9) Other
(7) Baseline amount	31.3 kgCO2e/m2 at end of 2019
(8) Current amount (if different from baseline amount)	-32.6% at end of 2024 compared to 2019
(9) Targeted reduction with respect to baseline	20%
(10) Percentage of total AUM covered in your baseline year for target setting	100%
(11) If coverage is below 100% for this asset class, explain why	N/A

**Real estate**

- Commercial real estate loans
- Real estate equity funds
- Real estate debt funds
- Residential mortgages loans (directly)

**Public debt**

- Sovereign bonds**

**Target details**

**(B) NZAOA TSP asset class breakdown: Public debt: Sovereign bonds**

(1) Our organisation has not set any target for this asset class ○

(2) Baseline year

(3) Target to be met by

(4) Emissions included in target

Beat the CCPI score of the ICE BofA World Sovereign Bond Index at end of each year. AXA IM reach 56.2 / 100 at end of 2024 data, compared to 46.9/100 for the ICE BofA World Sovereign Bond Index. Progress is measured against the benchmark not against historical data, following NZIF1.0 recommended target setting guidance. Outperformance compared to the benchmark is due to concentration of sovereign bonds from countries with a high score (France in particular).

## (5) Methodology

This target is part of AXA IM For Progress Monitor

<https://www.axaim.com/championing-sustainability/axa-im-progress-monitor> For corporate assets (fixed income and listed equities), we also have established targets: => 25% reduction of the weighted average carbon intensity (WACI) by 2025 and 50% by 2030. Baseline is 147.8 tCO<sub>2</sub>e/\$M revenues at end of 2019. AXA IM achieved a 51.2% reduction at end of 2024. Scope 1 and 2 only due to limited data quality and availability on Scope 3: coverage of Scope 3 to be increased in the coming years, consequently with possible review of the baseline as well.

=> 100% AUM in material sectors net zero, aligned or aligning by 2040 using AXA IM Climate Coloring Framework. 36% of corporate AuM in material sectors is considered net zero, aligned or aligning (end of 2021 data - baseline). At end 2024, 82.5% of AUM in material sectors were net zero, aligned or aligning. Net Zero, aligned or aligning. This encompasses issuers categorised as 'Dark blue', 'Blue' and 'Light blue' according to AXA IM Climate colour framework. The significant progress in the past years compared to 2021 is due to a large increase i) of companies with SBTi targets (c. 35% of total listed corporates AuM with validated targets at end of 2024, and c. 32% at end of 2023) and ii) in the coverage of corporate issuers with colours in our framework (e.g. qualitative colour assessments done internally: c. 33k at end of 2024 against c. 2k at end of 2022).

=> 6% of AUM invested in climate solutions by 2025 using AXA IM's Green Investment definition. This definition is available in our 2024 TCFD-Article 29 Report (<https://www.axa-im.com/document/7945/view>). 2.1% of AuM dedicated to climate solutions (end of 2019 data - baseline). 6% of AuM at end of 2022 was invested in Climate solutions. The methodological approach may evolve as data coverage on EU Taxonomy alignment will increase in the coming years. We expect this will lead us to revise our target.

=> 50% of financed emissions net zero or aligned by 2025 using AXA IM Climate Coloring Framework. This corresponds to issuers categorized as 'Dark Blue' or 'Blue' in AXA IM coloring framework (<https://www.axa-im.com/document/7945/view>). 46% of financed emissions in material sectors are already net zero or aligned (end of 2021 data - baseline). As end of 2024, 30.4% of financed emissions are net zero or aligned. The reported figures exclude issuers with no carbon data (i.e., 'Grey' in our framework). As in 2022 our data coverage increased significantly (i.e. with lower grey issuers), the progress since 2022 is proportionally lower. When including 'Grey' issuers in the calculation (in the denominator), we find a steady share in 2023 and 2024 compared to 2021 with c. 30% (against 29.5% at end of 2021). This absence of progress is largely explained by the significant reduction of issuers with no data in the past years.

=> 70% of financed emissions in material sectors under engagement by 2025 and 90% by 2030. The baseline is 52% of financed emissions at end of 2021 (42% from collaborative only and 38% from individual only). 71.9% of financed emissions at end of 2024 (39.3% from collaborative only, and 63.6% from individual only). Engagement activities conducted directly by AXA IM are accounted for the two previous years of engagement, along with emissions subject to collaborative engagement even if AXA IM does not systematically participate, in line with NZIF. Collaborative engagement only includes Climate Action 100+.

=> 20% landlord operational carbon intensity reduction by 2025. The baseline is 31.3 kgCO2e/m2 at end of 2019. AXA IM reached 32.6% reduction at end of 2024 compared to 2019. As since 2025 the ESG data campaign in Q2 is now using y-2 ESG data instead of y-1, progress measured in 2024 on the carbon intensity is the same than in 2023. The 2025 target is already achieved since end of

2022. These results reflect AXA IM Alt's active policy to optimise building energy use and minimise carbon emissions, acting on three complementary areas: 1) Improving asset's performance 2) Switching to lower emitting energy sources 3) optimizing building use and engaging with tenant.

=> 50% of direct real estate AuM under CRREM pathway by 2025. AXA IM reached 61% at end of 2024. Baseline is 54% AuM at end of 2022.

(6) Metric used	
(7) Baseline amount	AXA IM reach 56.2 / 100 at end of 2024 data, compared to 46.9/100 for the ICE BofA World Sovereign Bond Index.
(8) Current amount (if different from baseline amount)	
(9) Targeted reduction with respect to baseline	
(10) Percentage of total AUM covered in your baseline year for target setting	100%
(11) If coverage is below 100% for this asset class, explain why	N/A 100%

**Public debt**

- Supra-, sub-sovereigns, municipal bonds
- US agencies

**Others**

- Securitised products
- Covered bonds
- Other asset classes

**Combined asset classes**

- Combined bonds and equities**

**Target details**

<b>(B) NZAOA TSP asset class breakdown: Combined asset classes: Combined bonds and equities</b>	
(1) Our organisation has not set any target for this asset class	o
(2) Baseline year	2019

(3) Target to be met by 2025

(4) Emissions included in target

(1) Scope 1  
(2) Scope 2

(5) Methodology

This target covers all our Corporates assets which include Corporate Bonds and Listed Equities. The carbon intensity reduction target for listed corporate assets is based on the weighted average carbon intensity (WACI) by revenues of our assets. For the carbon intensity by revenues, we rely on Trucost S&P for listed corporate assets for the amount of GHG emissions released into the atmosphere in 2022 in proportion to each investee company's revenue.

It is expressed in tons of CO2 equivalent per USD million of revenues of the Scope 1 + 2 GHG emissions of each investee company.

This target is part of AXA IM For Progress Monitor

<https://www.axaim.com/championing-sustainability/axa-im-progress-monitor> For

corporate assets (fixed income and listed equities), we also have established targets:

=> 100% AUM in material sectors net zero, aligned or aligning by 2040 using AXA IM Climate Coloring Framework. 36% of corporate AuM in material sectors is considered net zero, aligned or aligning (end of 2021 data - baseline).

At end 2024, 82.5% of AUM in material sectors were net zero, aligned or aligning. Net Zero, aligned or aligning. This encompasses issuers categorised as 'Dark blue', 'Blue' and 'Light blue' according to AXA IM Climate colour framework. The significant progress in the past years compared to 2021 is due to a large increase i) of companies with SBTi targets (c.

35% of total listed corporates AuM with validated targets at end of 2024, and c. 32% at end of 2023) and ii) in the coverage of corporate issuers with colours in our framework (e.g. qualitative colour assessments done internally: c. 33k at end of 2024 against c. 2k at end of 2022).

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6% of AuM at end of 2022 was invested in Climate solutions. The methodological approach may evolve as data coverage on EU Taxonomy alignment will increase in the coming years. We expect this will lead us to revise our target.

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Engagement activities conducted directly by AXA IM are accounted for the two previous years of engagement, along with emissions subject to collaborative engagement even if AXA IM does not systematically participate, in line with NZIF. Collaborative engagement only includes Climate Action 100+.

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=> 20% landlord operational carbon intensity reduction by 2025. The baseline is 31.3 kgCO2e/m2 at end of 2019.

AXA IM reached 32.6% reduction at end of 2024 compared to 2019. As since 2025 the ESG data campaign in Q2 is now using y-2 ESG data instead of y-1, progress measured in 2024 on the carbon intensity is the same than in 2023. The 2025 target is already achieved since end of 2022.

These results reflect AXA IM Alt's active policy to optimise building energy use and minimise carbon emissions, acting on three complementary areas: 1) Improving asset's performance 2) Switching to lower emitting energy sources 3) optimizing building use and engaging with tenant.

=> 50% of direct real estate AuM under CRREM pathway by 2025.

AXA IM reached 61% at end of 2024. Baseline is 54% AuM at end of 2022.

