A look back at 10 years of Impact Investing

At AXA IM Alts, our goal is to bring together private capital, entrepreneurial talent and technology to deliver solutions that address social progress and ensure the environment can sustain us now and into the future.

AXA IM Alts was one of the first mainstream asset managers to develop an expertise in Impact Investing. This year, our Impact strategy celebrates its 10-year anniversary, a significant milestone. A lot has changed over the last decade. Firstly, Impact Investing has gone from a niche sector to an integral part of the investment industry. Our impact assets have increased from $200m when we launched our first impact strategy in 2013 to over $1.5bn today. The growth of our strategy range and assets under management (AUM) is a testament to the success and increasing maturity of the Impact Investing model. It also reflects the credibility of AXA IM Alts, a global leader in alternative investments, as an active, hands-on impact asset manager.

And secondly, investors have embraced our shared vision: that private capital can play an essential role in helping communities around the world improve their everyday lives. Through Impact Investing, we can open the door to better healthcare for all. We can also help level the playing field through inclusion of marginalised groups, empowering people with access to quality education and financial solutions. Impact Investing also offers the opportunity to develop long-term strategies to address major environmental challenges, including climate change and biodiversity loss.

However, while we have come a long way, there is still more to do. Impact Investing differs from other asset classes in its role in contributing to solving societal, environmental and systemic challenges – and the world still needs solutions.

We will continue to work with our clients to bring their capital and our investment expertise to bear on these issues.

I strongly believe that AXA IM Alts has a unique role to play in investing in solutions that foster a sustainable environment and an equitable society.

Isabelle Scemama, Global Head of AXA IM Alts

(1) Source for AUM: AXA IM Alts (unaudited) as at 31 December 2022.
Our impact journey

2012
- Impact Investing Strategy is established

2013
- Launch of AXA’s first social impact strategy, targeting financial inclusion, access to healthcare and quality education

2015
- COP 21, the UN Climate Change Conference, is held in Paris
- TCFD is established to develop recommendations on climate-related financial risk disclosures

2016
- UN SDGs officially come into force
- Launch of a new impact strategy focusing on environmental and social impact

2019
- AXA and WWF France’s report, Into the Wild – Integrating nature into investment strategies, is published
- OPIM is established, a framework for investors for the design and implementation of their impact management systems

2020
- AXA wins the Impact in Africa award from Private Equity International
- A new social impact strategy is launched, targeting financial inclusion and access to healthcare

2021
- The SFDR, designed to improve transparency, reduce greenwashing and increase capital flows towards sustainable investments, comes into effect
- Creation of AXA IM’s philanthropic partnership with selected charities
- AXA IM wins Gestion de Fortune’s Grand Prix de la Philanthropie

2022
- The EU Taxonomy, a classification system of environmentally sustainable economic activities, enters into force
- Launch of AXA’s global health strategy, focusing on access to quality, affordable healthcare
- Launch of AXA’s Impact Hub, an impact management and reporting platform to improve transparency
- AXA IM wins Impact Investor of the Year at AGRI investor’s global awards
- AXA IM wins Impact Strategy Manager of the Year

Source: AXA IM Alts (unaudited) as at 31 December 2022. References to league tables and awards are not an indicator of future performance or places in league tables or awards and should not be construed as an endorsement of any AXA IM company or their products or services.
Impact Investing in Private Markets

**What is Impact Investing?**

Impact Investing is an investment strategy that aims to generate positive, measurable social and environmental outcomes, while also producing competitive financial returns. At AXA IM Alts, we embrace this definition using a private market approach to identify societal problems, invest in credible solutions to these problems, and measure the contribution of our capital in solving them.

We believe we can generate positive outcomes benefiting both people and the planet, while simultaneously meeting our clients’ financial objectives. We achieve this by investing in projects where the financial outcomes and the stated environmental or social impact objectives are linked.

Our focus is on large-scale issues with significant funding gaps. These range from environmental challenges to widespread lack of access to essential products and services in many countries. With our investment horizons stretching over 10 years, we utilise long-term capital and thinking to yield solutions that have lasting impact.

Our programme deploys capital through alternative assets including private equity, venture capital, private debt, and project finance. This strategy provides us with flexibility and access to diversified investment opportunities and helps us generate impact outcomes. Our diversified alternatives strategy, supported by a robust risk framework, is aligned with the risk/return profile of institutional investors seeking to achieve their financial objectives while contributing to societal change.

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### Highlights

Our objective is to generate demonstrable social and environmental benefits, and the projects and companies we have supported over the years have achieved positive impacts as shown below:

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>99.2m</strong> tonnes of CO₂e emissions avoided</td>
<td><strong>146.5m</strong> people empowered through financial inclusion</td>
</tr>
<tr>
<td>AXA IM Alts share: <strong>14.7m</strong></td>
<td>AXA IM Alts share: <strong>13.5m</strong></td>
</tr>
<tr>
<td><strong>88.5k</strong> hectares land under sustainable management</td>
<td><strong>198m</strong> healthcare solutions distributed</td>
</tr>
<tr>
<td>AXA IM Alts share: <strong>60.6k</strong></td>
<td>AXA IM Alts share: <strong>19.8m</strong></td>
</tr>
<tr>
<td><strong>977k</strong> tonnes of waste avoided</td>
<td><strong>3.9m</strong> lives improved/saved by healthcare solutions</td>
</tr>
<tr>
<td>AXA IM Alts share: <strong>128.3k</strong></td>
<td>AXA IM Alts share: <strong>270k</strong></td>
</tr>
<tr>
<td><strong>13.6m</strong> households provided with clean energy</td>
<td><strong>4.5m</strong> students provided with access to education</td>
</tr>
<tr>
<td>AXA IM Alts share: <strong>3m</strong></td>
<td>AXA IM Alts share: <strong>495k</strong></td>
</tr>
<tr>
<td><strong>2197</strong></td>
<td><strong>2197</strong> healthcare facilities developed in underserved locations</td>
</tr>
<tr>
<td><strong>14</strong> healthcare solutions developed</td>
<td></td>
</tr>
</tbody>
</table>

