

SFDR PAI Statement

AXA Investment Managers Deutschland GmbH

[LEI: 2138008Q2ZUL58MR3R34]



Summary

AXA Investment Managers Deutschland GmbH [LEI: 2138008Q2ZUL58MR3R34] (hereafter “AXA IM Deutschland”) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of AXA IM Deutschland¹.

This 2024 statement on principal adverse impacts (PAIs) on sustainability factors covers the reference period from 1 January 2024 to 31 December 2024. The PAI comparison figures cover the reference periods from 1 January 2022 to 31 December 2022 and from 1 January 2023 to 31 December 2023.

The principle adverse impacts are described in the AXA IM Sustainable Finance Disclosure Statement (see Section II regarding AXA IM approach to consider adverse sustainability impacts, and Appendix 1 regarding consideration of PAIs at both entity and product levels) and measured below². More details are available on AXA IM website (see “SFDR entity disclosure”): [Sustainable Finance | AXA IM Corporate](#)

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

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

¹ As at end of 2024, AXA IM Deutschland managed c. €62.7bn of assets, and c. €62.5bn of assets as at end of 2023 and c. €57.9bn as at end of 2022. This only includes investment management services, including investment management by delegation (i.e., excluding advisory, execution and other accounting and/or administration services).

² Any reference to “AXA IM” under this report shall mean AXA Investment Managers SA and its subsidiaries.

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
Indicators applicable to investments in sovereigns and supranationals	
Environmental	15. GHG intensity
Social	16. Investee countries subject to social violations
Indicators applicable to investments in real estate assets	
Fossil fuels	17. Exposure to fossil fuels through real estate assets
Energy efficiency	18. Exposure to energy-inefficient real estate assets
Additional climate and other environment-related indicators	
Water, waste and material emissions	6. Water usage and recycling
Greenhouse gas emissions	18. GHG emissions
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters	
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies

Zusammenfassung

AXA Investment Managers Deutschland GmbH [LEI: 2138008Q2ZUL58MR3R34] (nachstehend "AXA IM Deutschland") berücksichtigt die wichtigsten nachteiligen Auswirkungen ihrer Anlageentscheidungen auf Nachhaltigkeitsfaktoren. Die vorliegende Erklärung ist die konsolidierte Erklärung zu den wichtigsten negativen Auswirkungen auf Nachhaltigkeitsfaktoren der AXA IM Deutschland³.

Diese Erklärung von 2024 zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren bezieht sich auf den Bezugszeitraum vom 1. Januar 2024 bis zum 31. Dezember 2024. Die für die Vorjahre gemeldeten PAIs decken die Bezugszeiträume vom 1. Januar 2022 bis 31. Dezember 2022 und vom 1. Januar 2023 bis 31. Dezember 2023 ab.

Die wichtigsten nachteiligen Auswirkungen werden in der Offenlegungserklärung von AXA IM zu nachhaltigen Finanzprodukten beschrieben (siehe Abschnitt II über den Ansatz von AXA IM zur Berücksichtigung negativer Nachhaltigkeitsauswirkungen und Anhang 1 über die Berücksichtigung von PAI sowohl auf Unternehmens- als auch auf Produktebene) und im Folgenden gemessen. Weitere Einzelheiten sind auf der Website von AXA IM zu finden: [Sustainable Finance | AXA IM Corporate](#)

Wie in dieser Erklärung beschrieben, betrachtet AXA IM Deutschland die folgenden PAI und legt sie offen:

ESG-Themenbereich	PAI-Indikator
Indikatoren für Investitionen in Unternehmen, in die investiert wird	
Treibhausgasemissionen	1. THG-Emissionen

³ Ende 2024 verwaltet AXA IM Deutschland ein Vermögen von ca. 62,7 Mrd. Euro, Ende 2023 von ca. 62,5 Mrd. Euro, und Ende 2022 von ca. 57,9 Mrd. Euro. Hierzu zählen nur Dienstleistungen im Bereich der Anlageverwaltung, einschließlich der Anlageverwaltung durch Delegation (d. h. ohne Beratungs-, Ausführungs- und andere Buchhaltungs- und/oder Verwaltungsdienstleistungen).

	2. CO2-Fußabdruck
	3. THG-Emissionsintensität der Unternehmen, in die investiert wird
	4. Engagement in Unternehmen, die im Bereich der fossilen Brennstoffe tätig sind
	5. Anteil des Energieverbrauchs und der Energieerzeugung aus nicht erneuerbaren Energiequellen
	6. Intensität des Energieverbrauchs nach klimaintensiven Sektoren
Biodiversität	7. Tätigkeiten, die sich nachteilig auf Gebiete mit schutzbedürftiger Biodiversität auswirken
Wasser	8. Emissionen in Wasser
Abfall	9. Anteil gefährlicher und radioaktiver Abfälle
Soziales und Beschäftigung	10. Verstöße gegen die UNGC-Grundsätze und gegen die Leitsätze der Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD) für multinationale Unternehmen
	11. Fehlende Prozesse und Compliance-Mechanismen zur Überwachung der Einhaltung der UNGC-Grundsätze und der OECD-Leitsätze für multinationale Unternehmen
	12. Unbereinigtes geschlechtsspezifisches Verdienstgefälle
	13. Geschlechtervielfalt in den Leitungs- und Kontrollorganen
	14. Engagement in umstrittenen Waffen (Antipersonenminen, Streumunition, chemische und biologische Waffen)
Indikatoren für Investitionen in Staaten und supranationale Organisationen	
Umwelt	15. THG-Emissionsintensität
Soziales	16. Länder, in die investiert wird, die gegen soziale Bestimmungen verstoßen
Indikatoren für Investitionen in Immobilienwerte	
Fossile Brennstoffe	17. Engagement in fossilen Brennstoffen durch die Investition in Immobilien
Energieeffizienz	18. Engagement in Immobilien mit schlechter Energieeffizienz
Zusätzliche Klimaindikatoren und andere umweltbezogene Indikatoren	
Wasser, Abfall und Materialemissionen	6. Wasserverbrauch und Recycling
Treibhausgasemissionen	18. THG-Emissionen
Zusätzliche Indikatoren für die Bereiche Soziales und Beschäftigung, Achtung der Menschenrechte und Bekämpfung von Korruption und Bestechung	
Bekämpfung von Korruption und Bestechung	15. Fehlende Maßnahmen zur Bekämpfung von Korruption und Bestechung