(6) Metric used	(3) Intensity-based: tCO2e/Mn USD
(7) Baseline amount	147.8 tCO2e/\$M of revenues (end of 2019 data) (Calculated on Corporate assets which include Listed Bonds and Listed Equities)
(8) Current amount (if different from baseline amount)	-51.2% at end of 2024 (compared to 2019)
(9) Targeted reduction with respect to baseline	25%
(10) Percentage of total AUM covered in your baseline year for target setting	100%
(11) If coverage is below 100% for this asset class, explain why	N/A: 100% of listed corporate assets covered (fixed income + listed equity)

**Combined asset classes**

- Combined bonds, equities, and real estate (direct)
- Combined bonds, equities, real estate, and infrastructure

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

### Does your organisation track progress against your nearest-term sustainability outcomes targets?

#### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: Climate Change

Target name: Exit coal by 2040

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

#### (B1) Sustainability outcome #2:

(B1) Sustainability outcome #2: Net Zero Targets

Target name: Net Zero by 2050 or sooner

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

#### (B2) Sustainability outcome #2:

(B2) Sustainability outcome #2: Net Zero Targets

Target name: Carbon Intensity of Corporate assets

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(C1) Sustainability outcome #3:**

(C1) Sustainability outcome #3: Biodiversity

Target name: €1.2bn in Natural Capital Solutions

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(D1) Sustainability outcome #4:**

(D1) Sustainability outcome #4: Sustainability targets

Target name: Certified Real Estate Assets (NZ Targets)

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

**(E1) Sustainability outcome #5:**

(E1) Sustainability outcome #5: Gender Diversity

Target name: 30% Gender Diversity at board level

Does your organisation track progress against your nearest-term sustainability outcome targets? (2) No  
Explain why not: As part of our voting and engagement activities, we monitor investee companies' level of women within the board. We select a list of companies with which we will engage over the years to support them in implementing policies and processes to achieve this objective. However, we do not have a standard process to monitor percentage of women on board for all our investee companies.

**(F1) Sustainability outcome #6:**

(F1) Sustainability outcome #6: Sovereign CCPI Index

Target name: Sovereign CCPI score (NZ Targets)

Does your organisation track progress against your nearest-term sustainability outcome targets? (1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Climate Change
(1) Target name	Exit coal by 2040
(2) Target to be met by	2030
(3) Metric used (if relevant)	Revenues and CapEx
(4) Current level or amount (if relevant)	€730m of assets exposed to coal, representing 0.26% of AXA IM's total assets under management

(5) Other qualitative or quantitative progress

In February 2022, we strengthened our 'Climate Risk' exclusion and engagement policy with additional exclusions on shale and tight oil and gas and on deposits located in the Arctic, and reinforced our existing criteria on oil sands producers. With this update, AXA IM has emphasized its commitment, considering that, as an investor, it is our responsibility to influence the trajectories of the companies to which we remain exposed, towards carbon neutrality. Furthermore, in April 2023, we lowered our exclusion thresholds for coal. We are now excluding companies generating more than 15% of their revenues from coal production and coal-fired power generation capacity, compared with 30% previously, as well as all companies planning to increase their coal production and power generation capacity (i.e. launch new projects), compared with a threshold of more than 300 megawatts (MW) of new capacity.

Since 2017, AXA IM has implemented an exclusion on oil sand activities. In 2022 and 2023, AXA IM reinforced its stance with new exclusions related to unconventional oil and gas:

- Oil sands: Reinforcement of the policy with an absolute exclusion threshold leading to the exclusion of companies for which oil sands represents more than 5% of global oil sands production; from 2023, we additionally reduce from 20% to 5% the oil sands share of production exclusion threshold;

- Shale/Fracking: Exclusion of players that produce less than 100kboepd of shale and tight oil & gas and with more than 30% of their total production derived from fracking;

- Arctic: Extension of the environmental focus through the adoption of a strict policy to exclude oil and gas extraction activities carried out in the Arctic Monitoring and Assessment Programme (AMAP) region. This will mean divesting from companies deriving more than 10% of their production from this region or representing more than 5% of the total global Arctic production. Norwegian operations are not concerned given the stringent regulation in place.

UN SDG 7 and SDG 13), but also banks – through their lending policies – as well as the building materials industry. Engagement with companies operating in these sectors represented about a third of our total climate-related engagements in 2022. Regarding Coal and Oil & Gas, we have significantly enhanced our Climate risks policy at the beginning of 2022 in order to provide further details on our engagement asks with regards to the coal, oil & gas sectors, aiming to cover their strategy and target setting, transparency including on capital expenditures (CapEx) as well as Governance and lobbying. For companies we view as ‘climate laggards’ – those which we deemed to have shown either a lack of net-zero commitments or quantified emissions reduction targets that were insufficiently demanding or not credible, across sectors and geographies - we conduct more forceful engagement campaign. Over 2022, the AXA IM Executive Chair sent a letter to the relevant CEOs and/or Chairs, explaining our net zero commitment and engagement policy, as well as clearly laying out our engagement requests and our intention to divest in case of insufficient progress.

2025 marks the third year of the “Three Strikes and You’re Out” policy. Companies identified as climate “laggards” in 2022 have since improved their climate strategies have been removed from the list. Two companies will face divestment this year due to insufficient progress while others will face escalation during the AGM season, potentially including votes against the Board. As part of our voting policy, regarding climate-related risks, we urge companies to:

.Specifically on climate, this thematic is one of the central pillars of AXA IM's engagement with companies, representing 28% of our engagement activity in 2022. While this theme is universal and relevant to all firms from all sectors, we focus our efforts where materiality is greatest, notably energy (hence the relevance of

- Commit to a net zero emission strategy, with short-, mid- and long-term carbon emissions reduction targets that are based on climate science. There should be a clear explanation of corresponding capital allocation plans;
- Integrate the company's entire value chain in the climate strategy;
- Perform scenario analysis using a scenario where global warming is limited to the Paris Agreement goals; and
- Align executive remuneration to climate change objectives In companies considered to be in risky sectors, particularly exposed to climate issues, the Board may be held responsible for not taking the necessary measures to address those risks. In such cases, a dissenting vote may be cast against the Management, the Board Chairman, the Audit Committee Chairman, or the appropriate supervisory element of the governance structure in case risk management shortcomings are proven to have occurred or enough commitments are not made to address issues we raise via our thematic engagements

(6) Methodology for tracking progress Annual measurement of AXA IM's exposure to Coal using Coal Revenues and Coal CapEx

**(B1) Sustainability Outcome #2: Target details**

(B1) Sustainability Outcome #2: Net Zero Targets

(1) Target name Net Zero by 2050 or sooner

(2) Target to be met by 2050

(3) Metric used (if relevant) To reach this target we rely on various targets and metrics on our corporate, sovereign and real estate assets

(4) Current level or amount (if relevant)

At end of 2024, we have 68% of AuM covered by our NZ targets, i.e., to be managed in line with a net zero pathway aligned with the Paris Agreement. Specific net zero targets have been set for Corporates (Fixed Income and Listed Equity), Sovereigns, and direct Real Estate Equity asset classes based on industry standards;

- Early 2025, we have developed a net zero framework and set new 2030 and 2040 targets for our Infrastructure equity and debt investments that are ambitious, compared well to competitors and are realistic given the good starting point of the portfolios
- For Infrastructure Equity: 100% of total AuM aligning, aligned, net-zero or climate solution by end of 2030, and 100% aligned, net-zero or climate solution by end of 2040;
- For Infrastructure Debt: Similarly, infrastructure debt will be adopting interim 2030 net zero targets. Those will be disclosed when finalized.

(5) Other qualitative or quantitative progress

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. As shareholders, it is also our responsibility to engage with investee companies, and this dialogue allows us to actively monitor our investments, and to ensure we maintain open channels that can enable change to the benefit of society and the planet.

Our Net Zero strategy is aligned with the frameworks proposed by the TCFD, the Institutional Investor Group on Climate Change (IIGCC) and the Paris Aligned Investment Initiative (PAII) coordinated by the IIGCC, and is evidenced by our active involvement in international initiatives such as Climate Action 100+ (CA 100+) or the Climate Bonds Initiative. It consists in:

- Net zero targets:
  - Top-down approach: AXA IM published its first Net Zero target in October 2021, as part of the first NZAM 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 AUMs. Specific objectives have been developed at asset classes level (please see the table below). Some asset classes are still out of commitment due to lack of data or no methodologies.

- o Objectives on Sovereign
- o Objectives on Corporates (Listed Equities and Fixed Income) □ A 25% reduction of the carbon intensity by 2025 and -50% by 2030.

This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor> □ 100% AUM in material sectors net zero, aligned or aligning by 2040 using AXA IM Climate Coloring Framework □ 6% of AUM invested in climate solutions by 2025 using AXA IM's Green Investment definition □ 50% of financed emissions net zero or aligned by 2025 using AXA IM Climate Coloring Framework □ 70% of financed emission under engagement by 2025 and 90% by 2030. This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor> □ Beat the CCPI Benchmark (Climate Change Performance Index) o Real Estate □ Reduce the landlord operational emissions of its direct real estate assets by 20% by 2025.

This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor> □ 50% of real estate AUMs under CRREM pathway by 2025. This metric is included in the AXA IM For Progress Monitor: <https://www.axa-im.com/championing-sustainability/axa-im-progress-monitor>

- Bottom-up approach: Development of a Net Zero Framework (Climate Colors) which follows industry standards considering internal and external information to determine the Net Zero Profile of Companies and Sovereigns These targets are complemented by a Stewardship and Exclusion strategy:

- Engagement and continued dialogue with companies and clients are crucial to influencing their net zero trajectories.