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(2) We have reported aggregate impact numbers as disclosed by investees and our “share” of the impact results based on our capital contributions. This share is illustrated above by the tag “AXA IM Alts share”. Data contained in case studies is sourced from each individual organisation/project.

Data correct as of May 2023. Past performance is not a guide to future performance.

Information/figures are given for informational purposes only and may evolve. Expected impact returns are not guaranteed and are subject to change.
Our impact approach

Protecting the planet’s natural capital

We recognise the vital role that natural capital plays in maintaining the health of our planet and communities. That’s why AXA IM Alts invests in companies and projects that prioritise sustainable ecosystem management. The investments we choose aim to ensure the conservation, protection, and restoration of natural capital and biodiversity, improve the well-being of local communities, and generate associated climate mitigation benefits.

Building resource efficiency

The unsustainable use of resources has serious consequences. Not only does overexploitation lead to supply concerns, but it generates a huge amount of pollution and waste that the earth cannot withstand. AXA IM Alts invests in circular economy solutions to encourage increased use of recycled materials while decreasing reliance on virgin non-renewable materials – the key to ensuring a healthy planet.

Innovative solutions to decarbonise hard-to-abate sectors

At AXA IM Alts, we invest in solutions that target hard-to-abate sectors, such as steel, cement, refineries, and waste-to-energy, which account for more than 20% of global greenhouse gas emissions. Our investments promote energy efficiency and support the transition to net-zero and a circular economy, helping to mitigate climate change and contributing to a more resilient and sustainable future.

What we measure

- Climate Mitigation CO2e avoided
- Conservation of Natural Capital Hectares of natural capital conserved
- Biodiversity Hectares of critical habitats protected
- Resource Efficiency Waste avoided

We define KPIs for each target outcome

Environnement

- 10 million hectares forest lost every year from 2015 to 2020, an area roughly the size of Iceland
- 1 million species at risk of extinction due to human activities
- 421 parts per million the atmospheric concentration of carbon dioxide in 2022, a record high

3 Forests | UNEP - UN Environment Programme
5 https://www.noaa.gov/news-release/carbon-dioxide-now-more-than-50-higher-than-pre-industrial-levels-text/Carbon%20dioxide%20measured%20in%20the%20atmosphere%20increased%20to%20a%20record%20level%20in%202022%20Science%20Announced
Investing in natural capital to build a sustainable future

Our investments in forest conservation, restoration and afforestation projects aim to restore natural capital, protect biodiversity, and support communities while curbing carbon emissions.

Reforestation and afforestation in Western and Southern France

The Fagus project aims to address natural capital degradation by financing a reforestation and afforestation programme in Western and Southern France in partnership with Alliance Forêts Bois, a forest cooperative made up of private landowners.

The project involves planting trees that provide a natural carbon sequestration solution at scale and promotes sustainable livelihoods through the commercialization of certified timber. Fagus is also the largest project to date developed under – and certified to – the French carbon standard, Label Bas Carbone.

Our investment will help restore degraded forests, mitigate climate change, and improve overall forest management practices.

<table>
<thead>
<tr>
<th>Impact returns to date</th>
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</thead>
<tbody>
<tr>
<td>58k hectares of critical habitats protected</td>
</tr>
</tbody>
</table>

Expanding forest protection in Guatemala

Fundaeco’s forest conservation operations protect critical habitats and biodiversity in Guatemala while providing a natural climate solution verified through the issuance of voluntary carbon credits. The project supports local communities by incentivizing forest conservation, providing a sustainable means for landowners to receive payment for ecosystem services.

<table>
<thead>
<tr>
<th>Impact returns to date</th>
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<tbody>
<tr>
<td>387k verified carbon credits</td>
</tr>
<tr>
<td>1,725 hectares of land restored</td>
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</table>

Peatland and tropical forest restoration

Peatlands are critical for ecosystem regulation, covering only 3% of the planet’s landmass but sequestering approximately 550 gigatonnes of carbon – more than all other terrestrial vegetation combined. In Indonesia, many have been drained and degraded, and major peatland fires have released vast amounts of CO₂ into the atmosphere.

Forest Carbon Indonesia conserves and restores peatland, tropical forests and wetland ecosystems across Indonesia. By actively managing more than 22,000 hectares of vulnerable peatland, it is helping prevent forest fires and protect endangered species while strengthening the rural economy.

Our investment aims to help scale up Forest Carbon Indonesia’s activities, supporting the conservation of 74,728 hectares of land, protecting at least 10 IUCN Red List endangered species, and generating 22 million carbon credits.

