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AXA Green Short Duration Bond Fund

Impact Report 2024



**Sustainability
Impact**

AXA IM has adopted the Sustainability Impact
label for the AXA Green Short Duration Bond
Fund on the 30 June 2025.

October 2025

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Investing with Purpose Through Green Bonds



Climate change and investors' pivotal role

Climate change is one of the most critical issues facing the world today – it is damaging the natural world and communities and disrupting national economies. Immediate action is required if the most catastrophic effects are to be avoided.

But while climate change poses a direct risk to people and businesses, it also represents an unprecedented opportunity for investors to take action, by allocating their capital towards the solutions addressing the challenge.

To achieve the Paris Agreement goals, global emissions need to be reduced by 43% by 2030 and reach net zero by 2050. The costs of decarbonising our societies and economies are massive. While global climate finance has developed significantly over the last decade, annual climate finance flows continue to fall short of what is needed. Stretched public finances call for a complementary mobilisation of private sector resources to help bridge critical gaps. Investors have a pivotal role to play in securing a sustainable future for both people and the planet, by supporting the transition to net zero.



Green bonds: Versatile funding for net zero

Green bonds have emerged as a unique asset class that can help tackle climate change by financing environmental solutions. They are a type of debt instrument where the proceeds are exclusively earmarked for environmentally sustainable projects.

Green bonds can be issued by both companies and governments, to fund investments needed to meet their own environmental commitments. These can include renewable energy, energy efficiency, sustainable transportation, pollution prevention and biodiversity preservation, among many others. Currently, climate-related categories dominate the use of green bonds' proceeds.

Issuers indicate what the proceeds will be used for prior to issuance and publicly report on the financed projects as well as on the positive impacts these projects have achieved. We

believe this versatility and transparency make green bonds attractive and credible instruments to finance the transition towards a low-carbon economy.

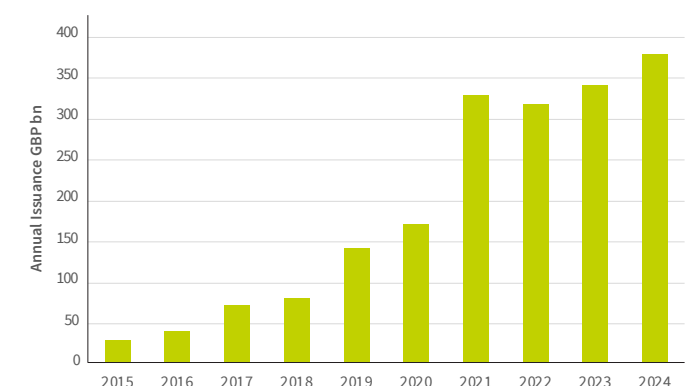


A mature market

Since the European Investment Bank issued the first green bond in 2007, the market has significantly grown to become a robust asset class in its own right and a credible alternative to the conventional bond market.

What began with nearly £25bn in green bond issuance a decade ago to mark support for the landmark Paris Agreement reached a record of circa £370bn of issuance in 2024¹. The scale of new offerings has shown consistent growth, repeatedly breaking records and cementing the place of green bonds as an essential climate finance tool for investors to reach their own net zero objectives and support real-world decarbonisation. Meanwhile, the size of the wider green, social and sustainability (GSS) bond market is now similar to the euro investment-grade credit sector at around €3trn.²

Annual green bond issuance



Source: AXA IM, Bloomberg as of 01/08/2025. For illustrative purposes only.

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Europe continues to dominate the green bond market in terms of issuance – driven in part by the region’s commitment to sustainability. The European Commission is funding up to 30% of its post-pandemic economic recovery package, Next Generation EU, via green bonds - which would make it the largest issuer of such bonds in the world.³

Elsewhere, China, the world’s second-largest economy, issued its first green sovereign bond in April 2025 in a bid to attract international capital to support its environmental ambitions. Listed on the London Stock Exchange, the yuan-denominated bond raised a significant RMB6bn (US\$833m).⁴

It was a significant development for a sector which has markedly expanded in recent years. What’s more, green bonds outperformed the conventional bond market in 2024 and have done so for six of the last eight years.⁵



Greater transparency and credibility

Green bond regulation is continuing to develop as the market evolves and grows. The new European Green Bond Standard, applied from December 2024, sets out best practice for issuers in the asset class.

A recent study from the Bank of International Settlements⁶ highlighted that corporate green bond issuance is often accompanied by a decrease in carbon emissions by the issuer. It also found the green bond market has expanded most in countries with stricter emissions targets. Its findings highlight a shared ambition and commitment among global firms to enhance their environmental performance, further reinforcing the reliability of green bonds as instruments that support the transition to net zero.



