

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

**Until 21 May 2025, the following name applies:**

AXA WORLD FUNDS ACT Multi Asset Optimal Impact The "Financial Product")

**As from 21 May 2025, the following name applies:**

AXA World Funds Multi Asset People & Planet (The "Financial Product")

**Legal entity identifier:** 213800JXTZ2GEXH1UT05

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?



YES



NO

- It will make a minimum of **sustainable investments with an environmental objective: 15%**
  - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.
- It will make a minimum of **sustainable investments with a social objective: 15%**
- It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_ % of sustainable investments.
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective
- It promotes E/S characteristics, but **will not make any sustainable investments**



## What is the sustainable investment objective of this financial product?

The Financial Product seeks a sustainable investment objective to advance the United Nations Sustainable Development Goals (SDGs) by investing into companies whose business models and/or operational practices are aligned with targets defined by one or more SDGs and by investing across a broad range of asset classes in securities demonstrating a positive social and environmental impact.

The Financial Product intends to invest in instruments qualifying as sustainable investments by assessing the positive contribution of investee companies through at least one of the following dimensions:

**1. UN Sustainable Development Goals alignment (SDG)** of investee companies as reference framework, considering companies which contribute positively to at least one SDG either through the Products and Services they offer or the way they carry their activities ("Operations"). To be considered as a sustainable asset, a company must satisfy the following criteria:

- a. the SDG scoring related to the "products and services" offered by the issuer is equal or above 2, corresponding to at least 20% of their revenues being derived from a sustainable activity, or
- b. using a best in universe approach consisting of giving priority to the issuers best rated from a non-financial viewpoint irrespective of their sector of activity, the SDG scoring of the issuer's operations is on the better top 2.5%, except in consideration to the SDG-5 (gender equality), SDG 8 (decent work), SDG 10 (reduced inequalities), SDG 12 (Responsible Production and Consumption) and SDG 16 (peace & justice), for which the SDG scoring of the issuer's Operation is on the better top 5%. For SDG 5, 8, 10 and 16 the selectivity criteria on issuer's "Operations" is less restrictive as such SDGs are better addressed considering the way the issuer carries their activities than the Products and Services offered by the investee company. It is also less restrictive for SDG 12 which can be addressed through the Products & Services or the way the investee company carries their activities.

The quantitative SDG results are sourced from external data providers and can be overridden by a duly supported qualitative analysis performed by the Investment Manager. The assessment is done at entity level and an investee company that satisfies the contribution to UN SDG criteria outlined above is considered as sustainable.

**2. Integration of issuers engaged in a solid Transition Pathway** consistently with the European Commission's ambition to help fund the transition to a 1.5°C world - based on the framework developed by the Science Based Targets Initiative, considering companies which have validated Science-Based targets.

**3. Investments in Green, Social or Sustainability Bonds (GSSB), Sustainability Linked Bonds:**

a. GSSB are instruments which aim to contribute to various sustainable objectives by nature. As such, investments in bonds issued by corporates and sovereigns that have been identified as green bonds, social bonds or sustainability bonds in Bloomberg data base are considered as "sustainable investments" under AXA IM's SFDR framework.

b. With regards to Sustainability Linked Bonds, an internal framework was developed to assess the robustness of those bonds that are used to finance general sustainable purpose. As these instruments are newer leading to heterogeneous practices from issuers, only Sustainability Linked Bonds that get a positive or neutral opinion from AXA IM's internal analysis process are considered as "sustainable investments". This analysis framework draws on the International Capital Market Association (ICMA) guidelines with a stringent proprietary approach based on the following defined criteria: (i) issuer's sustainability strategy and key performance indicators relevance and materiality, (ii) Sustainability performance target's ambition, (iii) bond characteristics and (iv) sustainability performance target's monitoring & reporting.

Investments in Green, Social or Sustainability Bonds (GSSB), Sustainability Linked Bonds comply with AXA IM GSS Bond Framework. We have designed our framework to be compliant with Green Bonds Principles and Social Bond Principles, adding more stringent criteria on some aspects.

Those methodologies may evolve in the future to consider any improvements for example in data availability and reliability, or any developments of, but not limited to, regulations or other external frameworks or initiatives.

The Financial Product is taking into consideration the criteria of the EU Taxonomy environmental objectives. It aims at considering climate change adaptation and climate change mitigation objectives.

No ESG reference benchmark has been designated for the purpose of attaining the sustainable investment objective promoted by this Financial Product.

The initial investment universe of the Financial Product will be defined as 30% MSCI ACWI IMI + 10% MSCI Emerging Markets + 60% ICE BofA Non-Sovereign Global (the "**Investment Universe**").