Description of the principal adverse impacts on sustainability factors

Methodological approach⁴

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

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

For real estate assets specifically, indicators apply to all standing real estate assets owned during the full year of reporting (*i.e.*, excluding (i) irrelevant assets (parking, land, cellars, etc.), (ii) assets under development and (iii) assets managed by third-party asset managers).

Reported PAI indicators based on the current value of all investments	Reported PAI indicators based on eligible assets, excluding eligible assets with no available data ⁵
Mandatory PAIs 2, 4, 7, 8, 9, 10, 11, 14, 17 and 18, and additional social PAI 15	Mandatory PAIs 3, 5, 6, 12, 13 and 15, and additional environmental PAI 6

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

Data sources

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

⁴ In 2024, as for the 2023 PAI Statement, the methodological approach has been partially reviewed for some PAI compared to the one used as for the 2022 PAI Statement.

⁵ Mandatory PAIs 1 and 16 and additional environmental PAI 18 are not based neither on any of these two approaches as being PAIs in absolute values (also relative to the number of invested countries as for the mandatory PAI 16), *i.e.*, having no denominator in their formula.

Governance validation process

This statement has been reviewed and validated under AXA IM RI Governance process⁶, and validated by AXA IM Management Board and shared with the Executive Management of AXA IM Deutschland in June 2024. AXA IM RI Governance structure, as being the top-level ESG-related governance structure within AXA IM, is embedded within AXA IM Deutschland's strategy and local governance and applicable for all AXA IM Deutschland's in-scope business for this statement.

PAIs from 2022 to 2024

Indicators applicable to investments in investee companies ⁷							
Adverse sustainability indicator	Metric	Impact [2024] ⁸	Impact [2023] ⁹	Impact [2022] ¹⁰	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Climate and other environment-related indicators							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions (tCO ₂ eq)	521 356	587 610	687 205	<u>Data coverage (based on all investments in investee companies)¹¹</u> : 77% <u>Data coverage (based on all investments)¹²</u> : 34%	AXA IM is committed to achieving net zero emissions across our portfolios by 2050 or sooner, as well as playing a key role in helping our clients better understand climate change and how it may impact their portfolios and supporting them in adapting their investment decisions accordingly. AXA IM published its first Net Zero target in October 2021, as part of the first NZAMi progress report, committing to apply net zero approaches on 15% of its AUMs. This target was subsequently revised in April 2022, to cover 68% of the total AXA IM AuM as at end of 2024. Accordingly, we have developed a net zero framework on applied to traditional asset classes and real estate assets
		Scope 2 GHG emissions (tCO ₂ eq)	162 317	188 321	202 451	<u>Data coverage (based on all investments in investee companies)</u> : 77% <u>Data coverage (based on all investments)</u> : 34%	
		Scope 3 GHG emissions (tCO ₂ eq)	6 094 286	5 940 816	6 534 497	<u>Data coverage (based on all investments in investee companies)</u> : 74% <u>Data coverage (based on all investments)</u> : 32%	
		Total GHG emissions (tCO ₂ eq)	6 760 724	6 675 068	7 380 054	<u>Data coverage (based on all investments in investee companies)</u> : 74%	

⁶ AXA IM RI Governance structure is detailed in AXA IM SFDR entity disclosure (see section I.3. "Governance & internal controls"), available on AXA IM website: [Sustainable Finance | AXA IM Corporate](#)

⁷ Please note that these indicators only apply to corporate assets, representing 45% (c. €28bn) of the AuM managed by AXA IM Deutschland as at end of 2024 (41% from AXA IM Core (listed equity & fixed income), 5% from AXA IM Alts (alternative credit, natural capital & impact)), 45% (c. €28bn) as at end of 2023 (41% from AXA IM Core, 4% from AXA IM Ats) and 48% (€27.7bn) as at end of 2022 (43% from AXA IM Core, 5% from AXA IM Alts).

⁸ Average of impacts taken as at 31 March, 30 June, 30 September and 31 December 2024.

⁹ Average of impacts taken as at 31 March, 30 June, 30 September and 31 December 2023.

¹⁰ Impacts as at 31 December 2022. For reporting on calendar year 2022, AXA IM Deutschland is not in position to report average of impacts for 31 March, 30 June, 30 September, and 31 December 2022.