A swathe of potential opportunities

The green bond market is becoming increasingly mature and diversified across regions, sectors and issuers. It encompasses some highly liquid, typically defensive segments such as sovereign and quasi-sovereign debt. But they also embrace those tending to yield more, but that are still robust such

as investment-grade corporate bonds, as well as riskier but potentially higher reward sectors like high yield and emerging market debt.

The market has enjoyed strong growth and performance over the past decade and there are plenty of reasons to be optimistic about the future. There is a huge need for investment in the transition to a low-carbon economy, and green bonds are in our view an effective tool to support issuers in this effort.

Thanks to this structural support, as well as the asset class’s growth, liquidity and diversity, we believe green bonds are a potentially attractive way to gain exposure to the broader bond market through a diversified exposure that can potentially enhance return prospects when coupled with flexibility, while delivering a positive and measurable impact.

It is also worth noting that we are no longer seeing a ‘greenium’ – the premium price that green bonds have historically attracted compared to conventional bonds. As the market has expanded and diversified, the supply/demand imbalance has levelled out, and green bonds as an asset class are generally no more expensive than their conventional counterparts – while offering the opportunity for investors to make a positive impact.

Yields soared in 2022 on the back of persistent inflationary pressures and have stayed since then at historical high levels despite central banks easing rates over the past year. As such, we believe green bonds represent a potential opportunity for investors to gain exposure to an attractive bond market with access to the entire range of fixed income performance drivers.

At a time of high uncertainty driven by tariff threats, geopolitical tensions, and fiscal slippage among others, investors could potentially benefit from taking a diversified approach and may consider an allocation to green bonds given the asset class’s breadth and range. Moreover, the short duration segment of the green bond market could be an appropriate option for investors willing to gain exposure to the bond market without being exposure to the same level of volatility – all while supporting the transition to a low carbon economy.

AXA IM’s 10-year commitment to green bonds

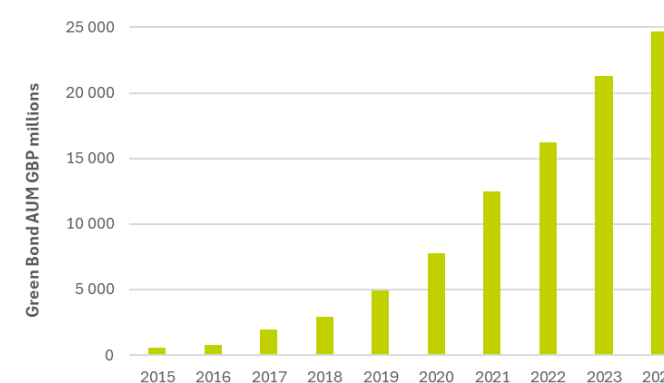
With over £720bn in assets under management (AUM) as of end 2024, AXA IM has long recognised both the opportunity and the responsibility to lead in climate action.

This means investing with purpose - not only by decarbonising our portfolios but also by striving to create positive, lasting impacts. We achieve this in two ways: by channelling capital into solutions and sustainable investments; and by engaging with the companies we invest in, to hold them accountable and support their net zero journeys.

As part of our commitment to fight climate change and to contribute to the United Nations Sustainable Development Goals (SDGs), AXA IM has sought to play an important role in the growth and quality of the GSS bond market – recognising the value of these instruments in delivering positive impact.

Our investments and expertise in this market have grown accordingly over the past decade. Since our first green bond investment in 2012, our investments in green bonds alone reached £24.6bn as of end December 2024.

AXA IM green bond assets under management



Source: AXA IM as of 31/12/2024. For illustrative purposes only.

We have come a long way since we launched our first dedicated green bond strategy in 2015. Today we offer a range of different dedicated GSS bond solutions to meet a variety of investor needs. Notably, all our open-ended funds hold an external sustainable finance label, guaranteeing the transparency and quality of the environmental characteristics of these financial products.



Our Green Bond Journey

In June 2025, our AXA Green Short Duration Bond Fund adopted the UK 'Sustainability Impact' label under the FCA's Sustainability Disclosure Requirements (SDR) framework, emphasising the fund's clear intention to generate positive and measurable environmental outcomes.



Our ability to do so relies on our proprietary green bond assessment framework and the wide-ranging environmental, social and governance (ESG) and climate resources across the firm we integrate into our green bond selection process.

We have learned a great deal over the last decade about aiming to deliver impact alongside financial returns and have sought to share this expertise with the wider market. Since 2017,

we have served several terms as a member of the executive committee of the International Capital Market Association's Green and Social Bond Principles and we are currently a member of its advisory committee. In addition, we seek to promote the development of quality GSS bond issuance from emerging markets through our participation in the Emerging Market Investor Alliance's Labeled Bond working group.