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

#### **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The attainment of the sustainable investment objective promoted by the Financial Product and described above is measured with the following sustainability indicators:

- The weighted average Carbon Intensity of the Financial Product and of its Investment Universe, defined as the amount of GHG emissions (covering at least scope 1 and 2) per tons per millions \$ revenue released into the atmosphere, expressed in CO<sub>2</sub>e tons per millions \$ revenue.
- The weighted average Women on Board defined as the percentage of female board members at the investee companies held in the Financial Product and of the Investment Universe. It is provided by an external data provider.

The Financial Product outperforms its Investment Universe on these sustainability indicators in order to promote the sustainable investment objective described above.

#### **How do the sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

The application of the Do No Significant Harm Principle for the sustainable investments the Financial Product partially intends to make means that an investee company cannot qualify as sustainable if it meets any of the criteria listed below:

- The issuer causes harm along any of the SDGs when one of its SDG scores is below -5 based on a quantitative database from an external provider on a scale ranging from +10 corresponding to "significantly contributing" to -10 corresponding to "significantly obstructing", unless the quantitative score has been qualitatively overridden. This criterion is applied on the investee companies that are considered as sustainable.
- The issuer is in AXA IM's sectorial and ESG standards ban lists (as described below), which consider among other factors the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This criterion is applied on the entire portfolio.
- The issuer has a CCC (or 1.43) or lower ESG rating according to AXA IM ESG scoring methodology. The ESG score is based on ESG scoring from external data provider as primary inputs assessing data points across Environment, Social and Governance (ESG) dimensions. AXA IM analysts can complement with a fundamental and documented ESG analysis in case of lack of coverage or disagreement on the ESG rating provided that it is approved by AXA IM dedicated internal governance body. This criterion is applied on the entire portfolio.

Indicators for principal adverse impacts on sustainability factors are considered, including through the application of AXA IM's exclusion and stewardship policies.

**Principal adverse impacts**  
are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Financial Product takes into consideration Principal Adverse Impacts ("PAIs") indicators to ensure that the sustainable investments are not significantly harming any other sustainability objectives under SFDR.

Principal adverse impacts are mitigated through sectorial exclusion policies and AXA IM ESG standards (as described below) that are applied bindingly at all times by the Financial Product, as well as through the filters based on UN Sustainable Development Goals scoring. No specific threshold or comparison with reference value have been defined within the DNSH approach.

Where relevant, Stewardship policies are an additional risk mitigation on principal adverse impacts through direct dialogue with companies on sustainability and governance issues. Through the engagement activities, the Financial Product will use its influence as an investor to encourage companies to mitigate environmental and social risks relevant to their sectors.

Voting at general meetings is also an important element of the dialogue with investee companies in order to foster sustainably long-term value of the companies in which the Financial Product invests and mitigate adverse impacts.

**Exclusion Policies:**

- **Environmental:**

Relevant AXA IM policies	PAI Indicator
Climate Risk policy Ecosystem Protection & Deforestation policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2, & 3 starting 01/2023)
	PAI 2: Carbon Footprint
	PAI 3: GHG intensity of investee companies
Climate Risk policy	PAI 4: Exposure to Companies active in the fossil fuel sector
Climate Risk policy (engagement only)	PAI 5: Share of non-renewable energy consumption and production
Climate risk policy (considering an expected correlation between GHG emissions and energy consumption) <sup>1</sup>	PAI 6: Energy consumption intensity per high impact climate sector
Ecosystem Protection & Deforestation policy	PAI 7: Activities negatively affecting biodiversity sensitive areas
SDG no significantly negative score	PAI 8: Emissions to water
SDG no significantly negative score	PAI 9: Hazardous waste and radioactive waste ratio

- **Social and Governance:**

Relevant AXA IM policies	PAI Indicator
ESG standards policy: violation of international norms and standards	PAI 10: Violations of UN Global Compact principles & OECD Guidelines for multinational enterprises

<sup>1</sup> The approach used to mitigate the PAI indicators through this exclusion policy will evolve as the improvement in data availability and quality enables AXA IM to use the PAI more effectively. Not all high impact climate sectors are targeted by the exclusion policy for the time being.