Climate represents a significant portion of our shareholder engagement activities, with an additional "Three Strikes and You're Out" engagement policy focused on companies which are lagging behind from a climate perspective (the so-called 'climate laggards'). Using a focus list of companies, this would mean that, if we do not see progress from companies on the specific objectives set at the beginning of the engagement, we may divest after three years;

- We have the option to vote against the management, the Board Chairman and the CEO if companies in sectors exposed to climate issues do not have a net zero emission strategy with short, medium and long-term carbon emissions reduction targets or an executive remuneration policy aligned to climate strategy objectives. Additionally, we assess the consistency of the transition plan of investee companies against their climate strategy and will ask them to report on the intermediate achievements of the objectives during Annual General Meetings. We have updated this voting policy early 2024, including now the possibility to cast a dissenting vote against the highest-emitting companies that fail to appropriately report on their climate lobbying activities;

- Discussions are also taking place with sovereign issuers on ESG topics during regular meetings with Treasuries, Central Banks and other government ministries and agencies as well as part of discussions on specific green and social bond issuances. This provides an opportunity to deep dive on sovereigns' sustainability public expenditure programs and thus better understand the ESG risks of a country

- Exclusion: AXA IM exclude firms which fail to meet certain climate change criteria, focusing in particular on coal, as well as unconventional oil & gas. Our policy is available here: <https://www.axa-im.com/our-policies-and-reports>.

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(6) Methodology for tracking progress

We measure, at least on an annual basis, the AUM in scope of our Net Zero Targets and review on at least an annual basis our progress on those targets. Finally, we are working on the identification of new frameworks and definition of NZ targets on assets classes that are not yet covered.

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## (B2) Sustainability Outcome #2: Target details

(B2) Sustainability Outcome #2:	Net Zero Targets
(1) Target name	Carbon Intensity of Corporate assets
(2) Target to be met by	2025
(3) Metric used (if relevant)	Intensity-based: tCO <sub>2</sub> e/Mn USD Revenue
(4) Current level or amount (if relevant)	147.8 tCO <sub>2</sub> e/\$M revenues at end of 2019
(5) Other qualitative or quantitative progress	As at end of 2024, the Carbon Intensity of our corporate assets (which include Corporate Bonds and Listed Equities) decreased by 51.2% compared to 2019.
(6) Methodology for tracking progress	To measure our progress we calculate, at least on an annual basis, the Carbon Intensity of our Corporate assets. Scope 1 and 2 only due to limited data quality and availability on Scope 3: coverage of Scope 3 to be increased in the coming years, consequently with possible review of the baseline as well.

## (C1) Sustainability Outcome #3: Target details

(C1) Sustainability Outcome #3:	Biodiversity
(1) Target name	€1.2bn in Natural Capital Solutions
(2) Target to be met by	2028
(3) Metric used (if relevant)	Investments in natural capital solutions
(4) Current level or amount (if relevant)	€50m in Natural Capital Solutions
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	The progress on this target is measured at least annually by assessing the amount invested in Natural Capital Solutions. The scope encompasses investments in forestry as well as a dedicated Natural Capital strategy.

## (D1) Sustainability Outcome #4: Target details

(D1) Sustainability Outcome #4:	Sustainability targets
(1) Target name	Certified Real Estate Assets (NZ Targets)

(2) Target to be met by	2025
(3) Metric used (if relevant)	CRREM pathway
(4) Current level or amount (if relevant)	54% AuM at end of 2022 (based on FY 2021 data)
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Baseline is based on a reference portfolio against CRREM V1 composed of 80 assets located in France, Germany, UK, Italy and Belgium against CRREM V1(9). 2023 and 2024 figures are measured against CRREM V2. Following a change in the methodology, the 2024 figure covers c. 100% of the total real estate equity AuM in scope (including assets not owned for the entire reporting year, i.e., acquired over 2022 or 2023) vs c. 35% in 2023. This change explains the decrease of aligned assets in 2024 compared to 2023. Assets are included in the KPI only if whole building data is available with actuals (complete data) or gap filling and extrapolation (good quality estimates): assets without EPC or equivalent nor whole building data available are deemed to be stranded.
<b>(F1) Sustainability Outcome #6: Target details</b>	
(F1) Sustainability Outcome #6:	Sovereign CCPI Index
(1) Target name	Sovereign CCPI score (NZ Targets)
(2) Target to be met by	
(3) Metric used (if relevant)	Climate Change Performance Index
(4) Current level or amount (if relevant)	56.2 / 100 at end of 2024 data compared to 46.9/100 for the ICE BofA World Sovereign Bond Index
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	Progress is measured against the benchmark not against historical data, following NZIF1.0 recommended target setting guidance. Outperformance compared to the benchmark is due to concentration of sovereign bonds from countries with a high score (France in particular)

# INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

## LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets**  
Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders**
- (B) Stewardship: engagement with external investment managers**
- (C) Stewardship: engagement with policy makers**  
Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders**
- (D) Stewardship: engagement with other key stakeholders**  
Select from drop down list:
  - (1) Individually**
  - (2) With other investors or stakeholders**
- (E) Capital allocation**
- (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

**During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Capital allocation activities used

(1) Asset class allocation  
(4) Divestment from assets or sectors

(2) Explain through an example

Exclusion policies o AXA IM RI sectorial policies on controversial weapons, climate risks, soft commodities derivatives, tobacco and ecosystem protection and deforestation which are applied across the vast majority of the assets we manage. o AXA IM ESG standards are applied to our range of ESG funds and help us to manage ESG tail-risks.

AXA IM ESG standards are focused on: o White phosphorus weapons producers - to avoid financing Companies in-volved in the development, production, maintenance, or sale of white phosphorus weapons. o Violations of International norms and standards to 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 the UNGC, OECD guidelines for MNE, ILO Conventions or UNGP for Business and Human Rights. o Severe controversies: to 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. o ESG quality: to avoid financing companies with the worst ESG practices. o Countries with severe human rights violation: avoid investing in debt instruments issued by countries where the worst forms of human right violations are observed. The exclusion policies are coded in our pre- and post-trade monitoring tools to ensure portfolio do not invest in non-compliant names. For more information on the integration of ESG in our investment processes, please refer to:

- AXA IM TCFD-Article 29 Report: <https://www.axa-im.com/document/7945/view>
- Our Policies and Reports: <https://www.axa-im.com/policies> Then, at product level, we manage Responsible Investment funds with specific objectives. In 2024 we continued to evolve our sustainable fund offering, including the expansion of our exchange-traded funds (ETFs) range to four Paris Aligned Benchmark ETF funds and the launch of a Carbon Transition Global Short Duration Bond Fund, an actively managed global fund aiming to enhance cash returns whilst committing to an explicit decarbonisation objective. New launches aside, we adapted our RI fund offering to new regulatory and sustainable labels developments, including by implementing the new ISR and Towards Sustainability guidelines on our labelled funds, preparing the first batch of funds to the ESMA fund naming guidelines, and considering the application of the Sustainable Disclosure Regime for several UK-domiciled funds.

**(B) Sustainability Outcome #1:**

(B) Sustainability Outcome #1:	Climate Change
(1) Capital allocation activities used	(4) Divestment from assets or sectors
(2) Explain through an example	<p>AXA IM applies its Climate Risks policy across the vast majority of its assets under management. This policy is made up of exclusion criteria on Coal and Unconventional O&amp;G, as well as engagement strategy. We continuously reinforce our Climate Risks policy since its creation back in 2017. In February 2022, we strengthened our 'Climate Risk' exclusion and engagement policy with additional exclusions on shale and tight oil and gas and on deposits located in the Arctic, and reinforced our existing criteria on oil sands producers.</p> <p>With this update, AXA IM has emphasized its commitment, considering that, as an investor, it is our responsibility to influence the trajectories of the companies to which we remain exposed, towards carbon neutrality. Furthermore, in April 2023, we lowered our exclusion thresholds for coal. We are now excluding companies generating more than 15% of their revenues from coal production and coal-fired power generation capacity, compared with 30% previously, as well as all companies planning to increase their coal production and power generation capacity (i.e. launch new projects), compared with a threshold of more than 300 megawatts (MW) of new capacity. In addition, as part of its commitment to exit from coal by 2030 in OECD countries and by 2040 in non-OECD countries, from 2026, AXA IM will apply a lowered threshold and exclude investee companies with more than 10% of revenues from coal production or from coal power generation. This will apply to all issuers headquartered in the OECD.</p> <p>Since 2017, AXA IM has implemented an exclusion on oil sand activities.</p>

In 2022 and 2023, AXA IM reinforced its stance with new exclusions related to unconventional oil and gas:

- Oil sands: Reinforcement of the policy with an absolute exclusion threshold leading to the exclusion of companies for which oil sands represents more than 5% of global oil sands production; from 2023, we additionally reduce from 20% to 5% the oil sands share of production exclusion threshold;
- Shale/Fracking: Exclusion of players that produce less than 100kboepd of shale and tight oil & gas and with more than 30% of their total production derived from fracking;
- Arctic: Extension of the environmental focus through the adoption of a strict policy to exclude oil and gas extraction activities carried out in the Arctic Monitoring and Assessment Programme (AMAP) region.

This will mean divesting from companies deriving more than 10% of their production from this region or representing more than 5% of the total global Arctic production. Norwegian operations are not concerned given the stringent regulation in place.

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:

Net Zero Targets

(1) Capital allocation activities used

(1) Asset class allocation

(2) Explain through an example

In 2021, following its decision to join the Net Zero Asset Managers initiative in December 2020, AXA IM worked over the year on the reinforcement of its Climate Strategy to set its Net Zero targets and drive meaningful environment and social change.

Net Zero targets: AXA IM published its first net zero target in October 2021, as part of the first NZAM progress report. This target was subsequently revised in April 2022, to cover 68% of all AuM as at end of 2024;

- Specific net zero targets have been set for Corporates (Fixed Income and Listed Equity), Sovereigns, and direct Real Estate Equity asset classes based on industry standards;
- Early 2025, we have developed a net zero framework and set new 2030 and 2040 targets for our Infrastructure equity and debt investments that are ambitious, compared well to competitors and are realistic given the good starting point of the portfolios:
- For Infrastructure Equity: 100% of total AuM aligning, aligned, net-zero or climate solution by end of 2030, and 100% aligned, net-zero or climate solution by end of 2040;
- For Infrastructure Debt: Similarly, infrastructure debt will be adopting interim 2030 net zerotargets. Those will be disclosed when finalized.