Our Green Bond Investment Team



Johann Plé
Senior Portfolio Manager



Rui Li
Portfolio Manager



Mariana Villanueva
Investment Specialist

AXA IM's dedicated GSS bond strategy, which includes the AXA Green Short Duration Bond Fund, are jointly managed by Johann Plé and Rui Li. They are assisted by Mariana Villanueva, the fund's investment specialist.



Thomas Coudert
Head of Sustainability, Core Investments



Aida Hemery
GSS Bond Analyst



Jamison Friedland
GSS Bond Analyst



Kenza Bernoussi
GSS Bond Analyst

Our GSS bond strategy are supported by an independent team of GSS analysts led by Thomas Coudert, Head of Sustainability at AXA IM Core.

Information about the staff team is only informative. We do not guarantee the fact that staff remain employed by AXA Investment Managers and exercise or continue to exercise in AXA Investment Managers



AXA Green Short Duration Bond Fund

The AXA Green Short Duration Bond Fund invests in green bonds with most maturities up to five years. As an aggregate fund, it invests in global corporates, financials, sovereigns and sovereign-related entities.

As of end 2024, 94% of the Fund was invested in green bonds, well above the Fund's requirement as of the reporting period to invest at least 75% of its Net Asset Value in green bonds.

These green bonds principally supported projects related to the transition to a low carbon economy. Projects financed by the green bonds delivered impact across three main themes – smart energy solutions, green buildings, and low-carbon transport – which represented 91% of the green bonds' project allocation. The remaining projects supported wider sustainability themes.

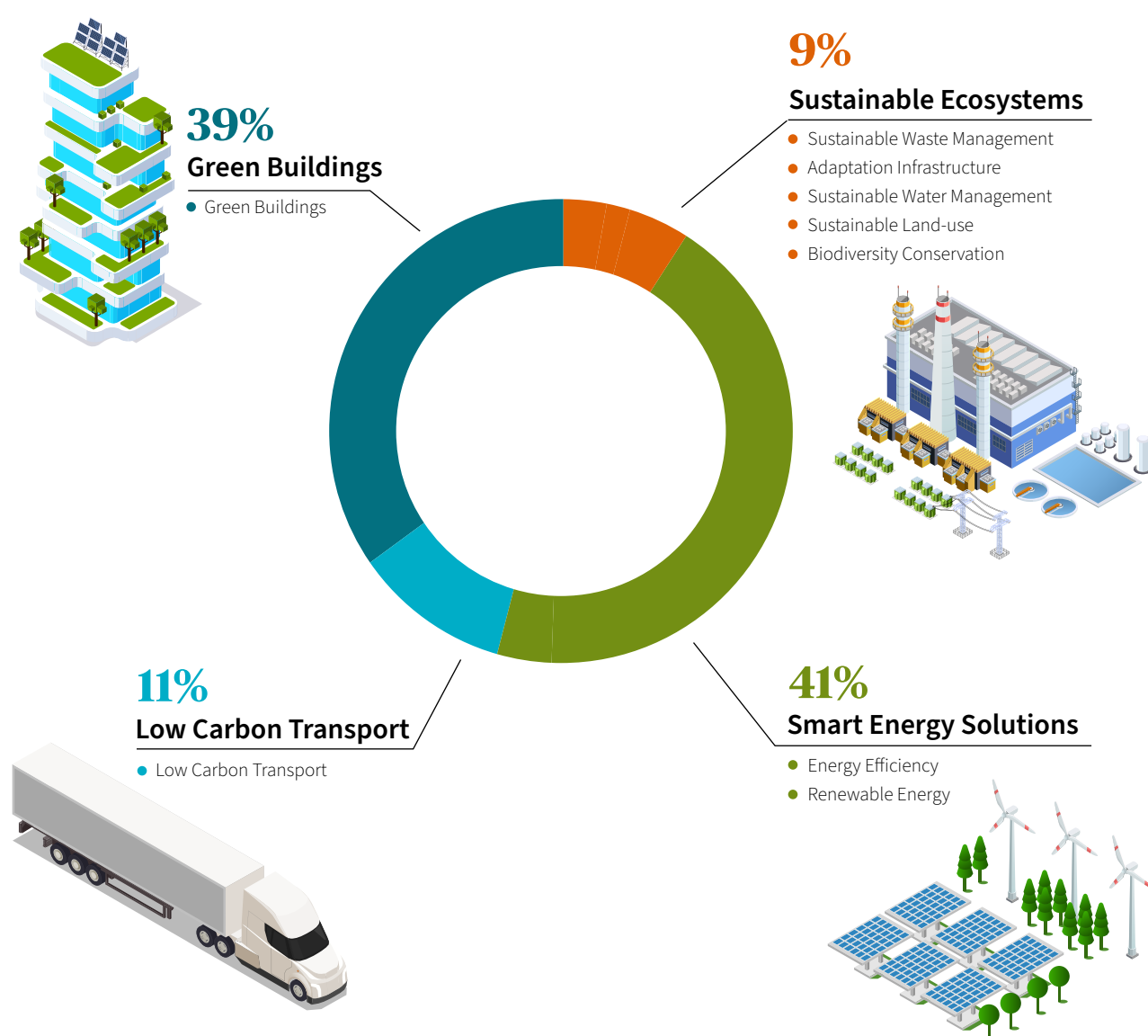
The fund's green bond investments mainly contributed to SDG 11 on Sustainable Cities and Communities and SDG 13 on Climate Action.