¹¹ The data coverage on eligible assets disclosed in this report reflects the proportion of eligible assets for which data is available and provided in this report as for 2023 impacts, as an average taken as at 31 March, 30 June, 30 September and 31 December 2023. Eligible assets refer to all investments in the relevant asset class (*i.e.*, total investee companies, or total sovereign and supranational assets, or total real estate assets, depending on the PAI). This applies to all disclosed PAIs.

¹² The data coverage on total investments disclosed in this report reflects the proportion of total AuM managed by AXA Investment Managers Paris for which data is available and provided in this report as for 2024 impacts, as an average taken as at 31 March, 30 June, 30 September and 31 December 2024. Therefore, this data coverage is not supposed to reach 100% in the mid nor long term. This applies to all disclosed PAIs.

						<p>Data coverage (based on all investments): 32%</p> <p>The reported coverage accounts for assets reporting on both Scope 1 + 2 + 3 separately (not only on any of the 3 scopes).</p>	<p>which follows industry standards considering internal and external information to determine the net zero profile of companies.</p>
	2. Carbon footprint	Carbon footprint (tCO ₂ eq/€M invested)	108	111	128	<p>Data coverage (based on all investments in investee companies): 74%</p> <p>Data coverage (based on all investments): 32%</p> <p>Reported impacts should be viewed in the context of a comprehensive coverage of Scope 3 emissions (both on upstream and on downstream GHG emissions, and across all Scope 3 categories), as reported on PAI1.</p>	<p>Overall, for all traditional asset classes, AXA IM monitors on an annual basis at minimum the GHG emissions of its worldwide holdings, as well as a selection of other climate-related indicators depending on the asset class.</p>
	3. GHG intensity of investee companies	GHG intensity of investee companies (tCO ₂ eq/€M of investee companies' revenue)	1 038	1 159	1 223	<p>Data coverage (based on all investments in investee companies): 74%</p> <p>Data coverage (based on all investments): 32%</p> <p>Reported impacts should be viewed in the context of a comprehensive coverage of Scope 3 emissions (both on upstream and on downstream GHG emissions, and across all Scope 3 categories), as reported on PAI1.</p>	<p>Over the years, we also have implemented:</p> <ul style="list-style-type: none"> - exclusion criteria on the energy sector as part of our Climate Risks policy; - specific engagement on climate transition; - specific low-carbon, carbon transition and carbon offset strategies at fund-level.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector (%)	2.10	2.21	2.44	<p>Data coverage (based on all investments in investee companies): 78%</p> <p>Data coverage (based on all investments): 34%</p>	<p>For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see "SFDR entity disclosure"): Sustainable Finance AXA IM Corporate</p>
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources (%)	53.09	59.49	64.44	<p>Data coverage (based on all investments in investee companies): 71%</p> <p>Data coverage (based on all investments): 31%</p>	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (GWh/€M)	A: 0.19 B: 0.87 C: 0.58	A: 0.35 B: 0.80 C: 0.47	A: 0.10 B: 1.03 C: 0.62	<p>Data coverage (based on all investments in investee companies)¹³:</p> <ul style="list-style-type: none"> - Sector A: 0.2% - Sector B: 0.2% - Sector C: 16% 	

¹³ Reported data coverage for each sector are based of the total investments in investee companies from all invested sectors (and not for each sector).

			D: 2.36 E: 0.84 F: 0.47 G: 0.14 H: 1.18 L: 0.19	D: 3.85 E: 1.43 F: 0.23 G: 0.17 H: 0.93 L: 0.18	D: 4.34 E: 1.84 F: 0.26 G: 0.15 H: 0.97 L: 0.16	- Sector D: 2% - Sector E: 1% - Sector F: 1% - Sector G: 3% - Sector H: 1% - Sector L: 2% Data coverage (based on all investments): 11% (cross-sectoral)	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas (%)	7.53	2.75	1.08	Data coverage (based on all investments in investee companies): 53% Data coverage (based on all investments): 23% Reported impacts are still pending methodological harmonization across third-party data providers as current methodologies to account for PAI7 vary depending on the providers. Therefore, and as our coverage on this PAI is currently very low, reported impacts on PAI7 should be regarded cautiously.	AXA IM have strengthened its strategy to better integrate the challenges relating to biodiversity protection in our investment process, fundamental research and our engagement strategy. We now report on our biodiversity footprint which represents an aggregation of various PAI, i.e., the pressures on ecosystems generated by human activities, among them: water and air pollution; land artificialization, exploitation and pollution; and climate change.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average (t/€M)	0.004	0.005	0.006	Data coverage (based on all investments in investee companies): 17% Data coverage (based on all investments): 7% Reported impacts are still pending methodological harmonization across third-party data providers as current methodologies to account for PAI8 vary depending on the providers.	In the past years, we also have implemented: - exclusion criteria on sector related to deforestation as part of our Ecosystem protection & Deforestation policy; - specific engagement on biodiversity; - specific biodiversity, plastic & waste transition at fund-level.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average (t/€M)	1.39	1.25	0.81	Data coverage (based on all investments in investee companies): 38% Data coverage (based on all investments): 17% Reported impacts are still pending methodological harmonization across third-party data providers as current methodologies to account for PAI9 vary depending on the providers.	For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see "SFDR entity disclosure"): Sustainable Finance AXA IM Corporate
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Social and employee matters	10. Violations of United Nations Global Compact (UNGC) principles and Organisation for	Share of investments in investee companies that have been involved in violations of the UNGC principles	0.04	0.07	0.02	Data coverage (based on all investments in investee companies): 100% Data coverage (based on all investments): 44%	

	Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	or OECD Guidelines for Multinational Enterprises (%)				Reported data are based on data provided by Sustainalytics as for companies assessed as being “non-compliant” with the UNGC, OECD guidelines for MNE, ILO Conventions or UNGP for Business and Human Rights, completed by internal AXA IM assessment which applies to all AXA IM Deutschland assets: as part for AXA IM ESG Standards policy, AXA IM may override Sustainalytics’ assessment regarding violations of international norms and standards, based on a qualitative analysis.	As part of our ESG Standards policy ¹⁴ , since 2021, we avoid investing in companies which cause, contribute or are linked to violations of international norms and standards in a material manner, focusing in particular on UN’s Global Compact Principles, International Labor Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).
	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (%)	8.76	9.64	10.52	<u>Data coverage (based on all investments in investee companies):</u> 76% <u>Data coverage (based on all investments):</u> 33%	For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): Sustainable Finance AXA IM Corporate
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies (average gross hourly earnings between women and men expressed as men to women pay ratio)	14.78	15.10	15.07	<u>Data coverage (based on all investments in investee companies):</u> 68% <u>Data coverage (based on all investments):</u> 29%	AXA IM has included gender diversity criteria in its voting policy since 2020. In line with the French Rixain Law, we have committed to improving the representation of women among those making investment decisions.
	13. Board gender diversity	Average ratio of female board members in investee companies, expressed as a percentage of all board members (%)	38.07	37.69	36.82	<u>Data coverage (based on all investments in investee companies):</u> 72% <u>Data coverage (based on all investments):</u> 31%	As part of our engagement strategy, since 2021, we deploy a systemic voting criterion linked with board gender diversity: a 33% diversity target for OECD countries, and with targeted companies in emerging markets on gender diversity issues. For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see “SFDR entity disclosure”): Sustainable Finance AXA IM Corporate

¹⁴ AXA IM ESG Standards policy apply to i) all AXA IM ESG and Responsible Investment (RI) open-ended funds, which include all funds classified as Art.8 or Art.9 under SFDR and ii) on an opt-in basis, any other dedicated fund and mandate under AXA IM management.

	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons (%)	0.00	0.00	0.00	<p>Data coverage (based on all investments in investee companies): 100%</p> <p>Data coverage (based on all investments): 43%</p> <p>Reported data and coverage are not based on data provided by third parties but rather on the implementation of AXA IM Controversial weapons policy which applies to all AXA IM Deutschland assets.</p>	<p>As part of our Controversial weapons policy, we avoid investing in controversial weapons regulated by international conventions, i.e., anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons.</p> <p>For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see "SFDR entity disclosure"): Sustainable Finance AXA IM Corporate</p>
Indicators applicable to investments in sovereigns and supranationals¹⁵							
Adverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity ¹⁶	GHG intensity of investee countries (tCO ₂ e/€M)	401	425	448	<p>Data coverage (based on all investments in sovereigns and supranationals): 54%</p> <p>Data coverage (based on all investments): 19%</p> <p>Both territorial and imports emissions are included.</p>	<p>AXA IM has defined a specific climate target for sovereign assets, following the Net Zero Investment Framework (NZIF) target setting guidance and the guidance by UN-led ASCOR project, which consists in beating our main global benchmark on the GermanWatch's Climate Change Performance Index (CCPI) weighted average score.</p> <p>Involvement with policymakers and industry groups is also a key part of our active ownership and stewardship strategy.</p> <p>For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see "SFDR entity disclosure"): Sustainable Finance AXA IM Corporate</p>

¹⁵ Please note that these indicators only apply to sovereign and supranationals assets, representing 37% (c. €23bn) of the AuM managed by AXA IM Deutschland as at end of 2024, 36% (c. €22.4bn) as at end of 2023 and 36% (c. €21bn) as at end of 2022. Subnational assets (*i.e.*, regional, municipal and other local authorities' bonds) and other assimilated sovereign assets such as public-owned companies are accounted in reported indicators applicable to investments in investee companies.

¹⁶ Investee countries' GHG intensity is computed based on countries' growth domestic product (GDP) and not purchasing power parities (PPP) adjusted GDP.

Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, UN principles and, where applicable, national law	0 country; 0.00% of all investee countries	1 country; 0.82% of all investee countries	1 country; 0.84% of all investee countries	<u>Data coverage (based on all investments in sovereigns and supranationals):</u> 54% <u>Data coverage (based on all investments):</u> 19%	<p>As part of our ESG standards policy, we avoid investing in countries with severe human rights violations.</p> <p>For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see "SFDR entity disclosure"): Sustainable Finance AXA IM Corporate</p>
Indicators applicable to investments in real estate assets¹⁷							
Adverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels (%)	0.00	0.00	0.00	<u>Data coverage (based on all investments in real estate assets):</u> 91% <u>Data coverage (based on all investments):</u> 91%	Same as PAI 1 to 6
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets (%)	39.23	28.09	37.52	<u>Data coverage (based on all investments in real estate assets):</u> 90% <u>Data coverage (based on all investments):</u> 68%	
Other indicators for principal adverse impacts on sustainability factors							
Additional climate and other environment-related indicators							
Adverse sustainability indicator		Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Water, waste and material emissions	6. Water usage and recycling ¹⁸	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies (m ³ /€M)	3 650	5 585	5 367	<u>Data coverage (based on all investments in investee companies):</u> 67% <u>Data coverage (based on all investments):</u> 29%	Water consumption & stress is a key pillar of the ESG scoring methodology used for traditional asset classes.