- Since 2022, to support the implementation of those targets, we are using a Climate colour framework for Corporates incorporating internal and external information to determine the net zero profile of assets and inform investment decisions. The framework for Corporates has been enhanced in H2 2024 to reinforce the qualitative guidelines we provide internally to our ESG analysts that determines issuer's net zero alignment. Besides, we have also set a new Climate colour framework for Sovereigns which also builds on the NZIF guidelines. It will continue to be enhanced over time as disclosures and transition plans from companies improve. companies, this would mean that, if we do not see progress from companies on the specific objectives set at the beginning of the engagement, we may divest after three years;

Engagement and continued dialogue with companies and clients are crucial to influencing their net zero trajectories. Climate represents a significant portion of our shareholder engagement activities, with an additional "Three Strikes and You're Out" engagement policy focused on companies which are lagging behind from a climate perspective (the so-called 'climate laggards'). Using a focus list of

- We have the option to vote against the management, the Board Chairman and the CEO if companies in sectors exposed to climate issues do not have a net zero emission strategy with short, medium and long-term carbon emissions reduction targets or an executive remuneration policy aligned to climate strategy objectives. Additionally, we assess the consistency of the transition plan of investee companies against their climate strategy and will ask them to report on the intermediate achievements of the objectives during Annual General Meetings. We have updated this voting policy early 2024, including now the possibility to cast a dissenting vote against the highest-emitting companies that fail to appropriately report on their climate lobbying activities;

- Discussions are also taking place with sovereign issuers on ESG topics during regular meetings with Treasuries, Central Banks and other government ministries and agencies as well as part of discussions on specific green and social bond issuances. This provides an opportunity to deep dive on sovereigns' sustainability public expenditure programs and thus better understand the ESG risks of a country.

- Exclusions: AXA IM excludes companies which fail to meet certain climate change criteria, with a particular focus on thermal coal and unconventional oil & gas. Our investment portfolios exclude thermal coal-based electric power generating utilities and thermal coal mining companies that are not credibly demonstrating a commitment to the energy transition. This policy was expanded in 2023 with by lowering the revenue share at which a company would be excluded, as well as by excluding all companies with new thermal coal mining or power generation plans. Since early 2022, we also exclude certain companies in the unconventional oil & gas sector with a focus on tar sands, shale and tight oil & gas (fracking) and Arctic oil & gas production. In early 2023, we tightened some of our exclusion criteria regarding thermal coal and oil sands. Lastly, AXA IM is committed to exiting all thermal coal investments in OECD countries by the end of this decade, and throughout the rest of the world by 2040. This commitment will be implemented over time, through a step-by-step ratcheting-up of our exclusion criteria, with as next step the lowering of the exclusion threshold of revenues from thermal coal mining & power generation from 15% to 10% in 2026 in OECD countries.

### (D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:	Biodiversity
(1) Capital allocation activities used	(1) Asset class allocation
(2) Explain through an example	To reach this objective, Natural Capital Strategy will focus on financing activity that ensures that vulnerable or high value natural habitats are protected from deforestation, including both financing to address the drivers of deforestation and to improve forest conservation efforts, quantified through the issuance of voluntary carbon credits. The portfolio will combine strategic equity investments, with stakes in companies supporting the natural capital ecosystem in local markets, the provision of carbon solutions, and direct project financing.

### (E) Sustainability Outcome #4:

(E) Sustainability Outcome #4:	Sustainability targets
(1) Capital allocation activities used	
(2) Explain through an example	N/A

### (F) Sustainability Outcome #5:

(F) Sustainability Outcome #5:	Gender Diversity
(1) Capital allocation activities used	(5) Other
(2) Explain through an example	<p>We believe gender diversity is a key factor in achieving and maintaining a healthy and efficient working environment. We believe it can boost the emergence of talent, the generation of innovative ideas and business performance overall. This means that appropriate gender representation could potentially drive better corporate performance for companies, as well as shareholders, and encourage to improved leadership and governance.</p> <p>To progress on this target, we rely on our voting and engagement activities.</p> <ul style="list-style-type: none"><li>- . Since AXA IM target listed companies in developed market economies where at least one-third of the Board of Directors is not gender diverse. AXA IM has and will continue to push all companies, in both developed and emerging markets, to disclose and report against their executive committee gender diversity policy and targets.</li><li>- In 2022, we have continued to reinforce our engagement activities around gender diversity, partnering with our industry peers to push for progress.</li></ul>

In line with our ambitions and the objective of increasing collaboration we helped create the 30% Club France Investor Group, calling other asset managers to join us while encouraging large French companies to commit to promoting gender diversity at a senior level.

The goal is for companies to appoint women to at least 30% of executive committee seats by 2025, compared to just 21% in 2020. Since its launch we have continued to collaborate as part of the group as an active member.

In 2022, AXA IM Japan joined the 30% Club Japan Investor Group aiming to work collectively with other investors to accompany Japanese companies in integrating the diversity and gender equality matter within their strategies. We also continued for the second consecutive level our collaboration with Royal London Asset Management and 4 other investors to engage with a selection of Japanese companies. This additional initiative supports our 30% Club Japan Investor Group actions as well as the AXA IM global action to integrate gender diversity into investment activities.

**(G) Sustainability Outcome #6:**

(G) Sustainability Outcome #6: Sovereign CCPI Index

(1) Capital allocation activities used

(2) Explain through an example NA

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 7	PLUS	OO 17 FI, SO 1	N/A	PUBLIC	Capital allocation	1

**During the reporting year, did you use thematic bonds to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?**

**Thematic bond(s) label**

(A) Sustainability Outcome #1: Climate Change

(A) Green/climate bonds  
(C) Sustainability bonds  
(D) Sustainability-linked bonds

(B) Sustainability Outcome #2: Net Zero Targets

(A) Green/climate bonds  
(C) Sustainability bonds  
(D) Sustainability-linked bonds

(C) Sustainability Outcome #3: Biodiversity

(D) Sustainability Outcome #4: Sustainability targets

(E) Sustainability Outcome #5:  
Gender Diversity

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(F) Sustainability Outcome #6:  
Sovereign CCPI Index

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## STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Describe your approach

Our ESG quantitative and qualitative research is designed to help us better understand the materiality of ESG challenges for sectors, companies, and countries. This research feeds our integration and exclusion strategies by identifying where assets might be exposed to ESG risks that could have a detrimental and irreversible effect on the performance of our portfolios, as well as on long-term global sustainability. Our normative and sectoral exclusions set the red lines and send a clear message to companies and sovereigns on what we consider unacceptable from an ESG perspective. For assets where we remain exposed, we apply our voting and engagement strategies with the objective of supporting issuers in their transition journey. In applying our stewardship strategy, for engagement with objectives, we aim to set out meaningful objectives which are clearly communicated to management of the issuer with whom AXA IM engages a dialogue.

We then hold meetings with such issuers to verify and evaluate their progress regarding ESG issues and we vote with conviction or pursue other escalation techniques when required which could lead to divestment in the case of most problematic engagement failure. We commit our efforts to those ESG issues which we consider to be the most strategically and financially material for long-term investors. These are climate change, biodiversity, human capital management, public health, responsible tech and corporate governance (key RI research themes mentioned above). Our engagement strategy is mainly proactive. We identify material ESG factors through our research and seek to engage companies before concerns materialise and harm investors. RI Analysts within the RI Coordination & Governance and the RI Research teams engage in a pro-active fashion on their respective ESG areas of expertise with clearly defined objectives to our engagement.

Since 2022, we clearly distinguish regular dialogue with investee companies regarding their sustainability practices (referred to as ‘Sustainability Dialogue’) from active engagement, where we have specific, identified objectives (referred to as ‘Engagement with Objectives’) in terms of our tracking and reporting. Our aim is to ensure robust engagement governance while properly reflecting the breadth of our dialogue with companies on ESG topics. We consider Sustainability Dialogues to be key in establishing, developing, and maintaining a constructive relationship, as well as gaining insight into a firm’s policies and practices. Although insights from this type of engagement can feed into future potential targeted Engagement with objectives, it is less intensive and generally used as an information-gathering exercise led by credit research or portfolio managers looking to have a better understanding of the sustainability-related risk profile of a position held in portfolios. With Engagement with Objectives on the other hand, we seek to influence change at investee companies based on a defined set of targets related to key ESG issues.

These engagements are generally conducted by the RI and Corporate Governance research teams in cooperation with fixed income and/or equity teams.

.On the voting side, AXA IM has a clearly defined corporate governance policy, available on its website, which has been developed and evolved over time in order to ensure investee companies adhere to the highest standards of good corporate governance. We consider voting to be a crucial aspect of being an active shareholder – it is a vital part of the investment process and an opportunity to influence companies. We vote against items on the agenda at annual meetings where we believe the proposals are not in the best interests of our clients.