On 30th June 2025 changes were made to the investment objective and policy of the Fund to more clearly articulate its sustainability objective and the positive environmental impacts that the Fund seeks to make in addition to its financial objective. These changes followed the FCA's introduction of a new sustainability disclosure requirements and labelling regime, under which the AXA Green Short Duration Bond Fund adopted a 'Sustainability Impact' label.

The Fund currently seeks to deliver positive and measurable environmental impact alongside financial returns. It aims to support the transition to a low-carbon economy by investing in solutions through green bonds, which will represent at least 90% of the Fund's gross asset value.

For more information, please refer to the Consumer Facing Disclosure document which outlines the Fund's sustainability approach here: <https://funds.axa-im.co.uk/en/fund/axa-green-short-duration-bond-fund-z-q-accumulation-gbp>

Green bond project allocation data has been mapped to the SDGs for illustrative purposes only. The reference to the SDGs does not imply an endorsement by the United Nations of AXA Investment Managers, its products or services, or of its planned activities and does not constitute, explicitly or implicitly, a recommendation for an investment strategy. AXA IM reserves the right to modify the mapping methodology used herein at its discretion



Source: AXA IM, LGX as of 31/12/2024. For illustrative purposes only. Past positioning is not a reliable indicator of future positioning.



Theory of Change

Climate change is a well-recognised threat to human progress and wellbeing, presenting significant risks including physical, economic, and social risks. The World Economic Forum's 2024-2025 Global Risks Perception Survey identified the failure to mitigate climate change as one of the foremost risks over the coming decade⁸.

The main human-driven causes of climate change are the accelerated burning of fossil fuels for energy and transport and greenhouse gas (GHG) emissions from industrial processes and the built environment.

Addressing the primary drivers of climate change is crucial for mitigating climate risks. This requires a reduction in the level of carbon dioxide (CO₂) currently present in the atmosphere. To fulfil key global decarbonisation and climate goals by 2050 (or earlier), it is estimated that annual investment in energy transition companies will need to increase by three to four times over the next three decades⁹.