ESG standards policy: violation of international norms and standards (considering an expected correlation between companies non-compliant with international norms and standards and the lack of implementation by companies of processes and compliance mechanisms to monitor compliance with those standards) <sup>2</sup>	PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles & OECD Guidelines for multinational enterprises
SDG no significantly negative score	PAI 12: Unadjusted gender pay gap
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board Gender diversity
Controversial weapons policy	PAI 14: Exposure to controversial weapons

**Filter based on UN SDGs:**

The Investment Manager also relies on the SDG pillar of its sustainable investment framework to monitor and take into account adverse impacts on those sustainability factors by excluding investee companies which have a SDG score under – 5 on any SDG (on a scale from + 10 corresponding to “significant contributing impact” to – 10 corresponding to “significant obstructing impact”), unless the quantitative score has been qualitatively overridden following a duly documented analysis by the AXA IM’s Core ESG & Impact Research. This approach enables AXA IM to ensure investee companies with the worst adverse impacts on any SDG are not considered as sustainable investments<sup>3</sup>.

Data availability and quality is lower for the time being on certain sustainability factors related to biodiversity as an example, which may impact the coverage for the following PAI indicators: emissions to water (PAI 8), hazardous and radioactive waste ratio (PAI 9) and unadjusted gender pay gap (PAI 12). Those sustainability factors are part of the 17 objectives targeted by the United Nations SDGs (more specifically they are covered through SDG 5 “Gender equality”, SDGs 6 “Clean water and sanitation”, SDG 8 “Economic growth”, SDG 10 “Reduced inequalities”, SDG 12 “Responsible production and consumption” and SDG 14 “Life below water”) and AXA IM’s framework there enables to mitigate the worst impacts pending the increase on data availability and quality<sup>4</sup>.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Financial Product doesn’t invest in companies which cause, contribute or are linked to violations of international norms and standards in a material manner. Those standards focus on Human Rights, Society, Labour and Environment. AXA IM relies on an external provider’s screening framework and excludes any companies that have been assessed as “non-compliant” to UN’s Global Compact Principles, International Labour Organisation’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

<sup>2</sup> The approach used to mitigate the PAI indicators through this exclusion policy will evolve as the improvement in data availability and quality enables AXA IM to use the PAI more effectively.

<sup>3</sup> except for GSSBs (Green, Social or Sustainability Bonds)

<sup>4</sup> The approach used to mitigate the PAI indicators through this exclusion policy will evolve as the improvement in data availability and quality enables AXA IM to use the PAI more effectively. Not all high impact climate sectors are targeted by the exclusion policy for the time being.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No

Principal adverse impacts are considered with both (i) qualitative and (ii) quantitative approaches:

(i) Qualitative approach to consider principal adverse impact is based on exclusion and, where relevant, stewardship policies. Exclusion applied policies as part of the application of (i) AXA IM Sectorial policies and AXA IM ESG standards and (ii) exclusion criteria for Paris-aligned Benchmarks (PAB), as defined in the Benchmark Regulation Delegated Regulation (CDR (EU) 2020/1818) Article 12(1)(a)-(g), cover the most material sustainability factors' risks and are applied bindingly on a continuous basis.

### As from 21 May 2025, the following applies:

Paris-Aligned Benchmark exclusions do not apply to green bonds that have been issued under the European Green Bonds Regulation (Regulation (EU) 2023/2631). For other type of use of proceeds instruments, the PAB exclusions are applied on a look-through basis to the projects financed by these instruments, by relying on the AXA IM Green Bonds assessment framework.

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Where relevant, stewardship policies are an additional risk mitigation on principal adverse impacts through direct dialogue with companies on sustainability and governance issues. Through its engagement activities, the Financial Product will use its influence as an investor to encourage companies to mitigate environmental and social risks relevant to their sectors.

Voting at general meetings is an important element of the dialogue with investee companies in order to foster sustainably long-term value of the companies in which the Financial Product invest and mitigate adverse impacts.

AXA IM also relies on the SDG pillar of its sustainable investment framework to consider principal adverse impacts on sustainability factors. This approach enables AXA IM to ensure investee companies with the worst adverse impacts on any SDG are not considered as sustainable investments, by excluding investee companies which have a SDG score under – 5 on any SDG (on a scale from + 10 corresponding to "significant contributing impact" to – 10 corresponding to "significant obstructing impact"), unless the quantitative score has been qualitatively overridden following a duly documented analysis by AXA IM Core ESG & Impact Research.