This covers a wide range of concerns such as the suitability of individual directors, board oversight of key risks and strategy, executive pay, dividend and capital-related issues and diversity. Our voting and engagement activities are closely aligned, and we regularly engage companies before and after any vote. Our voting strategy focuses on board independence, corporate ethics, environmental risks & climate-related disclosure, labour rights and executive pay, alongside with broader ESG topics. At AXA IM we publicly disclose our voting. It is updated on a quarterly basis and we provide the rationale for why we voted against management. The records contain the historical voting record at company level and a rationale for all votes cast against management recommendations. These reports are available through our website: <https://vds.issgovernance.com/vds/#/Mjl4MQ==/>

(2) Stewardship tools or activities used

- (1) Engagement
- (2) (Proxy) voting at shareholder meetings
- (3) Filing of shareholder resolutions or proposals
- (9) Other

(3) Example

In 2024, we conducted 550 engagements with 426 entities. Engagements with Objectives represented 42% of our total engagements - a proportion which remains stable compared to 2023. Our preferred form of engagement remains direct meetings with issuers (either virtual or physical), as we feel this is the best way for us to directly communicate our feedback and expectations but also to gauge the level of receptiveness of the company engaged.

We refrain from recording emails or letters as engagement, unless they state clear demands to companies. As examples, some letters in 2024 aimed to:

- Introduce a new engagement program such as the initiation of engagement as part of our 'Three Strikes and You're Out' policy, with a letter from our chief executive outlining our concerns and demands.
- Announce the launch of new collaborative engagement, the goal here being to present the coalition and its main objectives.
- Escalate an ongoing engagement, including by sending a formal letter to the chief executive or the board chair to detail our concerns.

Climate change remains our main engagement theme representing 41% of overall engagements, compared to 37% of engagements in 2023.

This is largely driven by an increase in the number of Sustainability dialogues, for which climate change was the main theme discussed in 51% of the meetings. This illustrates the integration of climate considerations in investment teams' activities. Corporate governance and biodiversity and natural capital are the second and third most targeted themes, followed by human capital, human rights, business ethics, and public health. During 2024, AXA IM voted on a total of 54,550 proposals at 4,929 meetings, representing 98.2 % of the meetings we could vote.

Meetings where we were not able to vote were those in markets where processing votes would be too costly or would impede the investment process. 96% of those meetings voted at were in accordance with AXA IMs' Corporate Governance & Voting Policy, representing 51,787 proposals voted at 4,718 meetings, and 87% of our equity assets under management (AuM). They resulted in:

- An average opposition rate of 14.95%, with at least one vote against cast in 60% of the meetings where we voted.
- The highest level of opposition remains for board issues (37% of votes against management), followed by executive remuneration (25% of votes against)

In applying our policy when voting, we are aware of the fact that companies are dynamic and a 'one size fits all' approach is not appropriate.

Therefore, our voting approach is based, above all, on our regular dialogue with the firms we invest in, an understanding of their activities, their sector, and the challenges they face, so we can vote in a highly-informed manner. To reflect this, since 2023 we have recorded all votes influenced, either positively or negatively, by our dialogue and engagement with investee companies. For 2024:

- We recorded 240 votes linked to engagement, 34% of which were influenced negatively - either because a company's explanations were not deemed convincing, our expectations and recommendations had not been considered, or because voting was used as an escalation technique.

This means that engagement and dialogue with companies had a positive influence on the vast majority of our votes linked to engagement, illustrating the importance of a quality dialogue between issuers and their shareholders.

- Most of the recorded votes were linked to corporate governance-related engagements (83%), primarily on executive pay-related issues (45%), board-related issues (35%), and audit (8%).
- Climate-related engagements also fed into our voting decisions in 11% of cases. This is even more striking when looking at votes used as a form of engagement escalation, in which case 78% of them were linked to climate.

At AXA IM, we seek to carefully analyse each proposal on its own merits.

We believe that it does not always make sense to support such shareholder resolutions if they are not well targeted for the company in question, or fail to acknowledge efforts and commitments that are in progress or in slightly different forms. We have a clear stewardship approach which frames how we decide whether to support environmental and social resolutions. We do consider supporting environmental and social shareholder proposals as an effective escalation tool and supported 61.5% of them in 2024.

For more details on our Stewardship activities, please refer to our 2024 Stewardship report: <https://www.axa-im.com/document/6851/view>.

## (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Climate Change
(1) Describe your approach	<p>Engaging with companies on climate and their decarbonisation strategies remained a top priority of our 2024 engagement strategy, given AXA IM's objective to reduce the greenhouse gas footprint of our investments in line with our net zero by 2050 commitment. This makes climate change the most common theme of our engagement activities, representing 41% of our total efforts in 2024. While this theme is universal and relevant to all firms from all sectors, we focus our efforts where materiality is greatest, notably energy, utilities, industrials as well as the financial sector.</p> <p>Engagement with companies operating in these sectors represented 58% our total climate-related engagements in 2024. We particularly stepped up our engagement efforts with the banking sector by expanding the geographical scope of our engagement activities, and initiated engagement with European banks on their approach to net zero and financed emissions reduction targets. Companies we engage with are selected based on their absolute emissions and on the exposure in the portfolios we managed for our clients.</p> <p>We also participate in collective engagements, mostly within the Climate Action 100+ (CA100+) initiative, for which we held meetings with Renault and Saudi Aramco where AXA IM acts as co-lead investor. The engagements with Renault focused on public policy and lobbying, on which improved reporting and disclosure is expected in 2025. Renault will update its transition plan this year and we intend to engage specifically on the subject in the course of 2025.</p> <p>We also held a meeting with Saudi Aramco for the second year in a row, a sign of increased openness from the company to discuss with CA100+ investors. We met the head of sustainability and the head of investor relation. While the company does not intend to change its scope 1&amp;2 targets and to start reporting scope 3 emissions, it is well advanced on its methane management. We are pushing the company to join the Oil and Gas Methane Partnership 2.0 to strengthen their track record and will continue to engage based on the company's new sustainability report to be published next Spring.</p>
(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings
(3) Example	<p>Texas Instruments, a US-based company operating in the semiconductor industry, has not set any emissions reduction targets beyond 2025. This led us to reach out to the company in writing in 2022 and detail our main expectations, which include the formalization of a climate strategy, with a long-term net zero ambition and intermediary targets on a five-to-10-year horizon, as well as SBTi validation. Since 2022, we held four individual meetings with investor relation teams, of which two included the company's Senior Counsel.</p> <p>In our first meetings, the company seemed unwilling to consider our requests and was focusing on achieving its short-term targets. This led us to reiterate, both in meetings and in writing, the importance of a net-zero ambition and intermediary targets for our investments, and to use escalation tactics (in particular, opposition to the Chair of the Committee responsible for ESG oversight at Board level) at the company's AGMs. By the end of 2023, the company confirmed they were working on new targets and ambition: they were considering setting-up a net-zero ambition and looking at SBTi verification after strong feedback from the investment community, including ourselves.</p>

When we met early 2024, we positively welcomed the company's new announcement to achieve net zero scope 2 emissions by 2030. We also reiterated our demands regarding Scope 1 emissions reduction targets and SBTi verification – which the company committed to last November.

Following this substantial progress, we will continue to engage the company on its Scope 1-related targets and will push for inclusion of measurable, transparent and challenging climate-related metrics in management remuneration.

**(C) Sustainability Outcome #2:**

(C) Sustainability Outcome #2:

Net Zero Targets

(1) Describe your approach

As described above, climate change-related engagement contribute to our progress towards our commitment to reach Net Zero by 2050 or sooner. We also have specific objective within our Net Zero Strategy which rely on our stewardship activities. AXA IM aims to reach 70% of financed emissions under engagement by 2025 and 90% by 2030. Specifically, in relation to Net Zero, our stewardship strategy is made up of:

- A “Three Strikes and You're Out” engagement policy focused on companies which are lagging behind from a climate perspective (the so-called 'climate laggards'). Using a focus list of companies, this would mean that, if we do not see progress from companies on the specific objectives set at the beginning of the engagement, we will divest after three years

- As for voting, we could vote against the management, the Board Chairman and the CEO, if companies in sectors exposed to climate issues do not have a net zero emission strategy with short, medium and long-term carbon emissions reduction targets, as well as executive remuneration aligned to climate strategy objectives. Additionally, we assess the consistency of the transition plan of investee companies against their climate strategy and will ask them to report on the intermediate achievements of the objectives during Annual General Meetings;

- Discussions are also taking place with sovereign issuers on ESG topics during regular meetings with Treasuries, Central Banks and other government ministries and agencies as well as part of discussions on specific green and social bond issuances. This provides an opportunity to deep dive on sovereigns' sustainability public expenditure programs and thus better understand the ESG risks of a country.

(2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings

(3) Example

In 2024, we continued to pursue our climate laggards engagement initiative that we announced in 2021 and initiated in 2022. We held meetings with each of the companies identified as laggards, which would generally include the company's Head of Sustainability (or equivalent). For each of the companies in which we hold an equity stake and are eligible to vote, we communicated before their AGMs our voting intentions linked to the climate-related concerns raised in our engagements. We also publicly disclosed our voting intentions ahead of the AGM of four of them. Moreover, at the end of 2023, we concluded that two companies no longer fit the laggard definition after having significantly enhanced their strategies and meeting our engagement objectives. As such, they were removed from the list early 2024, while three new laggards were introduced – all from the energy sector, two based in the US and one in Europe. A private letter, sent by AXA IM's CEO and listing our key demands, was sent mid-2024 to all three companies, and a first meeting has already occurred with the Head of Sustainability of one of these companies. For more information, please refer to our Stewardship Report: <https://www.axa-im.com/document/6851/view>

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### (D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:

Biodiversity

(1) Describe your approach

In 2024, our engagement approach to biodiversity was centered on aligning our efforts with both established and emerging knowledge on nature and biodiversity. Our priority was to target sectors with the highest biodiversity impacts. Therefore, we conducted a biodiversity footprint analysis using Corporate Biodiversity Footprint (CBF) data from our partner, Iceberg Data Lab (IDL). These insights, supplemented by external studies, enabled us to establish an engagement priority list, targeting in particular:

- The agrifood sector, widely recognized as a significant contributor to biodiversity loss, represented approximately 33% of all biodiversity-related engagements.