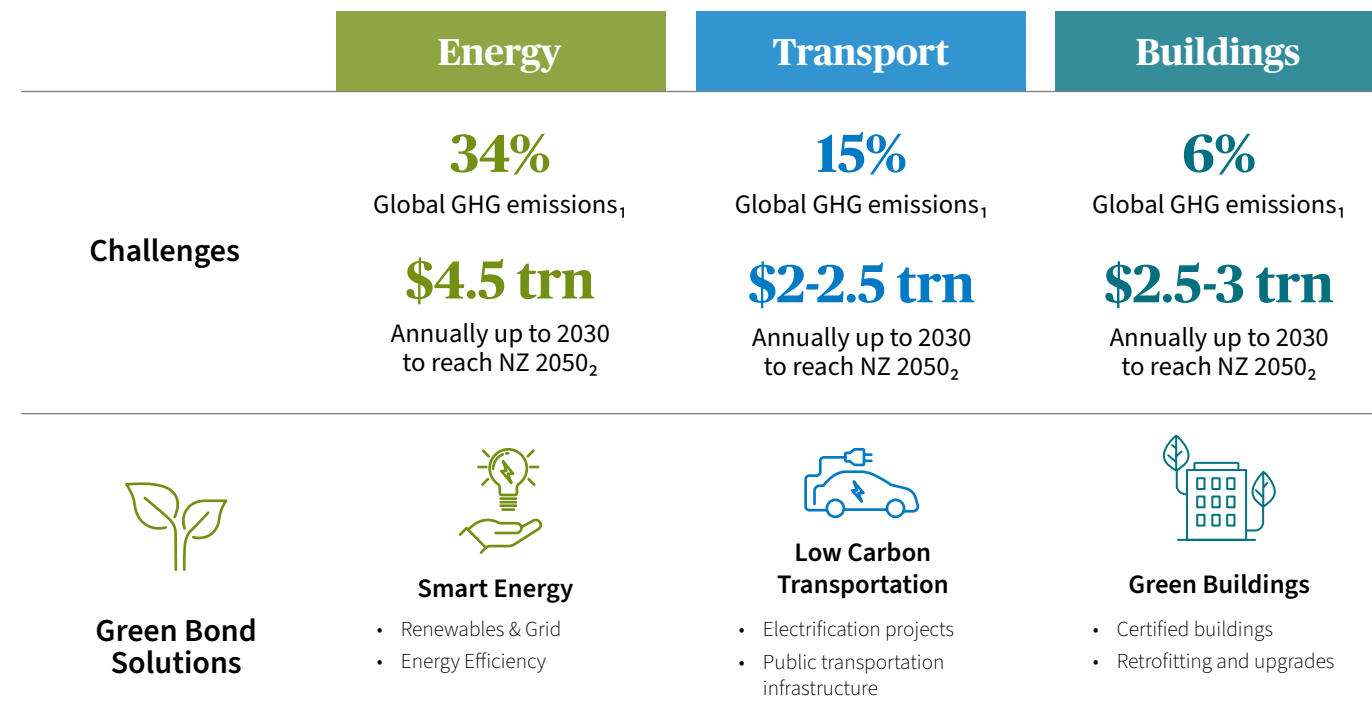
The funding gap to enable a transition to a low-carbon economy is significant, with considerable investment needed in green projects, such as renewable energy, energy efficiency and clean transportation.

AXA Green Short Duration Bond Fund's impact approach

Our AXA Green Short Duration Bond Fund seeks to support the transition to a low-carbon economy by allocating capital towards green projects focused on the reduction in GHG emissions and actively engaging with companies in our portfolio to enhance their positive contributions.

Asset-level contribution: Investing in green bonds

We believe that investing in green bonds that are focused on funding solutions within the areas of smart energy, low-carbon transportation and green buildings offer the opportunity for the fund to meaningfully contribute to the climate transition through the reduction in GHG emissions. Our proprietary GSS bond assessment framework allows us to select the green bonds that we believe are credibly positioned to contribute to this aim.



Sources: AXA IM; (1) IPCC, 2023, Net GHG emissions as of 2019. When looking at the built environment, the buildings and construction sectors combined account for 37% of global energy and process-related CO₂ emissions¹⁰. (2) Energy Net Zero Roadmap: 2023 Update – IEA, Transport: SLOCAT Transport and Climate Change Global Status Report 2nd Edition – SLO, Buildings: Bridging the Gap: How to Finance the Net Zero Transition – World Economic Forum.

The 'impact outcomes' section of this report details the challenges related to each of these three areas and the contributions of the green bonds held in this fund.

The principal key performance indicators (KPIs) we use to measure the positive contributions of our green bond investments are GHG emissions avoided, and renewable energy produced.