Through those exclusions, stewardship policies and the filter on sustainable investments based on UN SDG score, the Financial Product takes into consideration potential negative impact on those specific PAI indicators:

#### For Corporates:

	<b>Relevant AXA IM policies and regulatory requirements</b>	<b>PAI Indicator</b>
<b>Climate and other environment related indicators</b>	AXA IM Climate Risk policy Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g)	PAI 1: Green House Gas (GHG) emissions (scope 1, 2 & 3 starting 01/2023)
	AXA IM Ecosystem protection & Deforestation policy	
	No significantly negative UN SDG Score	
	AXA IM Climate Risk policy Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g)	PAI 2: Carbon Footprint

	AXA IM Ecosystem protection & Deforestation policy	
	No significantly negative UN SDG Score	
	AXA IM Climate Risk policy Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 3: GHG intensity of investee companies
	AXA IM Ecosystem protection & Deforestation policy	
	No significantly negative UN SDG Score	
	AXA IM Climate Risk policy Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 4: Exposure to companies active in the fossil fuel sector
	No significantly negative UN SDG Score	
	AXA IM Climate Risk policy (engagement only) Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 5: Share of non-renewable energy consumption and production
	No significantly negative UN SDG Score	
	AXA IM Climate risk policy (considering an expected correlation between GHG emissions and energy consumption) <sup>5</sup> Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 6: Energy consumption intensity per high impact climate sector
Social and employee respect for human rights, anti-corruption and anti-bribery matters	No significantly negative UN SDG Score	
	AXA IM Ecosystem protection & Deforestation policy	PAI 7: activities negatively affecting biodiversity sensitive area
	No significantly negative UN SDG Score	
	No significantly negative UN SDG Score	PAI 8: Emissions to water
	No significantly negative UN SDG Score	PAI 9: Hazardous waste and radioactive waste ratio
	AXA IM ESG standard policy / violation of international norms and standards Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 10: Violation of UN global compact principles & OECD guidelines for Multinational Enterprises
	No significantly negative UN SDG Score	
	AXA IM ESG standards policy: violation of international norms and standards (considering an expected correlation between companies non-compliant with international norms and standards and the lack of implementation by companies of processes and compliance mechanisms to monitor compliance with those standards) <sup>6</sup> Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles & OECD Guidelines for multinational enterprises
	No significantly negative UN SDG Score	
	No significantly negative UN SDG Score	PAI 12: Unadjusted gender pay gap
	AXA IM Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board Gender diversity
	No significantly negative UN SDG Score	

<sup>5</sup> The approach used to mitigate the PAI indicators through this exclusion policy will evolve as the improvement in data availability and quality enables AXA IM to use the PAI more effectively. Not all high impact climate sectors are targeted by the exclusion policy for the time being.

<sup>6</sup> The approach used to mitigate the PAI indicators through this exclusion policy will evolve as the improvement in data availability and quality enables AXA IM to use the PAI more effectively

	AXA IM Controversial weapons policy Paris-Aligned Benchmarks exclusions CDR (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 14: Exposure to controversial weapons
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For Sovereigns and Supranationals:

	Relevant AXA IM policies	PAI indicator
Social	AXA IM ESG standards with the exclusion of investee countries with severe social violations	PAI 16: Sovereign Investee countries subject to social violations
	AXA IM Compliance black-list based on international and EU sanctions	

(ii) Principal adverse impacts are also considered quantitatively through the PAI indicators' measurement and reported annually in the SFDR annex in the periodic reporting. The objective is to provide transparency to investors on significant negative impact on other sustainability factors. AXA IM measures all the mandatory PAI indicators, plus additional optional environmental indicator, and additional optional social indicator.



## What investment strategy does this financial product follow?

In line with the sustainable investment objective described above, the Financial Product aims to support on the long run the Sustainable Development Goals (SDGs) established by the United Nations with a focus on the environment and the social themes.

In addition, the Investment Manager applies the exclusion filters as described in (i) AXA IM's Sectorial Exclusion and ESG Standards Policies and (ii) those applicable to Paris-aligned Benchmarks (PAB), as defined in the Benchmark Regulation Delegated Regulation (CDR (EU) 2020/1818) Article 12(1)(a)-(g).

The Financial Product is also managed using a socially responsible investment (SRI) approach and the binding elements of the investment strategy described below.

The Financial Product bindingly uses at all times a socially responsible investment "Best-in-Universe" selectivity approach. For the equity bucket, this selectivity approach consists in removing at least the 25% worst values of the Investment Universe, as defined above, based on a combination of the sustainability-related exclusions applicable to the Financial Product, notably described above, and their SDG Score to the exception of bonds and other debt securities issued by public issuers, cash held on an ancillary basis and Solidarity Assets. The threshold will be increased to 30% starting from January 1st, 2026.

### ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Financial Product bindingly invests at least 80% in Sustainable assets as defined by the application of the AXA IM sustainable investment framework based on the methodology which relies either on the contribution to the UN Sustainable Development Goals or on the fact that the investee company has defined Science-based targets which have been certified by the organization. In addition, the Financial Product bindingly applies at all times the following elements described below.