This sector was also identified as a material contributor through a TNFD pilot study we conducted. While “deforestation and ecosystem conversion” remained the central engagement theme, we started engaging companies on “regenerative agriculture,” a globally recognized solution to multiple crises, including biodiversity loss, climate change, disturbance of water cycles, and social challenges.

- The chemical sector, a significant priority for AXA IM, representing around 22% of our biodiversity-related engagements.

Leveraging our active participation in the IIHC, we encouraged several companies to improve transparency on hazardous chemicals portfolios, phase out persistent chemicals, and develop safer alternatives.

- Companies manufacturing products such as cosmetics & toiletries, packaging, and electrical equipment were also an important area of focus.

We initiated or deepened dialogues with investee companies operating in those sectors to encourage them, first and foremost, to reduce the negative impacts of their activities on biodiversity and, where feasible, to contribute to its restoration.

Our active participation in several collaborative engagement initiatives, including the Emerging Markets Investors Alliance (EMIA), the Investor Initiative on Hazardous Chemicals (IIHC), the Farm Animal Investment Risk and Return (FAIRR) initiative, and Nature Action 100, has enabled us to join forces with other investors committed to advancing biodiversity.

These discussions are invaluable opportunities for us as investors to guide them in designing science-based strategies that align with the latest standards, knowledge and best practices. They also offer a unique opportunity to enhance our understanding of this complex issue by exploring the challenges companies face at the local scale, which is essential for addressing biodiversity effectively.

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(2) Stewardship tools or activities used

(1) Engagement

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(3) Example

Specifically, investments in private assets catalyze solutions that promote mitigation, adaptation and resilience in relation to climate and biodiversity. Strategies such as the “Climate & Biodiversity” strategy focuses on solutions that promote: Conservation of Natural Capital; Resource Efficiency; and Resilience of Vulnerable Communities to the effects of climate change and biodiversity loss. Our mission has been translated into real world activities that lead to the conservation of natural capital, protection of critical habitats, and climate mitigation globally. In our existing assets, AXA IM is willing to progress on Improved Forest Management (IFM) and Biodiversity improvement. Improved Forest Management (IFM) of natural forests can result in greater levels of storage of carbon while maintaining wood production over the long term. Some of IFM techniques adopted by AXA IM include:

- Extending harvest cycles to allow trees to grow larger before they’re felled, increasing the average carbon stock across a working forest;
- Thinning of competing trees and vegetation to allow trees to grow faster and bigger;
- Managing conservation zones within forests to support ecosystems;
- Keeping the healthiest, most diverse trees of all size classes and harvesting the rest;
- Properly identifying commercial species prior to cutting so that non-commercial trees are not cut down and abandoned.

Our approach to biodiversity management reinforces our leadership in experimenting with new ways of maintaining forests for better resiliency, further explore the biodiversity conservancy role of the forests and educate the wider public on the many roles of the forest, specifically:

- Find the best silvicultural scheme for long lasting reconstitution and biodiversity preservation;
- Measure reconstitution and biodiversity.

It is our conviction that the forestry and natural capital asset classes are material to future value, and this is reflected in our ongoing investment into these sectors. though our policy of targeting lower harvesting than natural growth, it is estimates that the standing stock of our forests is estimated to have sequestered approximately 621,540 tons of carbon dioxide, net annual harvesting.

On listed assets, we conduct engagement with issuers. Please find below an example on BHP We began engaging with BHP on biodiversity in 2022 through one-on-one dialogue. At the time, our objective was to understand BHP's overall readiness to act on what was then a new and complex topic. In 2023, our dialogue evolved, influenced by the adoption of the Post-2020 Global Biodiversity Framework in December 2022. With growing momentum around biodiversity, the primary engagement objective shifted toward encouraging the company to establish a robust biodiversity and nature protection strategy. Later in 2023, we joined the investor group that launched the collective engagement initiative Nature Action 100 (NA100), aimed at driving corporate action on nature across six investor expectations: ambition, assessment, targets, implementation, governance, and engagement.

NA100 identified BHP as a target company due to its role in the metals and mining sector, a key area for reversing nature and biodiversity loss by 2030. Consequently, we transitioned to a collective engagement approach, acting as co-leads. We initiated this collaboration by sending a letter signed by NA100 investors, introducing the initiative and inviting initial dialogue. In 2024, we held our first meeting with BHP following their written response. Our priorities included understanding how BHP's nature-related targets align with its internal assessments, examining governance structures, exploring public policy engagement, and assessing the company's willingness to align with external standards. To implement their 2030 Healthy Environment Goal, BHP highlighted its focus on identifying site-level biodiversity indicators and highlighted its piloting of the TNFD LEAP approach, which we view as a positive development. They were receptive to our feedback on enhancing disclosure practices and developing nature advocacy activities. We found this initial engagement both productive and insightful, laying a strong foundation for constructive dialogue on nature and biodiversity. As a follow-up, we will provide specific recommendations on enhanced disclosure for FY24 reporting, as requested by BHP, and will continue the dialogue to support their progress on nature-related initiatives.

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**(E) Sustainability Outcome #4:**

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(E) Sustainability Outcome #4: Sustainability targets

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(1) Describe your approach

Real Estate Equity As users of the assets, the tenants of the buildings under management are key contributors to delivering the ESG performance of Real Estate assets. We actively engage with them, convinced that cooperation with tenants is a necessary condition for the implementation of relevant and effective measures over the long term. It has been demonstrated that the proper use of a building's facilities is a key factor in reducing its environmental impact (energy use optimisation, water consumption reduction, waste recycling, and so on).

For this reason, it is essential to be proactive in supporting tenants to make good use of building facilities and to provide them with recommendations and good practices to implement. In addition, tenant engagement can lead to improving tenant user experience and wellbeing, as well as developing positive economic outcome for the building users and the local communities by taking part to the organisation of dedicated events, such as job fairs and trainings.

Our tenant engagement efforts are focused around three core areas:

- Learning We distribute ESG guides to the tenants of our assets to educate and increase awareness of ESG issues and the specific features of our assets related to ESG.

For commercial tenants we provide fit-out guides to aid in mindful procurement. Through our ESG Rating we track the number of assets for which such tools are already deployed

- **Monitoring** We intend to integrate an ESG clause (green lease) as standard to new contracts or contract renewal to maximise the sharing of consumption data from tenants and agree on ESG targets and monitoring for the building. We encourage the mutual sharing of utility consumption data and feedback on their evolution to further the discussion of targeted solutions.

- **Liaising** We perform annual tenant satisfaction surveys to collect feedback from our tenants on their user experience and level of satisfaction.

Within the past 3 years, 688 assets were included in such an initiative across Europe (excluding Switzerland), corresponding to €34bn of assets under management - circa 92% of assets under management in scope. We also promote the deployment of an annual ESG (or “Green”) Committee, which is a meeting dedicated to ESG between the asset manager, the property manager, and the tenant. In 2023, 69% of assets under management in scope report they have carried out an ESG Committee with at least one tenant (+19% compared to previous year).

(see case study below)

We continually work to increase our coverage and further internal and external integration of ESG by disseminating ESG training throughout our chain of stakeholders, from property managers to internal asset managers.

**Commercial Real Estate Debt**

For our Commercial Real Estate (CRE) Debt platform, we sought to actively improve the level of data visibility on underlying assets to better assess environmental risks and asset efficiency. Historically, access to such data in private or secondary markets has been poor, which has hampered visibility of the efficiency or underlying ESG performance of assets.

We undertook a two-step approach to improve this: □ First, we engaged with a third-party data provider to assist with the assessment of carbon emissions, based on estimated emissions per square meter for different asset types in different countries. This enabled us to generate an estimated carbon footprint for the portfolio. □ The natural limitations of this dataset were then addressed by including a second step which involved structural dialogue with our borrowers via a survey to collect various ESG information and KPIs including energy consumption, EPCs, certificates, and CO2 emissions.

2023 marks the third year in a row where the annual survey has been circulated.

The survey was sent out to over 40 borrowers, representing 58 loans valued at €9bn. We received a 90% response rate, representing some €8bn asset under management as of 31 December 2023, which is a 42% year-on-year increase. The 2024 campaign is ongoing with results expected in March 2025. Information shared since 2021 has, for example, helped us develop a deeper level of insight into carbon and energy efficiency-related risk in our portfolios, in addition to our growing knowledge base of physical and transitional risk. The information will further inform refinancing opportunities and our ability to work more closely with borrowers and underlying assets in our journey towards net zero before 2050.

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(2) Stewardship tools or activities used

(1) Engagement

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In Q4 2022 we launched our ESG Guide for Residential Tenants focusing on operational initiatives to reduce utility (energy, water, and waste) consumption / production, and improve overall wellbeing of tenants across our residential assets. The guide was created with the intention of being a simple and easy-to-understand set of recommendations for tenants, including a series 'tips and tricks' on how they can contribute to improving the ESG performance of assets they occupy.

(3) Example

The guide was shared to all residential Property Managers (PMs) for distribution to tenants. PMs were instructed to either share as a standalone guide to existing / new tenants or include as part of a 'starter pack' offered to tenants when moving into their new home. Tenants were encouraged to read its content and familiarise themselves with operational initiatives including, but not limited to – adjusting thermostats to optimise heating in occupied rooms, switching off lights when rooms are not in use, operating internal window blinds to minimise heat gain in the summer and maximise in winter, responsible use of water in bathrooms, kitchens and gardens (if applicable), and recycling / repurposing of household waste, where possible.