¹⁷ Please note that these indicators only apply to real estate assets, representing 14% (c. €9bn) of the AuM managed by AXA IM Deutschland as at end of 2024, 16% (c. €10.1bn) as at end of 2023 and 16% (c. €9bn) as at end of 2022.

¹⁸ Please note that this indicator only apply to listed corporate assets, representing 45% (c. €28bn) of the AuM managed by AXA IM Deutschland as at end of 2024 (41% from AXA IM Core (listed equity & fixed income), 5% from AXA IM Alts (alternative credit, natural capital & impact)), 45% (c. €28bn) as at end of 2023 (41% from AXA IM Core, 4% from AXA IM Alts) and 48% (€27.7bn) as at end of 2022 (43% from AXA IM Core, 5% from AXA IM Alts).

Greenhouse gas emissions	18. GHG emissions (kgCO ₂ eq) ¹⁹	Scope 1 GHG emissions generated by real estate assets (tCO ₂ eq)	2 246	2 361	1 553	<p>Data coverage (based on all investments in real estate assets): 22%</p> <p>Data coverage (based on all investments): 22%</p> <p>Scope 1 emissions are actual data based on real energy consumption data directly collected for our direct property portfolios.</p>	Same as PAI 1 to 6
		Scope 2 GHG emissions generated by real estate assets (tCO ₂ eq)	15 626	17 195	14 372	<p>Data coverage (based on all investments in real estate assets): 65%</p> <p>Data coverage (based on all investments): 65%</p> <p>Scope 2 emissions are actual data based on real energy consumption data directly collected for our direct property portfolios.</p>	
		Scope 3 GHG emissions generated by real estate assets (tCO ₂ eq)	15 208	16 073	15 460	<p>Data coverage (based on all investments in real estate assets): 28%</p> <p>Data coverage (based on all investments): 28%</p> <p>Scope 3 emissions are actual data based on real energy consumption data directly collected for our direct property portfolios.</p>	
		Total GHG emissions generated by real estate assets (tCO ₂ eq)	33 080	35 629	31 386	<p>Data coverage (based on all investments in real estate assets): 78%</p> <p>Data coverage (based on all investments): 78%</p> <p>Scope 1 and 2 are capturing emissions attributable to the landlord of each asset (i.e., common area of the building), while scope 3 captures emissions attributable to the tenants. Contrary to PAI 1 which accounts for assets reporting on both Scope 1 + 2 + 3 separately, the reported coverages account for assets reporting on any of the 3 scopes.</p>	
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Adverse sustainability indicator	Metric	Impact [2024]	Impact [2023]	Impact [2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	

¹⁹ Please note that these indicators only apply to real estate assets, representing 14% (c. €9bn) of the total AuM managed by AXA IM Deutschland as at end of 2024, 16% (c. €10.1bn) as at end of 2023 and 16% (c. €9bn) as at end of 2022.

Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies ²⁰	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the UN Convention against Corruption (%)	3.11	2.60	2.67	<u>Data coverage (based on all investments in investee companies):</u> 65% <u>Data coverage (based on all investments):</u> 28%	As part of our ESG Standards policy, we avoid investing in companies involved in incidents and events that pose a severe business or reputation risk to a company due to the impact on stakeholders or the environment, which can include corruption and bribery. For more details, see Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website (see "SFDR entity disclosure"): Sustainable Finance AXA IM Corporate
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Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Policies related to actions taken, and actions planned and targets set for the next reference period, and described in Appendix 1 of AXA IM Sustainable Finance Disclosure Statement related to consideration of PAI at both entity and product levels, have been approved the relevant governing bodies in a continuous manner in the previous years under AXA IM RI Governance process, and – where relevant – shared or validated by AXA IM Management Board and shared with and acknowledged by the Executive Management of AXA IM Deutschland in June 2024. The relevant governing bodies are described in sub-section "Governance & committees" of section I regarding AXA IM approach to integrate sustainability risks.

Methodologies and data sources to select, identify, and assess the PAI are mentioned in sub-section 1. "Identification and prioritization of PAI" of Section II of AXA IM Sustainable Finance Disclosure Statement. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website: [Sustainable Finance | AXA IM Corporate](#)

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

Engagement & voting policies

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

²⁰ Please note that this indicator only apply to listed corporate assets, representing 45% (c. €28bn) of the AuM managed by AXA IM Deutschland as at end of 2024 (41% from AXA IM Core (listed equity & fixed income), 4% from AXA IM Alts (alternative credit, natural capital & impact)), 45% (c. €28bn) as at end of 2023 (41% from AXA IM Core, 4% from AXA IM Alts) and 48% (€27.7bn) as at end of 2022 (43% from AXA IM Core, 5% from AXA IM Alts).