1. The Investment Manager selects investments by applying an extra-financial approach based on the exclusion filters as described in AXA IM's Sectorial Exclusion and ESG Standards Policies. Those Sectorial exclusions cover areas such as Controversial Weapons, Climate risks, Soft Commodities and Ecosystem Protection & Deforestation and Tobacco. The ESG Standards encompass specific exclusion

on white phosphorus weapons and exclude investments in securities issued by companies in violation of international norms and standards such as the United Nations Global Compact Principles or the OECD guidelines for Multinational Enterprises; as well as investments in companies which are involved in severe ESG-related incidents and investments in issuers with a Low ESG quality (which is, as of the date of this Prospectus, below 1.43 (on a scale of 0 to 10) – such number being subject to adaptation). Instruments issued by countries where serious specific categories of violations of Human Rights are observed are also banned. More details on those policies are available under the following link: [Policies and reports | AXA IM Corporate \(axa-im.com\)](#).

**Until 21 May 2025, the following applies:**

The Financial product applies Paris-aligned Benchmarks (PAB) exclusions, as defined in the Benchmark Regulation Delegated Regulation (CDR (EU) 2020/1818) Article 12(1)(a)-(g) covering controversial weapons, tobacco, United Nations Global Compact (UNGC) and OECD Guidelines for Multinational enterprises, oil & gas and power generation. The controversial weapons, tobacco and United Nations Global Compact (UNGC) and OECD Guidelines for Multinational enterprises exclusion requirements are already covered by AXA IM Sectorial Exclusions and ESG Standards policies.

**As from 21 May 2025, the following applies:**

The Financial product applies Paris-aligned Benchmarks (PAB) exclusions, as defined in the Benchmark Regulation Delegated Regulation (CDR (EU) 2020/1818) Article 12(1)(a)-(g), except for green bonds that have been issued under the European Green Bonds Regulation (Regulation (EU) 2023/2631). For other type of use of proceeds instruments, the PAB exclusions are applied on a look-through basis to the projects financed by these instruments, by relying on the AXA IM Green Bonds assessment framework. Those exclusions cover controversial weapons, tobacco, United Nations Global Compact (UNGC) and OECD Guidelines for Multinational enterprises, oil & gas and power generation. The controversial weapons, tobacco and United Nations Global Compact (UNGC) and OECD Guidelines for Multinational enterprises exclusion requirements are already covered by AXA IM Sectorial Exclusions and ESG Standards policies.

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The Financial Product bindingly applies at all times AXA IM's Impact approach for listed assets, according to which the Investment Manager applies an impact approach in the securities selection process, which considers five key pillars: intentionality (securities targeting a specific positive environmental or social outcome), materiality (investments in companies where the positive outcomes are of material significance to the beneficiaries, the company, or to both), additionality (decisions are judged on the likely ability to resolve unmet environmental or social needs), negative consideration (company's corporate practices or products and services may significantly undermine the positive impact it is generating elsewhere) and measurability (clear methodology and commitment to measuring and reporting the social or environmental performance of investments).

**Until 21 May 2025, the following applies:**

The Financial Product bindingly commits to have at all times at least 70% of assets (equity bucket) invested in companies which have been assessed internally through the above-mentioned impact assessment approach.

**As from 21 May 2025, the following applies:**

A minimum of 70% investments are made with the objective to generate a positive and measurable social or environmental impact alongside a financial return, as described in the document "AXA IM's listed impact investments approach" available on [Sustainability Policies and Reports | AXA IM Corporate \(axa-im.com\)](#).

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2. The SDGs supported by environment themes include to ensure access to affordable and clean energy (SDG 7), to develop sustainable and resilient infrastructure (SDG 9), to make cities and communities more sustainable (SDG 11), to ensure responsible consumption and production patterns (SDG 12), to take urgent action to combat climate change (SDG 13), to conserve and sustainably use the oceans, seas and marine resources (SDG 14) and to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss (SDG 15).

The SDGs supported by social themes include alleviating poverty and access to essential products and services (SDG 1), access to safe and nutritious food (SDG 2), the promotion of health, safety and well-being (SDG 3), the promotion of education and labour upskilling (SDG 4), the attainment of gender equality (SDG 5), access to safe water and sanitation (SDG 6), access to modern and affordable electricity (SDG 7), the promotion of inclusive economic growth and decent work for all (SDG 8), the promotion of an industrialization inclusive of small businesses and fostering innovation (SDG 9), the reduction of social inequalities (SDG 10), the making of safe, resilient and affordable human settlements (SDG 11) and the promotion of peace and justice and the fight against all forms of organized crime (SDG 16).