The guide contributes to our Tenant Engagement strategy across the entire Real Estate portfolio, to encourage landlord-tenant collaboration. The guide is currently being revised with the intention to issue an update in 2025 aiming to consider additional areas to further improve tenant health and wellbeing. This will take place in conjunction with a non-residential sector guide to encourage operational improvements across the wider portfolio.

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**(F) Sustainability Outcome #5:**

(F) Sustainability Outcome #5:

Gender Diversity

(1) Describe your approach

We believe gender diversity is a key factor in achieving and maintaining a healthy and efficient working environment. We believe it can boost the emergence of talent, the generation of innovative ideas and business performance overall. As an investor, this means that appropriate gender representation could potentially drive better corporate performance for companies, as well as shareholders, and encourage improved leadership and governance.

Therefore, we have continued to reinforce our engagement activities around gender diversity, partnering with our industry peers to push for progress. In line with our ambitions and with the objective of increasing collaboration, we helped create the 30% Club France Investor Group in November 2020, calling other asset managers to join us while encouraging large French companies to commit to promoting gender diversity at a senior level.

The goal is for companies to appoint women to at least 30% of executive committee seats by 2025, compared to just 21% in 2020.

In 2021, during the first year of the initiative AXA IM chaired the group and since then we have continued to collaborate as part of the group as an active member.

Those engagement activities are complemented with a voting strategy. Indeed, we believe that boards should comprise a range of directors who, individually and collectively, understand the company's strategy; can contribute their knowledge and expertise to the development of its businesses; understand the environment in which it operates; have a knowledge of the markets where it conducts its businesses; are aware of the risks associated with the strategy; and have insights into the different stakeholders, including regulators, customers, shareholders and wider society, whose views impact on the company or whose support is necessary for its continued success.

We believe that this requirement naturally points to the need for a diversity of skills, knowledge, experience, gender and nationality amongst the directors on the Board. We believe that this requirement naturally points to the need for a diversity of skills, knowledge, experience, gender and nationality amongst the directors on the Board. Therefore, in 2021, AXA IM started to formally target listed companies in developed markets for which least one-third of the Board of Directors is not gender diverse (10% for companies in emerging markets and Japan) and to push companies in both developed and emerging markets to disclose and report against their executive committee gender diversity policy and target. Our Voting Policy also goes beyond to embed diversity of origin, ethnicity and social backgrounds.

(2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings

(3) Example

While gender diversity on U.S. corporate boards continues to improve, with women now holding almost 30% of board seats in the Russell 3000 Index, progress in ethnic diversity has slowed. In 2024, the proportion of new directors from non-white backgrounds decreased compared to previous years.<sup>34</sup> 13% of our opposition to board (re)elections was due to a lack of diversity on the board. Achieving diversity on the board remains a challenge, especially at smaller companies below FTSE 350 Index level. AIM-listed companies for example, being not under the same requirements as the FTSE 350 Index, highlight different challenges ranging from the perceived difficulty of appointing experts in male-dominated sectors where women are traditionally underrepresented to more cultural obstacles. Therefore, we think maintaining the direction of travel and pushing companies to reach best practices on gender diversity is key. Our votes mirror this commitment.

- Europe: Although our top reasons for dissent (i.e. board independence and directors' time commitments) do not diverge much from our observations made for the French market, a notable difference is the number of votes against insufficient gender diversity on boards, observed in 13% of cases, especially in Sweden (representing 26% of our votes against board resolutions) and Switzerland (34% of our votes against board resolutions)

- Japan: Nearly all our votes against management (89%) cast at the AGMs of Japanese companies were linked to the election of the board of directors or the board of the statutory auditor, with 79% of these votes due to a persistent lack of independence and gender diversity. However, there is positive momentum driven by the evolution of Japan's Corporate Governance Code and the Tokyo Stock Exchange's listing rules, which include key changes such as requiring prime market listed companies to have at least one-third independent directors as well as promoting diversity in the board of directors and senior management.

**(G) Sustainability Outcome #6:**

(G) Sustainability Outcome #6:

Sovereign CCPI Index

(1) Describe your approach

(2) Stewardship tools or activities used

(3) Example

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

**(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

On ESG research on key themes including climate change, biodiversity, gender diversity and human capital, corporate governance, human and labour rights feeds our stewardship strategy. We think this research helps us to better understand the materiality of these ESG challenges for sectors, companies and countries. We put great emphasis on having a direct dialogue with companies on issues that can have a material and strategic impact on long-term financial performance. In addition of pro-active engagement, our engagement activities are also driven by:

- Research: As a truly active investment manager, we conduct in-depth analysis of companies and the broader macroeconomic backdrop and incorporate ESG factors which shape investment outcomes. Our engagement and voting are built on the knowledge and insights we have developed.
- Impact: Investors can drive impact in their investment activities by pressing for change at corporations – influencing the way they behave and do business. We focus our engagement where we believe it can have the greatest impact and consider how it can align with the UN SDGs.
- Taking a bold stance on difficult issues and committing resources to delivering engagement outcomes helps us reach our goals for clients and society in the long term. We also seek to work collaboratively with other investors to achieve shared objectives.
- Responsive and alert: in case of major controversies occur, or international norms are breached, we will assess the severity of case through our ESG Monitoring & Engagement Committee and consider whether to engage on a reactive basis or make other decisions such as to divest.

Select from the list:

- 2
- 4

**(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

On ESG research on key themes including climate change, biodiversity, gender diversity and human capital, corporate governance, human and labour rights feeds our stewardship strategy. We think this research helps us to better understand the materiality of these ESG challenges for sectors, companies and countries. We put great emphasis on having a direct dialogue with companies on issues that can have a material and strategic impact on long-term financial performance. In addition of pro-active engagement, our engagement activities are also driven by:

- Research: As a truly active investment manager, we conduct in-depth analysis of companies and the broader macroeconomic backdrop and incorporate ESG factors which shape investment outcomes. Our engagement and voting are built on the knowledge and insights we have developed.
- Impact: Investors can drive impact in their investment activities by pressing for change at corporations – influencing the way they behave and do business. We focus our engagement where we believe it can have the greatest impact and consider how it can align with the UN SDGs.
- Taking a bold stance on difficult issues and committing resources to delivering engagement outcomes helps us reach our goals for clients and society in the long term. We also seek to work collaboratively with other investors to achieve shared objectives.
- Responsive and alert: in case of major controversies occur, or international norms are breached, we will assess the severity of case through our ESG Monitoring & Engagement Committee and consider whether to engage on a reactive basis or make other decisions such as to divest.

Select from the list:

- 3
- 4

**(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

On ESG research on key themes including climate change, biodiversity, gender diversity and human capital, corporate governance, human and labour rights feeds our stewardship strategy. We think this research helps us to better understand the materiality of these ESG challenges for sectors, companies and countries. We put great emphasis on having a direct dialogue with companies on issues that can have a material and strategic impact on long-term financial performance. In addition of pro-active engagement, our engagement activities are also driven by:

- Research: As a truly active investment manager, we conduct in-depth analysis of companies and the broader macroeconomic backdrop and incorporate ESG factors which shape investment outcomes. Our engagement and voting are built on the knowledge and insights we have developed.
- Impact: Investors can drive impact in their investment activities by pressing for change at corporations – influencing the way they behave and do business. We focus our engagement where we believe it can have the greatest impact and consider how it can align with the UN SDGs.
- Taking a bold stance on difficult issues and committing resources to delivering engagement outcomes helps us reach our goals for clients and society in the long term. We also seek to work collaboratively with other investors to achieve shared objectives.
- Responsive and alert: in case of major controversies occur, or international norms are breached, we will assess the severity of case through our ESG Monitoring & Engagement Committee and consider whether to engage on a reactive basis or make other decisions such as to divest.

Select from the list:

- 1
- 4

(D) Other

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

(1) Key stakeholders engaged

(1) Standard setters

(2) Provide further detail on your engagement

As investors, we largely rely on data vendors to access “raw” ESG data reported by companies, as well as to provide ESG ratings. Over the past years, we have been actively participating within industry groups as well as directly engaging with policymakers and supervisors to share our expectations on the EU ESG ratings regulation proposal, as well as a U.K. working group set up by the FCA supporting a Code of Conduct for ESG ratings and ESG data providers.

We highlighted issues in terms of the robustness and transparency of the ESG datasets that are distributed, which can complicate their use when producing regulatory disclosures (e.g. PAI statements related to SFDR), or when they are considered in investment decisions (e.g. in relation to the Taxonomy Regulation). When doing so, we recommended that the principles enunciated by the International Organization of Securities Commissions (IOSCO) should be followed. We were highly satisfied with the outcomes of the U.K. working group which we contributed to and that led to the publication of a Code of Conduct in December 2023, already signed by 15 ESG data and rating products providers.

In the EU, we also advocated for the regulation to include ESG data products beyond ESG ratings, noting that raw data was increasingly re-disseminated and more and more used by investors, gaining traction over ESG ratings for the purpose of sustainability performance monitoring or sustainability objective definition. We were disappointed by the limited outcomes of the legislative process only capturing ESG ratings but not ESG data products, and in 2024 we continued to advocate for a wider framework at EU level, in line with the level of ambition and requirement already in place at EU level for the rest of the ESG value chain as well as requested at a worldwide level by IOSCO.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1: Climate Change

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(C) Sustainability Outcome #2:**

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(C) Sustainability Outcome #2: Net Zero Targets

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(D) Sustainability Outcome #3:**

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(D) Sustainability Outcome #3: Biodiversity

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(1) Key stakeholders engaged (6) External service providers (e.g. proxy advisers, investment consultants, data providers)

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(2) Provide further detail on your engagement

Back in 2020, AXA Investment Managers launched an initiative to develop a tool to measure the impact of investments on biodiversity. Following this, AXA Investment Managers announced in 2020 a partnership with Iceberg Data Lab and I Care & Consult to develop indicators to measure the impact of investments on biodiversity (<https://www.axa-im.com/media-centre/axa-im-bnp-paribas-am-sycomore-am-and-mirova-launch-joint-initiative-to-develop-pioneering-tool-for-measuring-investment-impact-on-biodiversity>).