<table>
<thead>
<tr>
<th>Impact returns to date</th>
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<tbody>
<tr>
<td>25.7k smallholder farmers positively impacted</td>
</tr>
<tr>
<td>9.7k hectares of land under sustainable management</td>
</tr>
<tr>
<td>334k tonnes of carbon emissions sequestered</td>
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<tr>
<td>8.5m trees planted</td>
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</table>

Expected impact returns

<table>
<thead>
<tr>
<th>Expected impact returns</th>
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</thead>
<tbody>
<tr>
<td>74.7k hectares under sustainable management</td>
</tr>
<tr>
<td>10 species under conservation</td>
</tr>
<tr>
<td>22m verified carbon credits</td>
</tr>
</tbody>
</table>

Information/figures are given for informational purposes only and may evolve. Expected impact returns are not guaranteed and are subject to change.

Scaling microforestry in Africa

Komaza promotes the reforestation of degraded lands while providing a meaningful income for smallholder farmers in Kenya, partnering with them to turn their underutilised lands into thriving micro-forests. The project aims to provide a sustainable solution to Africa’s $30bn wood supply deficit and align landowners’ financial interests with the goal of natural capital conservation.

<table>
<thead>
<tr>
<th>Impact returns to date</th>
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<tbody>
<tr>
<td>2.4m hectares under sustainable management</td>
</tr>
<tr>
<td>11 species under conservation</td>
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<tr>
<td>18m verified carbon credits</td>
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</table>

Expected impact returns

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>9.7k hectares of land under sustainable management</td>
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<td>8.5m trees planted</td>
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Scaling up capacity to execute nature-based solutions

To deliver on global targets, investing directly in natural capital projects is not enough on its own – we need solutions that enable the effective execution of those projects. Our investments target project developers to increase their development and delivery capacity, innovations for efficient and accurate project measurement, and carbon market services.

Natural capital project development

The Shared Wood Company is a project developer and operator focused on nature-based real assets related to forest and land. The company develops and operates forest carbon projects that capture carbon in natural ecosystems while restoring biodiversity and supporting local communities in Latin America, Africa, and Europe.

Our investment aims to deliver a pipeline of projects that will lead to the conservation of natural capital covering a forest area of at least 500,000 hectares in target regions. This will lead to approximately 45 million tonnes of CO₂ emissions savings.

Towards net zero through carbon offsetting

ClimateSeed works with organizations to accelerate climate action, raise climate awareness and achieve their net-zero ambitions. It offers a range of climate-related solutions, including GHG emissions measurement and emissions reduction strategies aligned with science-based targets. Its innovative marketplace connects businesses seeking to offset their carbon emissions with project developers offering voluntary carbon credits generated from a range of climate mitigation related activities.

Our investment will help ClimateSeed expand its portfolio, which includes over 35 carbon reduction projects globally. It has already worked with over 200 clients, from SMEs to large corporations, to deliver on its climate ambitions and have a positive impact on local communities.

Sustainable food systems

We invest in companies that provide alternatives to high-polluting production and support sustainable agricultural practices.

Clean energy solution for small-scale farmers

Small-scale farmers in emerging markets often lack access to affordable and reliable energy, resorting instead to polluting alternatives such as burning wood and charcoal. Additionally, livestock farming contributes to greenhouse gas emissions and environmental degradation through improper animal waste management.

Sistema Bio offers an integrated biodigester and biogas solution that treats animal waste and converts it into renewable biogas for domestic and productive use, as well as biofertiliser to replace chemical fertilisers. With this solution, small-scale farmers will have access to a sustainable, affordable source of energy, enabling them to improve their livelihoods while promoting sustainable agricultural practices.

Plant-based proteins to cut emissions

ENOUGH aims to displace animal protein and its associated carbon emissions and ecosystem loss through the production of mycoprotein, a fungi-based alternative. In addition, ENOUGH uses a zero-waste, circular production cycle in which waste is either recycled or used as feedstock, promoting resource efficiency. Our investment supports the scale up and commercialisation of the company.

Sustainable cocoa production and biodiversity protection

Beyond Good is a bean-to-bar chocolate company that sources cocoa in Madagascar and Uganda while embedding sustainability into its entire supply chain. It works directly with smallholder farmers to improve their livelihoods and promote agroforestry practices that protect Madagascar’s habitats and unique biodiversity. Beyond Good offers an alternative to the unsustainable practices typically found in the cocoa industry, demonstrating how nature and livelihoods can coexist.

Our investment supports the company’s expansion into Uganda and strengthens its commitment to sustainable cocoa production, preventing deforestation and protecting habitats for critical species.

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Circularity in action: increasing resource efficiency

Our investments in circular solutions aim to reduce waste and carbon emissions and achieve improved resource circularity and sustainability.

Open-loop recycling for laminated glass

Recycling architectural glass and vehicle windscreens is a major challenge. Approximately 11 million tonnes of these materials are disposed of in landfill every year due to their complex composition, contributing to greenhouse gas emissions and causing environmental harm.

Shark Solutions has developed an open-loop, circular economy-centric technology to address the problem, transforming the glass into high-quality raw materials with applications across various industries. The product lines produced include recycled polyvinyl butyral (PVB) for use in carpet flooring, paints and coatings, and glass cutlets sold primarily to insulation manufacturers or glass recyclers.

Our investment aims to achieve improved resource circularity through open-loop recycling, reduced virgin material usage, and increased recycled materials usage.