With regards to debt securities, the Financial Product invests in green bonds, social bonds and sustainability bonds. The Investment Manager has defined a proprietary green, social and sustainability bonds assessment framework, mainly based on the ICMA Green and Social Bond Principles ("GSBP") and the Climate Bonds Initiative ("CBI") guidelines. The Investment Manager employs a rigorous internal green, social and sustainability bond selection process by filtering out bonds which are not in line with our internal green, social and sustainability bonds requirements.

3. The Financial Product applies a socially responsible investment selectivity approach Best-in-Universe on the Investment Universe that is bindingly applied at all times. This ESG selection approach consists in giving priority to the issuers best rated from a non-financial viewpoint irrespective of their sector of activity, and accepting sector biases, because the sectors which are considered more virtuous on the whole will be more heavily represented.

For the equity bucket, the selectivity approach consists of removing at least the 25% worst values of the Investment Universe, as defined above, based on a combination of the sustainability-related exclusions applicable to the Financial Product, notably described above, and their SDG Score to the exception of cash held on an ancillary basis and solidarity assets. The threshold will be increased to 30% starting from January 1st, 2026.

For the bond bucket, the selectivity approach consists of removing at least the 25% worst values of the Investment Universe, as defined above, based on a combination of the sustainability-related exclusions applicable to the Financial Product, notably described above, and their SDG Score to the exception of bonds and other debt securities issued by public issuers, cash held on an ancillary basis and solidarity assets. The threshold will be increased to 30% starting from January 1st, 2026.

The resulting Investment Universe for ESG purposes of the Financial Product is composed of 30% MSCI ACWI IMI + 10% MSCI Emerging Markets + 60% ICE BofA Non-Sovereign Global. For the sake of clarity, the MSCI ACWI IMI (All Country World Index Investable Market Index), the MSCI Emerging Markets and the ICE BofA Non-Sovereign Global are broad market indices which are not aligned with the sustainable investment objective of the Financial Product but are used as a reference for applying the selectivity approach.

AXA IM has implemented scoring methodologies to rate issuers (corporates, sovereigns, green, social and sustainability bonds) on ESG criteria. These methodologies allow to rate corporates and sovereign issuers and are based on quantitative data from several data providers as well as on qualitative analysis from internal and external research. The data used in these methodologies include carbon emissions, water stress, health and safety at work, supply chain labour standards, business ethics, corruption and instability.

The corporate and sovereign scoring methodologies rely on three pillars and several sub-factors that cover the most material risk factors encountered by issuers in the E, S and G fields. The frame of reference draws on fundamental principles, such as United Nations Global Compact, the OECD Guidelines, the International Labour Organisation conventions, and other international principles and conventions that guide companies and governments activities in the field of sustainable development and social responsibility. The analysis is based on the most material ESG risks and opportunities previously identified for each sector and company, with 10 factors: Climate Change, Natural Capital, Pollution and Waste, Environmental Opportunities, Human Capital, Product Liability, Stakeholder Opposition, Social Opportunities, Corporate Governance and Corporate Behaviour. The final ESG score also incorporates the concept of industry dependant factors and deliberately differentiates between sectors, to overweight the most material factors for each industry. Materiality is not limited to impacts relating to a company's operations, it also includes the impacts on external stakeholders as well as the underlying reputational risk arising from a poor grasp of major ESG issues. In the corporate methodology, the severity of controversies is assessed and monitored on an ongoing basis to make sure that the most material risks are reflected in the final ESG score. The controversies with high severity will trigger large penalties on the sub-factor scores and ultimately on the ESG scores.

These ESG scores provide a standardized and holistic view on the performance of issuers on ESG factors and enable to promote the sustainable investment objective of the Financial Product. AXA IM's ESG scoring methodology is further described on dedicated methodological document available on our website: [Sustainability Policies and Reports | AXA IM Corporate \(axa-im.com\)](https://www.axa-im.com/sustainability-policies-and-reports).

The Financial Product can invest up to 10% of its net assets, excluding bonds and other debt securities issued by public issuers, cash held on an ancillary basis and solidarity assets, in securities outside the Investment Universe, as defined above, and on the condition that the issuer is eligible based on the selectivity criteria.

4. In addition, the investment strategy outperforms its Investment Universe on at least two ESG Key Performance Indicator that are Carbon Intensity and Women on Board at all times.