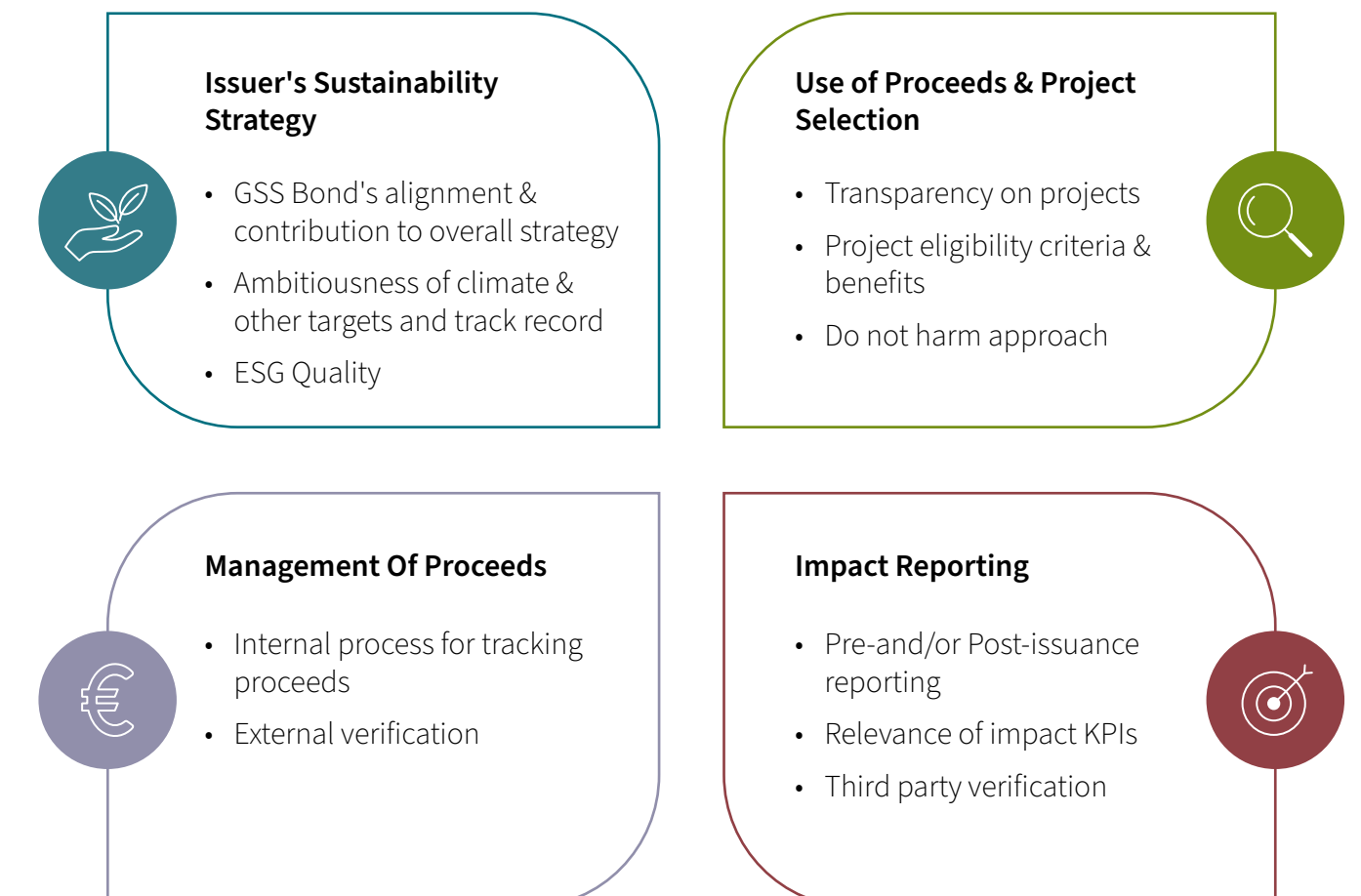


Our GSS bond framework

We use AXA IM's GSS bond assessment framework to select green bonds that enable us to aim to deliver credible and measurable impacts through our investments. Our framework allows us to identify projects we believe can meaningfully

contribute to the low carbon transition and invest in issuers with a robust sustainability profile and strategy. We continue to believe the degree of a green bond's impact potential is inherently tied to the quality of the ambitions and practices of the company or government issuing it.

The framework is applied to each green bond we hold in our fund. Our framework is built on four pillars. For each pillar, our team of dedicated analysts review, assess and monitor several well-defined criteria, many of which are mandatory. Each pillar is designed to rate a green bond against the minimum standards we would require of a green bond and its issuer, but also our expectations of what leading green bonds and issuers should look like. The wealth of ESG and climate resources and research across AXA IM are leveraged in the analysis undertaken by our dedicated GSS bonds team.



Source: AXA IM as of 29/08/2025. For illustrative purposes only.



Our framework is a foundational part of the portfolio construction process for this fund as it allows us to identify eligible green bonds. Each green bond is assessed against the relevant factors within a pillar and each pillar is attributed a rating of either positive, neutral, or negative. Green bonds then receive an overall rating of positive, neutral, or negative. Bonds rated either Positive or Neutral overall are deemed to deliver a positive and measurable environmental impact by financing projects that directly contribute to the Outcome and/or one or more of the Solutions. A negative opinion renders a green bond ineligible for investment. This process is an iterative one, and green bonds are reviewed periodically.