Impact returns to date

<table>
<thead>
<tr>
<th>Open-loop recycling for laminated glass</th>
<th>Sanergy</th>
<th>Ozinga</th>
<th>PackBenefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>26k tonnes of CO₂ avoided</td>
<td>64.9k</td>
<td></td>
<td></td>
</tr>
<tr>
<td>64.9k tonnes of waste avoided</td>
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</tr>
</tbody>
</table>

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Sanergy is an innovative waste management company that is addressing the growing problem of waste pollution and food security. The company collects sanitation and organic waste from Kenya’s largest cities and transforms them into sustainable agricultural inputs. These include organic fertilisers, insect protein for animal feed and biomass fuel used by industry.

Ozinga is transforming dairy waste into renewable natural gas (RNG) by upgrading biogas captured from cow manure to pipeline-quality natural gas. Participating farms use anaerobic digesters to capture the biogas emitted. Ozinga then transports this biogas, upgrades it, and injects the resulting RNG into an interstate pipeline.

PackBenefit designs and manufactures industrially compostable alternatives to fossil fuel-derived, single-use plastic food trays, bowls, and containers. Made of sustainably sourced wood pulp, the products can be recycled, biodegraded, or converted into biofuel. Our investment will help to displace plastic packaging and mitigate the environmental consequences of plastic production, use, disposal, and end of life.

Dairy waste to renewable natural gas solution

Revolutionising food packaging with plant-based products

Circular solutions to transform waste into resources

Build resource efficiency

Impact returns to date

<table>
<thead>
<tr>
<th>Sanergy</th>
<th>Ozinga</th>
<th>PackBenefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>46.5k tonnes of waste removed and upcycled</td>
<td>39k tonnes of carbon emissions avoided</td>
<td>65m single-use plastic containers displaced</td>
</tr>
<tr>
<td>39k tonnes of carbon emissions avoided</td>
<td>123k MMBtu of renewable natural gas produced</td>
<td>706 tonnes of CO₂ emissions avoided</td>
</tr>
</tbody>
</table>

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Decarbonising hard-to-abate sectors

We invest in companies creating innovative solutions to cut hard-to-abate carbon emissions.

Cost-effective carbon capture solution

If more efficient solutions are not employed, the emissions of hard-to-abate sectors is set to double. Nature-based carbon capture solutions alone are not sufficient to reach the global climate target of 1.5°C – technologies such as carbon capture and storage (CCS) are needed to achieve net-negative emissions.

Carbon Clean is a carbon capture and reuse technology company focused on post-combustion capture. The company offers cost-effective services to capture industrial CO₂ emissions at source and prevent their release into the atmosphere. Carbon Clean provides a climate-focused solution for hard-to-abate sectors, focusing on carbon removal in the steel, cement, refinery, biogas and waste-to-energy industries.

The company is also focusing on the sustainable use of the captured carbon dioxide as inputs for other manufacturing processes. This is aligned with their ambition of playing a role in the growing circular carbon economy market.

Energy-as-a-Service microgrid solutions

Commercial and industrial customers are responsible for up to 30% of greenhouse gas emissions in the US alone. Combating this issue requires a viable solution for these customers to transition away from carbon-intensive energy sources.

Greenstruxure (GSX) offers a turnkey Energy-as-a-Service microgrid solution that provides low- to zero-carbon energy solutions for hard-to-abate commercial and industrial customers. Their microgrid subsystems include solar PV, battery energy storage, combined heat and power, and genset systems, which ensure a predictable, low-cost, and reliable energy supply.

Our investment in Greenstruxure aims to achieve significant impact returns by helping facilitate the transition to cleaner energy solutions and greater use of renewables by industrial emitters.

Sustainable buildings: investing in clean insulation and smart tech

Building emissions have increased by 50% since 1990. We invest in sustainable solutions that enhance energy efficiency and offer cost-effective ways to reduce carbon impact.

Sustainable insulation from recycled corrugated materials

Inefficient and unsustainable insulation can be the cause of as much as 20% of a building’s embodied carbon budget. As well as being high in carbon, traditional insulation materials such as fiberglass and foam can have a detrimental effect on human health.

CleanFiber is addressing these issues with its cellulose-based insulation product, produced principally from recycled cardboard boxes. Cellulose, a high-density material, is safer, has a lower carbon footprint, and is more energy efficient than other insulation materials. The company’s use of recycled materials also diverts a significant waste stream, contributing to a more circular economy and avoiding methane emissions from landfill.

A smart thermostat for energy efficiency in social housing

Social housing stock is often older and, therefore, less energy efficient. The knock-on effects are a high carbon footprint, as well as increased energy bills and potentially hazardous living conditions for residents.

Switchie, an Internet of Things (IoT) and data analytics company, has developed a smart thermostat to address these issues. Through collecting real-time data on factors including motion, temperature and humidity, the tech provides visibility into insulation, gas safety, damp and mould risk and more. The thermostat can also detect occupancy and optimise heat settings, encouraging improved heating management and reducing energy bills by up to 17%.

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So cial

Enhancing financial inclusion

We invest in solutions that bridge the gap between formal financial systems and excluded individuals and businesses. The aim of AXA IM Alts’ investments is to enhance financial and digital inclusion and promote sustainable economic growth and development.

Innovative healthcare solutions

AXA IM Alts provides funding for companies that are at the late clinical or early commercial stage of the healthcare product/service life cycle with a focus on products and services in the following broad product categories: medical devices, pharmaceuticals, vaccines and diagnostics. These innovations have the potential to revolutionise healthcare and deliver intentional and positive health outcomes relative to global disease burdens.