Since then, AXA IM has worked with Iceberg Data Lab and iCare&Consult on the development of an innovative biodiversity-specific data used to create a corporate biodiversity footprint (CBF) metric allowing us today to start identifying AXA IM exposure to the risks of biodiversity loss by identifying contribution of issuers or sectors invested in to biodiversity degradation. Aggregated, CBF provides a negative impact measure, meaning that by using this metric we can calculate volume of biodiversity loss caused by pressures generated by a company's economic activities in equivalent surface of km2 of MSA identical to pristine forest lost or, otherwise saying, in equivalent surface of km2 artificialized in a given year. IDL calculates a biodiversity footprint on a company level, which can also be tracked at a sectoral level and can then be aggregated at a portfolio level following the same logic as carbon footprint.

**(E) Sustainability Outcome #4:**

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(E) Sustainability Outcome #4: Sustainability targets

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(F) Sustainability Outcome #5:**

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(F) Sustainability Outcome #5: Gender Diversity

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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**(G) Sustainability Outcome #6:**

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(G) Sustainability Outcome #6: Sovereign CCPI Index

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(1) Key stakeholders engaged

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(2) Provide further detail on your engagement

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## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	Nature Action 100
(2) Indicate how your organisation contributed to this collaborative initiative	(H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)
(3) Provide further detail on your participation in this collaborative initiative	Nature Action 100 (NA100), a global initiative launched by a group of investors - including AXA IM - in September 2023, which seeks to engage companies in sectors deemed to be systemically important in reversing nature and biodiversity loss by 2030. In 2024, AXA IM was leading engagement at three companies, and participating at three others. In 2023, we joined the investor group that launched the collective engagement initiative Nature Action 100 (NA100), aimed at driving corporate action on nature across six investor expectations: ambition, assessment, targets, implementation, governance, and engagement. NA100 identified BHP as a target company due to its role in the metals and mining sector, a key area for reversing nature and biodiversity loss by 2030. Consequently, we transitioned to a collective engagement approach, acting as co-leads. We initiated this collaboration by sending a letter signed by NA100 investors, introducing the initiative and inviting initial dialogue.

### (B) Initiative #2

(1) Name of the initiative	Climate Action 100+
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)

(3) Provide further detail on your participation in this collaborative initiative

To support AXA IM's Net Zero ambition and objectives following our decision to join the Net Zero Asset Manager initiative in December 2020, AXA IM intensified its efforts across the whole business to develop a robust approach and strategy allowing us to also comply with the French Article 29 Energy-Climate law requirements. We therefore reinforced our Climate Strategy with the definition of Net Zero targets, and the strengthening of our Climate Risks policy and Stewardship Strategy. Our participation to Climate-related alliances or association is a key component of our stewardship activities with corporates and regulators and policymakers. Climate Action 100+ targets world's largest corporate GHG emitter to achieve clear commitments to cut emissions, improve governance and strengthen climate-related financial disclosures, on behalf of Climate Action 100+ signatories, AXA IM is a signatory and leads the engagement activities with three companies: Renault, Ecopetrol and Saudi Arabia's Aramco. These company climate-oriented engagement activities are supported by engagement with policymakers through net zero coalition to advocate for further convergence between net zero efforts and sustainable finance policy implementation.

**(C) Initiative #3**

(1) Name of the initiative

Institutional Investors Group on Climate Change

(2) Indicate how your organisation contributed to this collaborative initiative

(G) We were part of an advisory committee or similar

(3) Provide further detail on your participation in this collaborative initiative

We continue to use collaboration to support our policy advocacy efforts, working notably with the Institutional Investors Group on Climate Change (IIGCC) as co-chair of its policy programme, and as a member and co-rapporteur of the EU Platform on Sustainable Finance since March 2023. In 2024, we also joined the Stewardship Committee of the Investment Association (IA), the EU working group of the International Corporate Governance Network (ICGN), and the Stewardship Code working group of the IIGCC, all aiming to promote stewardship best practices in the UK and in Europe.

**(D) Initiative #4**

(1) Name of the initiative

Investors for a Just Transition

(2) Indicate how your organisation contributed to this collaborative initiative

(A) We were a lead investor in one or more focus entities (e.g. investee companies)  
 (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)  
 (C) We publicly endorsed the initiative  
 (F) We provided financial support  
 (H) We contributed to the development of the initiative's materials and/or resources (e.g. co-authored a report)

(3) Provide further detail on your participation in this collaborative initiative

Working with the Institut de la Finance Durable, on the 'just transition' theme. Under this programme we lead a group of investors in engagement with issuers in the energy sector and are members of the agriculture and food sector working groups. The objective of this initiative is to ensure the social implications of a transition to a low-carbon economy are sufficiently anticipated. This requires different approaches for different sectors, the energy sector being one of the most at stake.

In our view, a just transition would seek to leave no one behind and ensure the consequences of associated changes are fairly distributed. Moving to low-carbon energy, buildings, transportation and industrial production will bring dramatic adjustments and challenges to countries and industries – and therefore to workers and their communities. A failure to anticipate the social implications of those challenges could stall climate progress and contribute to political instability through increasing inequality.

This would risk disrupting the fragile equilibrium between developing and developed economies. As an asset manager, we want to start integrating this nascent concept into our investment decision-making. This will require different approaches for different sectors – but it will certainly entail a consideration of how business models are evolving, how human capital is managed and how companies develop their role as employer and stakeholder. Issues of accessibility and affordability must also be integrated in our assessment.

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# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (F) We did not verify the information submitted in our PRI report this reporting year

### THIRD-PARTY EXTERNAL ASSURANCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 2	CORE	OO 21, CBM 1	N/A	PUBLIC	Third-party external assurance	6

For which responsible investment processes and/or data did your organisation conduct third-party external assurance?

- (A) Policy, governance and strategy
  - Select from dropdown list:
    - (1) Data assured
    - (2) Processes assured
    - (3) Processes and data assured
- (B) Manager selection, appointment and monitoring
- (C) Listed equity
- (D) Fixed income
- (E) Private equity
- (F) Real estate
- (G) Infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 3	PLUS	CBM 1	N/A	PUBLIC	Third-party external assurance	6

**Provide details of the third-party external assurance process regarding the information submitted in your PRI report.**

(1) Description of the third-party external assurance process

At AXA IM, a number of funds are awarded with Sustainability-related labels (Label ISR, Label Greenfin, Label Towards Sustainability). During those application and renewal processes, auditors are reviewing AXA IM's overall responsible investment strategy, reporting as well as related processes (including control framework, governance, publication of documents, processes to implement ESG strategies, fund's ESG strategies and criteria, ESG quantitative and qualitative data used, etc.)

(2) Assurance standard(s) used by the third-party assurance provider

- (A) PAS 7341:2020
  - (B) ISAE 3000 and national standards based on this
  - (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)
  - (D) RevR6 (Assurance of Sustainability)
  - (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)
  - (F) Accountability AA1000 Assurance Standard (AA1000AS)
  - (G) IFC performance standards
  - (H) SSAE 18 and SOC 1
  - (I) Other national auditing/assurance standard with guidance on sustainability; specify:
  - (J) Invest Europe Handbook of Professional Standards
  - (K) ISAE 3402 Assurance Reports on Controls at a Service Organisation
  - (L) AAF 01/20
  - (M) AAF 01/06 Stewardship Supplement
  - (N) ISO 26000 Social Responsibility
  - (O) ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information
  - (P) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
  - (Q) PCAF
  - (R) NGER audit framework (National Greenhouse and Energy Reporting)
  - (S) Auditor's proprietary assurance framework for assuring RI-related information
  - (T) Other greenhouse gas emissions assurance standard; specify:
- (3) Third-party external assurance provider's report that contains the assurance conclusion

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

**What responsible investment processes and/or data were audited through your internal audit function?**

- (A) Policy, governance and strategy
  - Select from dropdown list:
    - (1) Data internally audited
    - (2) Processes internally audited
    - (3) Processes and data internally audited
- (B) Manager selection, appointment and monitoring
- (C) Listed equity
  - Select from dropdown list:

- (1) Data internally audited
- (2) **Processes internally audited**
- (3) Processes and data internally audited
- (D) Fixed income
- (E) Private equity
- (F) Real estate
- (G) Infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

The audit department performs periodic controls. Audits are performed according to an annual risk-based audit plan, which is approved and monitored by our governance bodies, in particular the AXA IM Audit & Risk Committee. Higher risk areas and those that are required by regulations to be covered regularly are subject to audits on a more frequent basis compared to the less risky areas, which are covered over a longer cycle. Internal audits have been conducted on RI-related processes, including process to ensure funds' pre-contractual commitments are implemented and monitored and on externally reported data.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

- (A) Board, trustees, or equivalent
- (B) **Senior executive-level staff, investment committee, head of department, or equivalent**
  - Sections of PRI report reviewed
    - (1) **the entire report**
    - (2) selected sections of the report
- (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year