5. The following minimum coverage rates apply with the Financial Product portfolio (expressed as a minimum percentage of the net assets, excluding bonds and other debt securities issued by public issuers, cash held on an ancillary basis and solidarity assets): i) 90% for the ESG analysis, ii) 80% for the Carbon Intensity indicator and iii) 55% for the Women on Board indicator. The threshold will be increased to 90% for KPI 1 and 60% for KPI 2, by December 31st, 2026.

Where the Financial Product invests in assets in the context of IPOs, Spin-offs and/or primary debt market issuance that should not exceed 10% maximum of the NAV of the Financial Product, such investments are made under the condition that they are considered, by the Investment Manager, as being sustainable based on an initial qualitative analysis. Pending the disclosure of sustainability-related data by the issuer and a third-party analysis and scoring based on this data, our initial qualitative analysis will be periodically reviewed as determined in AXA IM Sustainable Investment Framework.

The ESG data (of which ESG score or SDG score wherever relevant) that are used in the investment process are based on methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different. AXA IM's ESG different methodologies described herein may evolve in the future to consider any improvements in data availability and reliability, or any developments of regulations or other external frameworks or initiatives - among others.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the policy to assess good governance practices of the investee companies?***

The Financial Product doesn't invest in companies which cause, contribute or are linked to violations of international norms and standards in a material manner. Those standards focus on Human Rights, Society, Labour and Environment and as such, provide a methodology to help assess the good governance practices of an issuer, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. AXA IM relies on an external provider's screening framework and excludes any companies that have been assessed as "non-compliant" to UN's Global Compact Principles, International Labour Organisation's (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

In addition, ensuring good governance practices is also addressed by the engagement policies. AXA IM implemented a comprehensive active ownership strategy – engagement and voting – where AXA IM acts as stewards of investments made on the clients' behalf. AXA IM views engagement as a means for investors to influence, shape and shift investee company policies and practices to mitigate risks and secure long-term value. Governance practices of companies are engaged at first level by the portfolio managers and dedicated ESG analysts when meeting companies' management team. It is through the long-term investor status and in-depth knowledge of the investment targets that AXA IM feels legitimate to engage in a constructive but demanding dialogue with them.



## What is the asset allocation and the minimum share of sustainable investments?

**Asset allocation**  
describes the share of investments in specific assets.

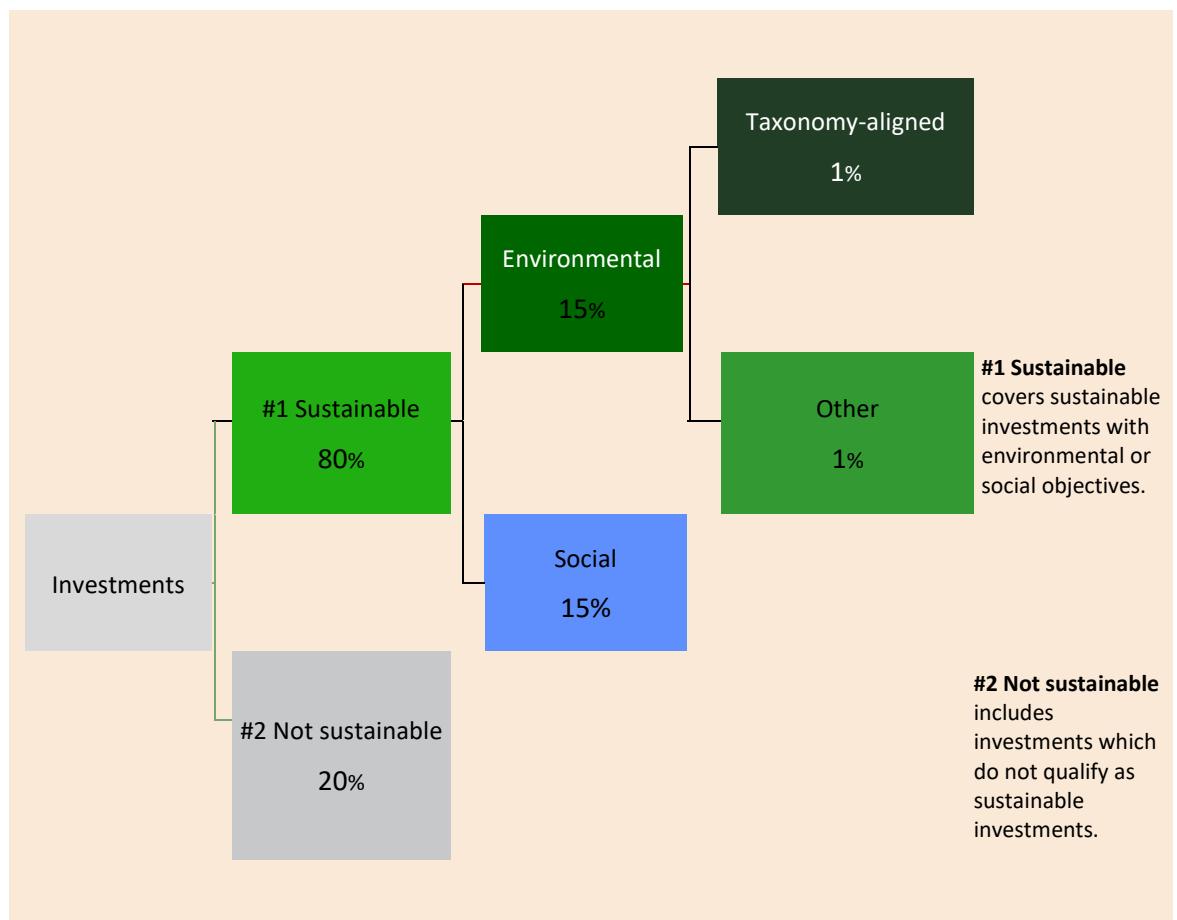
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