Accessible and affordable healthcare

Traditionally underserved populations have been excluded from quality healthcare. We want to change this. AXA IM Alts’ investments aim to increase access to innovative healthcare products and services by focusing on high-volume, mass markets and delivering solutions at affordable price points. This serves the healthcare needs of the many—not the few.

What we measure

We define KPIs for each target outcome

- Lives empowered
  Number of individuals with improved access to financial services
- MSMEs empowered
  Number of underserved MSMEs with improved access to financial services
- Lives improved
  Number of lives improved by the provision of healthcare solutions
- Lives saved
  Number of lives saved by the provision of healthcare solutions
- Quality solutions
  Number of healthcare solutions developed/distributed
- Reach
  Number of LMICs benefiting from products/services

Impact Investing in Private Markets

AXA IM Alts

Ensuring financial Inclusion

Financial inclusion today means providing individuals and businesses with access to affordable financial products and services that meet their needs. By leveraging technology, the access to products – as well as their quality and range – is improved, while costs are reduced.

We invest in solutions that accelerate digital financial inclusion, contributing to our broader impact goals of improving financial connectivity, reducing inequalities, and creating economic and societal value.

Digitising healthcare financing in Africa

Africa accounts for approximately 16% of the world’s population and carries 23% of the global disease burden. However, it benefits from only around 1% of global health spending. In addition, limited financial resources and outdated physical and technological health infrastructure have hindered efforts to achieve health equity. Inefficient healthcare delivery, paper-based documentation, and limited access to aggregated real-time information for healthcare practitioners exacerbate the problem.

Helium Health aims to address these challenges by providing digital solutions to improve the quality and efficacy of health services in resource-constrained environments. It also offers health sector enterprises affordable financial services to improve their infrastructure, equipment and inventory.

The company’s technological and financial services are key tools for improving the provision of and access to quality healthcare, facilitating significant efficiency gains and investments driven by data.

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<table>
<thead>
<tr>
<th>Expected impact returns</th>
<th>Loan information</th>
</tr>
</thead>
<tbody>
<tr>
<td>500+ healthcare facilities improved</td>
<td>374k loans to MSMEs</td>
</tr>
<tr>
<td>$50m in loans provided to healthcare enterprises</td>
<td>$32m in loans provided</td>
</tr>
<tr>
<td></td>
<td>220k underserved MSMEs supported</td>
</tr>
<tr>
<td></td>
<td>$6bn payment transactions enabled</td>
</tr>
<tr>
<td></td>
<td>38 LMICs reached</td>
</tr>
</tbody>
</table>

Empowering African communities through financial services

As of 2017, approximately 400 million adults in Africa were unbanked and excluded from the formal financial system, including markets, services, and financial products. This lack of financial inclusion is a significant barrier to economic growth and development. Furthermore, following the COVID-19 crisis, financial transactions have been increasingly digitised – addressing this problem is critical.

MFS Africa is a pan-African fintech company that facilitates cross-border payments, remittances, mobile payment services, e-commerce transactions, and other financial services. MFS Africa has developed a vast network of partners and has a pan-African footprint spanning more than 38 countries. Its digital infrastructure enables interoperability and connectivity of payment systems, making it possible for money to flow easily between individuals and businesses across the continent.
Transforming optical health

We invest in companies that develop affordable, effective solutions for eye diseases and vision. Our investments aim to transform the landscape of optical health by increasing access to healthcare products and promoting early detection and monitoring of disease.

Innovative treatment for keratoconus

Keratoconus is a debilitating disease that affects the structure of the cornea and causes significant visual impairment. The disease can destroy quality of life, limit the educational and employment opportunities of those affected and contribute to social isolation. Current treatment options are costly, invasive, and painful – accessible and affordable treatments to address this health challenge are needed.

CXLO Ophthalmics has developed EpiSmart™, an innovative treatment for the disease ideal for use in both mass markets and limited-resource settings as it is non-invasive, requires limited training, and has a rapid recovery time. EpiSmart™ will provide a safer and less painful treatment for keratoconus and has the potential to become the go-to standard of care in both high-income and low-income settings.

Our investment is addressing the global burden of keratoconus by providing a more accessible and effective treatment option. The investment aims to improve the quality of life for millions of individuals affected by the disease, particularly in LMICs where access to healthcare interventions is limited. The investment has the potential to deliver significant and long-lasting impact.

Expected impact returns

50k lives improved per annum, at scale
35 LMICs reached

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Innovative intraocular lenses for cataract treatment

A leading cause of blindness, cataracts affect more than 20 million people globally. Z-Optics is a US-based company that is addressing this problem with its intraocular lenses (IOL) for cataract replacement surgery. Z-Optic’s IOLs offer a wider range of vision than the monofocal lenses that are currently used widely in developing countries. Our investment will enable Z-Optics to produce this innovative lens at an appropriate price point for LMICs, increasing access and affordability for underserved populations worldwide.

EvenUK is an AI-driven medical technology company that aims to eliminate preventable blindness and transition to predictive and preventable healthcare for chronic diseases. The company’s AI platform currently focuses on the screening, detection, and monitoring of diabetic retinopathy and other eye diseases caused by diabetes. Our investment supports EvenUK’s platform evolution and timely diagnosis of life- and vision-threatening diseases. EvenUK is expected to test 300,000 eyes and refer 75,000 for treatment annually, improving thousands of people’s lives through sight-saving eye treatments.