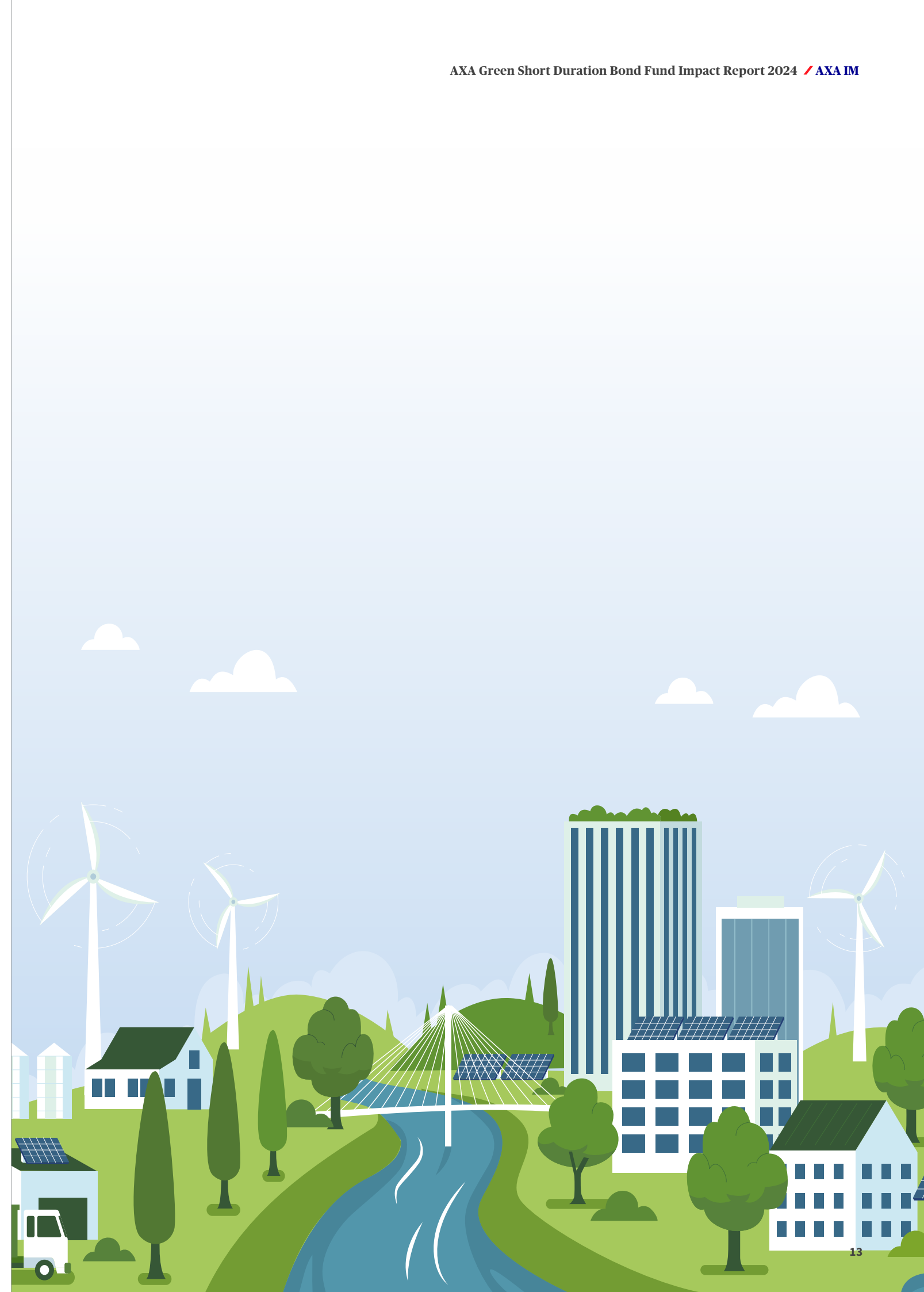
For more details on the underlying criteria of our green bond assessment framework, please refer to AXA IM's Impact Approach for Listed Assets.¹¹



Investor contribution: Engagement

Our engagement focuses on aiming to enhance the ability of issuers and bonds to deliver a positive impact on the fund's objective and targeted solutions. Our engagement and stewardship activities seek to ensure that issuers' climate ambitions are credible; projects are appropriately funded through the green bonds we invest in; targets are measurable and achievable; and that suitable reporting is available to monitor our fund's impact.

The Engagement and stewardship section of this report details our approach and the activities undertaken in 2024.





2024 Fund Impacts

Impact Highlights

As of 31/12/2024

Main KPIs



Avoided GHG emissions

80.7 tonnes
of CO₂ emissions
avoided per £1m
invested

Equivalent to **18** cars
removed from the road
per £1m invested



Renewable energy produced

391.6 megawatt
hours (MWh)
per year per £1m invested

Additional KPIs



Annual energy savings

16 Gigawatt
hours (GWh)

Enough to power **5,926**
households annually in the UK¹²



Capacity of renewable energy plant(s) constructed or rehabilitated

298 Megawatts (MW)



Annual water savings

1,303,779
Cubic metres (m³)



Area of green building supported

17,452
Square metres (m²)



Area of land supported

40 Square
kilometres
(km²)

More than **15x**
the size of the
City of London¹³



People benefitted

52,476



Clean vehicles deployed

1,307



Impact Outcomes

Smart Energy Solutions

Impact highlights:

Allocation to this project category

41%

Annual energy savings

11 GWh

Capacity of renewable energy plants constructed or rehabilitated

292 MW

Sources: AXA IM, LGX as of 31/12/2024.