- For traditional asset classes (listed equity and fixed income), we use direct dialogues with representatives from different levels to challenge investee companies on their strategy and performance, which includes non-financial performance and Environmental, Social and Governance (ESG) policies. The engagement process is guided by clear and meaningful objectives communicated beforehand to the management, which are used to measure and evaluate progress at regularly organized meetings. When progress has not been made within the defined timeline, we vote with conviction or apply other escalation techniques;
- For direct real estate assets, on the real estate equity side, we engage directly with tenants, with the aim of increasing their awareness of ESG issues and understand their current and future ESG-related needs, and we also encourage our tenants to share utility data information used to identify inefficiencies in the building and monitor impact of deployed actions; on the commercial real estate (CRE) debt side, we sought to actively improve the level of data visibility on underlying assets to better inform our view of environmental risks. Historically, access to such data in private or secondary CRE markets has been poor, which has hampered visibility of the efficiency or underlying ESG performance of assets and our ability to deploy specific engagement approaches with our CRE counterparties;
- For alternative credit assets, on the direct investment side (leverage loans and private debt), teams engage with companies, sponsors, and banks with respect to deal analysis and ongoing credit monitoring on a regular basis through an ESG questionnaire completed during the syndication period. On the secured finance side, we aim to leverage our size as one of the largest European investors in collateralized loan obligations (CLOs) to promote responsible investment practices, directing CLO managers towards higher standards in terms of ESG, both in their day-to-day corporate management as well as in their investment philosophy, and only investing with CLO managers that respect minimal ESG guidelines (i.e., as being signatory of a responsible investment international standard like UN PRI, having a carbon footprint reduction plan, an inclusion program and exclusion policies).

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

AXA IM's [Engagement Policy](#) describes in more detail our engagement process with regards to individual holdings and collaborative initiatives. The results of our 2024 engagement and voting activities are detailed in our [2024 Stewardship report](#).

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

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

1. Selection of priorities: We engage companies across our ESG thematic in a constructive manner with identified and achievable goals. We challenge companies on their strategy and risks, financial and non-financial performance, and their commitments to strong environmental, social, and governance philosophies;
2. Engagement priorities: sustainability dialogue (dialogue conducted with investee companies around their sustainability practices) is key in establishing and developing a constructive relationship with the company, as well as gaining insights its policies and practices. In the case of engagement with objectives, which seek to influence change at investee companies, we define targeted objectives related to the key ESG with clear targets, and the timeframe we consider appropriate to see progress depending on the nature of the objectives. This engagement policy, combined with our Corporate Governance and Voting policy, allows AXA IM to consider adverse impacts;

3. Governance of the engagement process: For engagement with objectives, we share these objectives with investee companies at the outset of the engagement, and systematically track and record the progress of engagement as described below. While our belief is that long-running confidential and constructive discussions based on trust is often the most effective way to create change over time, we also value transparency and may communicate externally on our engagement activities in selected cases.
4. Tracking, escalation and conclusion of the engagement: Each and every time an interaction with a company is logged, an engagement report is uploaded and made visible to all AXA IM investment platforms. Escalation of the discussion through other means and/or at other levels of the hierarchy are options we can utilise in order to progress on our engagement asks. An escalation strategy is therefore determined for every engagement activity.

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

- On the Environmental side, our engagement with investee companies on their climate transition plans is an important tool for addressing **PAIs 1 to 6**. These PAIs are further addressed to our Three Strikes and You're Out policy which was launched in 2022 to put pressure on companies that lack a credible Net-Zero strategy or quantified emission reduction targets. We furthermore address **PAIs 7 to 9** through engagements shaped by our biodiversity footprint tool program developed in cooperation with Iceberg Data Lab (IDL), as well as through our specific engagement programs targeted at deforestation and pollution. Lastly, **additional environmental PAI 6** is not part of our engagement strategy, as it is mainly satisfied through our exclusion policy (water consumption & stress being a key pillar of the ESG scoring methodology used for traditional asset classes, and low ESG scores are excluded under AXA IM ESG Standards policy);
- On the Social side, engagement can be triggered reactively after indications of an investee company committing severe controversies and violations of international norms and standards such as the OECD Guidelines for MNE, or UNGC. This allows us to address **PAIs 10 to 12**. We furthermore address **PAI 13** through our co-creation of the 30% Club France Investor Group, which we use to call French companies on promoting gender diversity at the senior level in cooperation with other asset managers. **PAI 14** is not part of our engagement exercise as investing in controversial weapons is already avoided through our exclusion policy (AXA IM Controversial weapons policy);
- On the Governmental side, we address the **additional social PAI 15** by engaging with companies facing severe controversies regarding corruption and bribery, and may divest when necessary.

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

With regards to our direct real estate assets, we address **PAIs 17 and 18 and additional environmental PAI 18** by integrating ESG criteria into our assets strategy, assessing the energy use of the building and its carbon performance since the investment process, as well as monitoring their performance during ownership, with the aim to minimise them through active management and engagement.

More details on our engagement policy are available in sub-section 3 "Engagement policy" on Section II regarding AXA IM approach to consider adverse sustainability impacts of AXA IM Sustainable Finance Disclosure Statement. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website: [Sustainable Finance | AXA IM Corporate](#)

References to international standards

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

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

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

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

- As for the UN PRI, in [AXA IM 2023 PRI assessment report](#);
- As for the Japanese & UK Stewardship codes, in [AXA IM 2024 Stewardship report](#);
- As for the TCFD recommendations, in [AXA IM 2024 TCFD/Art.29 report](#).