Non-invasive glucose monitoring for diabetes

Biolinq is developing a wearable patch with micro-sensors that continuously monitor glucose from just beneath the skin’s surface, providing an early detection and monitoring solution for Type II diabetes, a leading cause of diabetic retinopathy and blindness. Approximately 1 in 3 Americans have pre-diabetes and for many, this progresses to diabetes. Biolinq’s technology has the potential to slow or avoid the progression of diabetes complications. Our investment supports the journey towards improved metabolic health and wellness. The impact potential is significant, with an addressable market of millions of people unable to access necessary healthcare products due to availability, access, and affordability.

Expected impact returns

49k lives improved
6 LMICs reached

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Advancing healthcare for mothers and infants

We invest in the latest maternal and newborn health innovations to increase the provision of safe and affordable solutions. Through our investments, we aim to reduce maternal and neonatal mortality and morbidity rates, improve healthcare access, and promote better health outcomes for women and children globally.

A safe and effective solution for assisted births

Prolonged, complicated labour is a leading cause of maternal and neonatal mortality and morbidity worldwide. Current assisted vaginal birth (AVB) solutions, such as forceps and vacuums are difficult to use and pose injury risk to mother and child. In high-income countries, this can lead to excessive use of medical interventions. In low-resource settings, the outcomes are even more severe.

Maternal Newborn Health Innovations is developing its Odon Device to address this problem. The Odon device offers a safer and more effective solution for AVB, and is intended to improve outcomes for mother and child compared to current methods.

Our investment aims to increase the availability of the Odon Device to alleviate the health challenges of underserved people globally, particularly in low-resource settings. The expected impact returns are impressive, and the device will support the management difficult, complicated, and prolonged labours.

An innovative solution to address postpartum haemorrhage

Postpartum haemorrhage (PPH) is the leading cause of maternal death globally. PPH is preventable with appropriate management and care. However, most deaths occur in LMICs, particularly sub-Saharan Africa, countries that typically face reduced access to both necessary healthcare products and personnel.

Alydia Health developed the Jada device to address PPH during childbirth. Clinical studies show that Jada stops bleeding in 96% of patients within minutes, making it an effective and lifesaving tool. Since receiving regulatory approval from the US Food and Drug Administration in 2020, Jada has been used by healthcare providers as a safe and effective solution to PPH.

Alydia Health was acquired by Organon in 2021, a global healthcare company focused on women’s health with a mission to deliver high-impact medicines and solutions. Organon committed to a Global Access Agreement, an AXA IM Alts initiative. This enables AXA IM Alts to conduct post-exit monitoring, ensuring that work continues to keep Jada affordable and accessible to beneficiaries in low-resource settings.

Information/figures are given for informational purposes only and may evolve. Expected impact returns are not guaranteed and are subject to change.

Expected impact returns

- 19m lives improved
- 2.8m lives saved
- 9.6m health products distributed at scale
- 30 LMICs reached
- 18k healthcare products distributed
- 36k lives improved
- 180 lives saved
Reducing the disease burden in underserved communities

Neglected tropical diseases are often debilitating and disproportionately affect disadvantaged rural communities. We invest in innovative solutions to improve healthcare outcomes in hard-to-reach regions with limited access to quality healthcare.

### Pioneering treatment for snakebite victims

Over half a million people die or suffer permanent disability from venomous snakebites every year. The World Health Organization (WHO) identified snakebite envenoming as a Neglected Tropical Disease and set a goal of lowering the burden of snakebites by 50% before 2030.

Ophirex is developing varespladib, a potentially transformative new treatment for victims of venomous snakebites. The drug is undergoing clinical trials in both India – which faces the greatest snakebite burden in the world – and the United States. The trials are testing the efficacy of the oral formulation of varespladib against bites from a broad spectrum of snakes. Varespladib will be available as an oral tablet that can be administered in villages and fields closest to where snakebites occur. It is heat stable, species agnostic, synthetically manufactured, safe and well-tolerated. These characteristics present significant additional advantages over the current standard of care.

If successful, varespladib will be an effective treatment for snakebite envenoming around the globe with potential to significantly advance the WHO goal. Ophirex, legally registered in the US as a public-benefit corporation, is deeply committed to making varespladib accessible to snakebite victims in both the LMICs and major markets.

### AXA IM Philanthropy Mechanism

With the launch of the AXA IM Philanthropic Mechanism in 2020, we made a commitment to donate 5% of the management fees from our strategies to support charities and projects with a societal focus. AXA IM Alts’ Impact Investing strategy actively participates in this initiative, partnering with three organizations that share our goals for climate change mitigation, biodiversity protection, and bridging the healthcare gap.

#### Protecting Indian elephants

**World Land Trust** is an international conservation charity funding the creation of nature reserves and protection for habitats and wildlife.

**Our support** is helping to restore a natural corridor for Indian elephants moving between D’Ering Wildlife Sanctuary and Dibru Saikhowa National Park, boost local communities and reduce human-elephant conflicts. The permanent protection of this corridor supports the movement of over 500 elephants, as well as important species such as tigers, leopards, hoolock gibbon, and wild buffalo.

**Results to date**

- **1420 hectares of Land Protected**
- **150 hectares of degraded land restored**
- **65,700 trees planted**

#### Facilitating births in rural areas

**Africa CUAMM** works with local hospitals, health centres, villages and universities to improve the health conditions of the most vulnerable communities in sub-Saharan Africa.

**Our support** is funding a project at the Chiulo Hospital in Angola to facilitate 1,400 births and increase access to quality maternal, neonatal and child healthcare services for women and children living in rural areas.