The Financial Product aims to plan its assets' allocation as presented in the graph above. This planned asset allocation might deviate on a temporary basis.

The planned minimum proportion of the investments of the Financial Product used to meet the sustainable investment objective in accordance with the binding elements of the investment strategy is 80% of the Financial Product Net Asset Value.

The remaining "Not Sustainable" investments will represent a maximum of 20% of the Financial Product Net Asset Value. Remaining "Not Sustainable" investments are used for hedging, liquidity and efficient portfolio management of the Financial Product. Minimum environmental and social safeguards based on AXA IM exclusion policies are assessed and applied to all "Other" not sustainable assets.

### How does the use of derivatives attain the sustainable investment objective?

Exposure to single name derivatives for which underlying investments are considered as sustainable, are contributing to attain the sustainable objective of the Financial Product.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Financial Product takes into consideration the criteria of the EU Taxonomy environmental objectives and the "do not significantly harm" criteria of the EU Taxonomy.

### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**<sup>7</sup>

Yes

In fossil gas

In nuclear energy

No

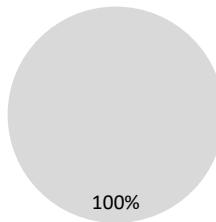
**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities**  
are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

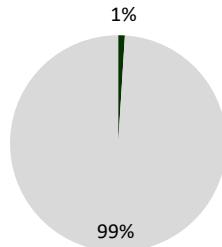
#### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned: (no gas and nuclear)
- Non Taxonomy-aligned



#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned: (no gas and nuclear)
- Non Taxonomy-aligned



*This graph represents 100% of the total investments\*\**

*\* For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*

*\*\* The proportion of total investments shown in this graph is purely indicative and may vary. As such, the representation of minimum Taxonomy alignment made in this graph may also vary.*

<sup>7</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

### **What is the minimum share of investments in transitional and enabling activities?**

The Financial Product does not commit to a minimum share of investments in enabling and transitional activities and the minimum share is consequently 0%.



### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1% of the Financial Product Net Asset Value.



### **What is the minimum share of sustainable investments with a social objective?**

The minimum share of sustainable investments with social objective is 15% of the Financial Product Net Asset Value.



### **What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?**

The remaining "Not Sustainable" investments will represent a maximum of 20% of the Financial Product Net Asset Value. The "#2 Not Sustainable" assets may consist in:

- derivatives used in hedging strategies or used for liquidity management purpose and,
- cash and cash equivalent investments (being bank deposit, eligible money market instruments and money market funds) used for managing the liquidity of the Financial Product.

Minimum environmental and social safeguards are assessed and applied to other not sustainable assets.

### **As from 21 May 2025, the following applies**

Paris-Aligned Benchmark exclusions are applied to derivatives used for liquidity management purpose assets when providing exposure to a company, to the exception of short positions.

## **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

There is no specific index designated as an ESG reference benchmark.

## **Where can I find more product specific information online?**

More information can be found on the AXA IM fund centre following that link: [Funds - AXA IM Global \(axa-im.com\)](https://www.axa-im.com).

More details on AXA IM sustainable investment frameworks are available on: [Sustainable Finance | SFDR | AXA IM Corporate \(axa-im.com\)](https://www.axa-im.com).