Additionally, and with regards to the TCFD recommendations on climate risk management, AXA IM uses different **forward-looking climate metrics** to assess our investments at AXA IM or entity level. Firstly, since 2022, we use MSCI and Carbon Delta's Climate Value-at-Risk (CvaR) methodology for our investment portfolio's of corporate bonds, listed equity, and commercial real estate (CRE) debt to estimate how the value of these portfolios could be (positively or negatively) impacted by climate policy risks, technology transition opportunities, and extreme weather events, based on the Network for Greening the Financial System (NGFS)'s scenarios²¹. Since 2021, we also use the MSCI Implied Temperature Rise (ITR) metric to assess the alignment of our investment portfolios of corporate bonds and listed equities with global temperature targets. For sovereign assets, AXA IM measures the same indicator by leveraging the Climate Liabilities Assessment Integrated Methodology (CLAIM) model developed by Beyond Ratings. Lastly, for real assets, we use the same indicator, in addition to a model from Iceberg Data Lab (IDL) based on the Science-Based 2°C Alignment (SB2A) methodology, for estimating the temperature or infrastructure portfolios (equity and debt).

For funds for which we disclose an ESG report²², we disclose the ITR on an annual basis. With the exception of these funds, we do not employ forward-looking climate metrics at the product level.

²¹ The five NGFS scenarios used to assess the CvaR are: 'Net Zero 2050', 'Divergent Net Zero', 'Below 2°C', 'Delayed Transition', and 'NDC'.

²² All product-level ESG reports are available on AXA IM Fund Center: [AXA IM Fund Center - AXA IM DE \(axa-im.de\)](#)

Further information on our adherence to responsible business codes & internationally recognised standards in the dedicated sub-section on Section II regarding AXA IM approach to consider adverse sustainability impacts of AXA IM Sustainable Finance Disclosure Statement. AXA IM Sustainable Finance Disclosure Statement is available on AXA IM website: [Sustainable Finance | AXA IM Corporate](#)

Historical comparison

This year's statement marks the first historical comparison against the previous reported periods as requested by the SFDR (i.e., calendar year 2024 compared to calendar years 2022 and 2023 as for this year's statement).

As for mandatory PAIs applicable to investee companies:

- On climate- & energy-related PAIs (i.e., PAIs 1 to 6), we report a positive trend on PAIs 1 to 6 between 2022 and 2024, with:
- A decrease of -8% of AXA IM Deutschland's AuM absolute total GHG emissions (**PAI 1**) that is mainly driven by the sale of high emitting companies²³, and the purchase of low emitting companies including on Scope 3 emissions for which we observe an overall increase in reported figures over the past two years (due to move comprehensive reporting by companies themselves), and an increase in data coverage on eligible assets between 2023 and 2024 (+4% of coverage on Scope 1 and 2 emissions, +6% on Scope 3 emissions);
 - Our carbon footprint (**PAI 2**) benefits from the factors mentioned above as well as an overall increase in AuM leading to an -15% decrease, going from 128 to 108 tCO₂eq/€M invested in two years;
- The average GHG intensity of investee companies (**PAI 3**) decreased by -15%, from 1 223 to 1 038 tCO₂eq/€M of investee companies' revenues between 2022 and 2024, which is both due to the abovementioned factors and market effects (revenues – the denominator – have increased in 2023 due to inflation, thus having a decreasing effect on the carbon intensity of investee companies);
 - AXA IM Deutschland's relative exposure to fossil fuels (**PAI 4**) also decreased from 2.44% to 2.10% of total AuM, and the share of investments with non-renewable energy sourcing (**PAI 5**) also decreased from c. 64.4% to c. 53.1%;
 - Lastly, the trend on the **PAI 6** varies depending on the sector, with a positive trend measured on all sectors except on the Agriculture, forestry and fishing, Construction, Transportation and storage, and Real estate sectors;
- On the biodiversity-related PAI (i.e., **PAI 7**): following significant evolutions in our data providers methodology (S&P Trucost and Findox) and a significant data coverage increase in 2024, we report a relative exposure to activities negatively affecting biodiversity-sensitive areas increasing significantly from c. 1.1% of total AuM in 2022 to c. 2.8% in 2023 and then to 7.5% in 2024, but with very limited comparability as a result. The significant increase in the data coverage (in particular from S&P Trucost) is a particularly central

²³ In 2024 in particular, such effect could also be the result of i) the implementation of the ESMA fund-naming guidelines, under which funds using sustainability, ESG, transition, or impact-related terms in their name shall apply Paris-Aligned Benchmarks (PAB) or Carbon Transition Benchmarks (CTB) exclusions depending on the specific term used (noting PAB exclusions are particularly strict on fossil fuel activities) and ii) the revision of the Towards Sustainability (TS) and ISR label guidelines, implemented in July 2024 and December 2024 respectively which also now include stricter exclusion criteria on fossil fuel activities. More information on these exclusion criteria can be found on AXA IM annual TCFD/Art29 report, available on AXA IM website: [Our Sustainability policies, methodologies & reports | AXA IM Corporate](#)

factor here, since it has gone from 3% of eligible assets in 2022 to 53% in 2024. We will continue to engage with policy-makers, data providers and corporates to support enhance usability and comparability of this metric;