**Results to date**

- **3,000+ Births**
- **9,000 pre-natal visits**
- **585 pregnant women cared for in malnutrition unit**

#### Reintroducing European vultures

**Ligue pour la Protection des Oiseaux** is one of the oldest nature conservation associations in France.

**Our support** is helping to reintroduce four species of European Vultures in the Massif Central through working with local breeders and farmers, authorities and research centres.

**Results to date**

- **4 species of vultures protected, supported, and monitored**

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The AXA IM Alts Impact Investing strategy aims to generate measurable outcomes that benefit a specific beneficiary group, while delivering market-rate financial returns. These outcomes are defined as the long-term, qualitative and sustainable improvements we seek for our planet and its people. To achieve this goal, mapping, monitoring, and managing our impact performance is crucial.

Our IMM System

Our Impact Measurement and Management (IMM) System covers all aspects of our investment process. This spans from initial assessment, evaluation and due diligence to investment, monitoring and exit. It also encompasses Environmental, Social and Governance (ESG) considerations, embedding them into the investment lifecycle. Our goal is to ensure that impact is generated with intention and accountability, qualities that underpin our investment strategy.

Mapping impact

Prior to making investments, we determine whether they are aligned with our strategy. We assess the relevance, directness, depth, and scale of proposed investments, as well as reviewing both challenges and solutions. We define impact objectives aligned with social and environmental issues, which are distilled down into themes that guide the actions we take. This enables us to maintain focus over time, and work both to serve our clients and resolve broader issues.

Evaluating impact

We evaluate impact across the entire investment trajectory, measuring the extent to which investments are generating social and environmental impacts and supporting the UN’s Sustainable Development Goals. We use Key Performance Indicators to monitor how well investments are meeting targets and furthering our impact objectives. We developed the AXA Impact Hub to offer even greater insight and credibility to stakeholders. The tech-based, modular IMM solution enables investors to track impact performance in real-time through qualitative and quantitative indicators, performance tracking, and data visualisation tools.
Impact Management and Stewardship

To ensure that our investments meet the highest standards, comprehensive impact performance management, monitoring, and measurement is at the core of our strategy. We also ensure that stewardship is integrated into every step of the investment process.

### Pre-Investment engagement

- Assessing theory of change, inputs, outputs, and outcomes
- Establishing an impact baseline and qualitative and quantitative targets
- Conducting ESG Due Diligence to identify gaps, risks, and alignment with AXA IM policies and regulations
- Developing an Environmental and Social Action Plan (ESAP), including specific timelines and reporting requirements
- Embedding ESAP and Global Access Agreements into legal documents

**Objectives**

- Credible, rigorous investment selection
- Alignment of Impact, Operational and Financial Objectives
- Driving positive, intentional, measurable, equitable, and long-lasting impact

### Investment - Monitoring Impact & Measuring Performance

- Assessing impact performance relative to objectives, metrics and KPIs
- Reviewing ESAP execution
- Generating shared value and knowledge exchanges between our investments
- Engaging with investees on impact and ESG issues, directly and through participation on governance committees

**Objectives**

- Active stewardship of investments
- Monitor performance relative to impact and financial targets
- Mitigating risks to investors and beneficiaries

### Global Access Agreements

AXA IM Alts’ innovative tool supports our mission of increasing access to products and services that target global disease burdens and eliminating inequalities in healthcare provisioning for underserved beneficiaries in LMICs.

Global Access Agreements commit investees and acquirers to developing and delivering solutions in LMICs over a set period of time, including post-exit. The Agreements cover a range of topics including:

- Ensuring product design is adapted to low resource environments
- Guaranteeing that pricing is affordable
- Creating a budget to support product development and market building efforts
- Establishing a Global Access Committee to oversee impact delivery

**Objectives**

- Positive, intentional impact for beneficiaries
- Impact linked performance rewards
- Contribution to the SDGs

### Climate engagement

We work with our investees to not only understand their carbon footprint but to take climate action. In 2022, we focused on the measurement and establishment of baselines for carbon emissions to ensure they could monitor, mitigate, and reduce their GHG emissions with integrity.

This is an area where we will seek continuous improvement in line with emerging regulatory standards and a shared objective to meet collective ambitions on tackling climate change.

### Impact Performance

**Objectives**

- Gathering evidence to confirm impact inputs, outputs, and outcomes
- Ratifying scale, reach, quality, and depth of impact measured against initial targets and objectives
- Validating impact creation and outcomes for target beneficiaries over investment period
- Assessing achievements versus strategy’s objectives
- Providing transparency and accountability by publishing impact and ESG results in the AXA IMpact Hub

**Promoting transparency and accountability with the AXA IMpact Hub**

The AXA IMpact Hub is a modular, tech-based solution that enables us to effectively manage and report on investment impact. The platform provides real-time analysis of investments’ environmental and social impacts, ESG results, and exposure to climate-related risks, affording the highest degree of transparency and accountability.

The platform equips clients to become stewards of their own investments by providing relevant information and reporting, including insights into the impact programme and mandate execution, qualitative and quantitative indicators, performance tracking, and data visualisation tools. Clients can see how the impact budget has been allocated by country, sector, or impact pillar, and make data-driven decisions by monitoring investment performance relative to KPIs over time.

Finally, the platform fosters collaboration and engagement among stakeholders, encouraging them to share best practices and insights.
Operating Principles for Impact Management

Our impact management system is aligned with the Operating Principles for Impact Management. AXA IM Alts is a founding signatory to the Principles and a Member of the Advisory Board.

Principle 1 ✓
Define strategic impact objective(s), consistent with the investment strategy

Our guiding impact thesis is to address the needs and aspirations of underserved people globally while protecting the natural environment in which communities are based and where they earn their livelihoods. We utilise alternative assets and a private market approach to access a large pool of diversified investment opportunities that aim to generate impact outcomes at scale. We have adopted the UN Sustainable Development Goals (SDGs) as an overarching guide to test the credibility, relevance, scale of impact, and contributions of our investments to the sustainable development needs of our people and planet. We use the SDGs to identify global needs and regions where our capital and other inputs are needed to deliver credible impact. We currently contribute directly to 13 of the 17 SDGs.

Principle 2 ✓
Manage strategic impact on a portfolio basis

We establish a clear pre-investment impact identity for each of our strategies, which is based on the established mission and objectives of the strategy. This impact identity guides portfolio construction, the selection of underlying investments for each strategy and the management of expected impact and financial performance at a portfolio level. Our Investment Committee monitors overall portfolio and strategy performance regularly at our quarterly review meetings, and as necessary throughout the year. Impact strategy teams are rewarded on the basis of impact and financial performance. At the corporate level, we incorporate ESG integration goals across all investment teams.

Principle 3 ✓
Establish the Manager’s contribution to the achievement of impact

The stage and impact focus of our strategy means that we are often one of the first institutional investors in a company. Our investments and work with these companies help demonstrate the commercial opportunity in impact-focused businesses, businesses in emerging economies, and businesses working to solve complex societal challenges. In addition to capital, we provide access to the knowledge and resources of the broader AXA IM and AXA Group to support investee development and the delivery of impact at scale.

Principle 4 ✓
Assess the expected impact of each investment, based on a systematic approach

All investments are assessed against their alignment with the impact objectives of a strategy. We have established an assessment framework that follows the Impact Management Project’s (IMP) Five Dimensions of Impact to determine expected impact. We also take account of the Global Impact Investing Network’s (GIIN) Navigating Impact Project and IRIS+ to confirm strategic goals, the expected contributions of each investment, the impact metrics, and key performance indicators relevant to different themes. Our objective is that each investment clearly states the impact metrics, key performance indicators (KPIs), and targets against which impact performance will be assessed.

Principle 5 ✓
Assess, address, monitor, and manage potential negative impacts of each investment

All investments must respect our Responsible Investment Policies and are assessed against best practice standards. ESG risks and relevant management resources are identified and reviewed quarterly. We take corrective actions to address any ESG concerns that have not been successfully managed. ESG Action Plans are established and progress reviewed where relevant.

Principle 6 ✓
Monitor the progress of each investment in achieving impact against expectations and respond appropriately

We document target financial and impact returns, qualitative and quantitative, of each investment in our Investment Committee memos and actively monitor the performance of our investees over the tenure of our investment. We are active stewards of our investments and use corporate governance tools such as board membership to monitor and influence impact performance.

Principle 7 ✓
Conduct exits considering the effect on sustained impact

Our key exit discipline is to invest in business models that are supported by and benefit from providing solutions to a defined underserved beneficiary group or environmental challenge over the long term; and where impact considerations will support the rationale for acquisition by a purchaser. Our preference is for responsible exits, where the acquirer supports the impact objectives. Ultimately, exits will be determined taking account of impact considerations, our strategy tenure, and our fiduciary responsibility to our clients.

Principle 8 ✓
Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

Impact performance is reviewed at investment, and strategy level. We establish impact targets for our investments to allow for a more structured evaluation of performance-reviewed impact targets. The insights from our review process inform the effectiveness and use of our Impact Investing capital and also the continued evolution of our Impact Investing strategy.

Principle 9 ✓
Publicly disclose alignment with the Principles and provide regular independent verification of the alignment.

Our disclosure statement is updated annually and verified periodically by Ernst & Young.
Aligning with additional industry standards and norms

We play an active role working with other leaders to establish best practice standards and norms around Impact Investing. These standards have different objectives, from ensuring the credibility of Impact Investing to agreeing common reporting standards for ease of comparability of impact strategies by clients.

Our impact investing practice aligns with the following standards, norms and practices in the industry:

**SUSTAINABLE DEVELOPMENT GOALS**

Impact Management Project

The IMP framework is an approach that has gained currency amongst impact investors as an industry consensus on how to measure, compare, manage and report on the impact contributions of investments.

We use the five dimensions of the Impact Management Project (IMP) (What, Who, How Much, Contribution and Risk) to assess potential investments and evaluate the impact performance of our investments.

AXA IM is a funder of and an advisor to the IMP.

**GIIN**

This initiative by the Global Impact Investing Network (GIIN) engages experts in each impact theme to build the key elements of an impact strategy and adopt common metrics and measurement practices towards impact goals. AXA IM is an active contributor to this initiative as a common goal that enhances the credibility of Impact Investing.

**IRIS+**

The GIIN-sponsored IRIS+ is a generally accepted system for measuring, managing and optimising impact with a particular focus on identifying key impacts. We use IRIS+ to source generally accepted metrics to track, compare and report.

**PRINCIPLES FOR RESPONSIBLE INVESTMENT**

Our impact process takes account of the SDGs as an overarching guide used to test the relevance of our mission and the contributions of our interventions to the sustainable development needs of our people and planet. We select Goals, Targets and Indicators that are particularly relevant to our impact mission, rather than addressing all 17 Goals in our strategy.

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