- On the water-related PAI (i.e., **PAI 8**): we report an emissions to water ratio decreasing from c. 0.006 t/€M invested in 2022 to c. 0.004 in 2024 (coverage on eligible assets remaining similar, at 17% of eligible assets in 2024 compared to 15% in 2023). These emissions remain very low but have to be nuanced by the low data coverage;
- On the waste-related PAI (i.e., **PAI 9**): we report an impact increasing from c. 0.81 t/€M invested in 2022 to c. 1.38 in 2024 (coverage on eligible assets remaining similar, at 38% of eligible assets in 2024 compared to 33% in 2023), mainly due to changes in ownership on some industrial sectors in the past two years;
- On the social- & human and labour rights-related PAIs (i.e., PAIs 10 to 14):
 - We report a slight increase on the **PAI 10**, going from 0.02% of total AuM in 2022 to 0.04% in 2024 of exposure to investee involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Such investments are part of dedicated products for which our client has diverging views on these violations. In spite of this increase, our exposure to such companies remains very low overall;
 - As for our exposure to investee companies without policies to monitor compliance with these international conventions (**PAI 11**), we report a decrease of our exposure from c. 10.5% of total AuM in 2022 to c. 8.8% in 2024;
 - On gender diversity-related PAIs, we report a slight decrease of percentage of average gender pay gap in our investee companies (**PAI 12**) from c. 15.1% in 2022 to c. 14.8% in 2024, and a slight increase of the average ratio of female board members in our investee companies (**PAI 13**), going from 36.8% in 2022 to 38.1% in 2024 (a +3% relative increase compared to 2022);
 - Lastly, AXA IM Deutschland's exposure to investee companies involved in controversial weapons (**PAI 14**) was still null in 2024, like in 2022 and 2023, thanks to the implementation of AXA IM Controversial weapons exclusion policy.

As for the mandatory PAIs applicable to sovereigns & supranationals (i.e., PAIs 15 and 16): we report a decrease of -10% of the GHG intensity of our investee countries (**PAI 15**) in 2024 compared to 2022, going from 448 tCO₂e/€M invested in 2022 to 401 in 2024, and a decreased exposure from 1 to 0 country subject to social violations (**PAI 16**) on average in 2024 versus 2022 (i.e., from c. 0.8% of total number of investee countries in both 2022 and 2023 to 0% in 2024).

As for the mandatory PAIs applicable to real estate assets (i.e., PAIs 17 and 18): between 2022 and 2024, no investment has been made in fossil fuel exposed assets (**PAI 17**), with a stable ratio of 0% exposure, and the share of investments in energy inefficient assets (**PAI 18**) has slightly increased from 37.52% in 2022 to 39.24% in 2024 due to the introduction of a new reporting rule. Historically, the AXA IM reporting solution incorporated monthly flows from its ESG Data platform reflecting latest available data as at end of 2024 with every data overwrite conducted in the ESG Data platform captured in the AXA IM reporting solution. As of this reporting year, we have applied a new reporting rule, whereby the AXA IM reporting solution still receives monthly files from the ESG Data platform but keeps the historical data as long as they are valid, hence ensuring a consistent historical record. Consequently, the percentage share of investments in energy inefficient assets does not reflect the application of the BVI methodology to the German commercial real estate portfolio which was introduced, nor does it incorporate the quality review and improvement actions undertaken throughout 2024. A review of this reporting rule and process is planned towards the next reporting cycle. AXA IM is

committed to improving the energy and carbon performance of assets managed, using detailed recommendations of energy audits to identify and prioritise key reduction levers and by implementing energy and carbon reduction and optimisation actions on real estate portfolios.

As for the additional environmental PAIs disclosed:

- On water usage and recycling (**additional environmental PAI 6**): we report a slight increase of the average amount of water consumed by our investee companies compared from 5 367 m³/€M of investee companies' revenues to 3 650 in 2024, and with a steady data coverage;
- On GHG emissions for real estate assets (**additional environmental PAI 18**): the total GHG emissions have increased by 7% between 2022 and 2023, in particular due to a significant improvement in scope 1 (+14%) and scope 2 (+20%) data coverage in the past two years.
- Lastly, as for the additional social PAI disclosed (i.e., **additional social PAI 15**): we report an increase of the share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption, going from c. 2.7% of total AuM in 2022 to c 3.1% in 2024, which is due to an increase in data coverage for this metric.

IMPORTANT NOTICE

Reporting on certain PAI indicators may be limited, notably in terms of coverage across the asset classes we manage or may reflect reporting periods prior to 2022, 2023 or 2024 due to lack of data availability for 2022, 2023 or 2024. Not all companies and counterparties currently report on all sustainability factors and the report relies on the data available at the moment, disclosed on an annual basis, which might be sourced through third party data providers. Therefore, the data contained herein may prove to be incorrect or incomplete and possible data discrepancies may occur (in particular regarding data provided by third parties). AXA IM Deutschland may change its third-party data provider at any time and at its own discretion, which may also result in changes in relation to the data and or methodologies used for the same instruments or investments in future reports.

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

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

Climate or sustainability-related metrics and underlying emissions data are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used to determine them. There is a limited availability of relevant data: such data is not yet systematically disclosed by issuers, or, when disclosed by issuers or collected from third-party data providers, it may be incorrect, incomplete or follow various reporting methodologies. The data sources and methodologies are expected to evolve and improve over time and may materially impact targets and the achievement of targets.

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

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

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