Challenge: The energy sector is one of the key contributors to climate change, accounting for about 34% of global GHG emissions¹⁴. Advanced economies are seeing emissions decline—some to levels last seen 50 years ago - while emerging markets continue to drive growth due to fossil-fuel dependence and rising energy demand. Some \$4.5trn annually by 2030 is needed to reach net zero by 2050 in the energy sector¹⁵

Green bonds and solutions: Green bonds can support emissions reduction by facilitating the financing of smart energy solutions needed throughout the energy ecosystem by a range of different actors – from pure energy players,

to banks on lending to companies investing in renewables or efficiency measures, to governments subsidising their uptake. Green bonds are an obvious solution for the capital needs associated with these long-term, high-impact projects, providing transparency and accountability to both issuers and their investors

Fund: The fund seeks to finance projects promoting energy efficiency and renewable energy projects to reduce real-world GHG emissions. This includes renewable energy projects (solar, on-shore and off-shore wind, etc.), grid infrastructure upgrades and connections, battery and storage projects, and energy efficiency measures

Case Study : Orsted

Orsted, together with its subsidiaries, owns, develops, constructs, and operates offshore and onshore wind farms, solar farms, battery storage, and bioenergy plants.

Ambitions: With Science Based Targets initiative (SBTi)-validated targets, Orsted aims to achieve net zero emissions by 2040. Key measures and objectives involve phasing out fossil fuels and only investing in renewable energy projects. In 2024, solar, wind and battery storage represented 93% of the company's total capital expenditure

Green bond framework: All proceeds of Orsted's green bonds will finance renewable energy projects, fully aligned with the European Union taxonomy for sustainable activities, and hence meeting stringent technical criteria¹⁶

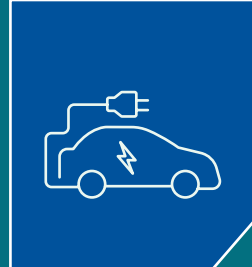
Green bond project highlight: Orsted's green bonds held in the fund have financed different wind and solar projects, including Hornsea 2, a major offshore wind project in the UK¹⁷. One of the world's largest offshore wind farms, it covers an area of 462km², equal to 31 times the size of the UK's Lake Windermere

Issuer Reported Project KPIs¹⁸: The project is now in operation, representing 1.32 GW of total renewable energy capacity composed of 165 wind turbines, enough to power over 1.4 million UK homes



Information concerning portfolio holdings and sector allocation is subject to change and, unless otherwise noted herein, is representative of the target portfolio for the investment strategy described herein and does not reflect an actual account. Actual portfolios may differ as a result of client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations. The holdings shown herein should not be considered a recommendation or solicitation to buy or sell any particular security, do not represent all of the securities purchased, sold or recommended for any particular advisory client, and in the aggregate may represent only a small percentage of an account's portfolio holdings.

The information contained herein is based on the companies' commitment toward climate transition and is not a reliable indicator of their future financial results



Impact Outcomes

Low-carbon Transportation

Impact highlights:

Allocation to this project category

11%

Number of Clean Vehicles Deployed

1,307

Sources: AXA IM, LGX as of 31/12/2024.

Challenge: Fossil fuels burned for road, rail, air, and marine transportation produce GHG emissions which contribute to global warming. The transport sector accounts for about 16%-18% of global GHG emissions, with road transport being the largest contributor (72% of total transport emissions) followed by aviation (11%) and shipping (10%)¹⁹. Emissions have doubled since 1990, and without stronger policies and technological shifts, transport emissions are projected to increase by 30 to 40% by 2050²⁰. To reach net zero by 2050, around \$2trn-\$2.5trn annually is needed globally by 2030²¹

Green bonds and solutions: Green bonds can support emissions reduction by channeling capital toward

low-carbon mobility solutions and sustainable transport infrastructure across the economy. Green bonds can be issued by a range of different actors from car manufacturers developing electric vehicles, governments or transport operators seeking to change the landscape of urban transportation through infrastructure projects or subsidies, or companies electrifying their vehicle fleets

The fund aims to finance projects seeking to reduce GHG emissions from the transportation sector, such as electric vehicle infrastructure, public transportation systems offering lower emissions alternatives for mobility, and projects that contribute to the electrification of the automotive industry and low-carbon fuels

Case Study : Régie Autonome des Transports Parisiens (RATP)

RATP is a state-owned public transport operator responsible for most of the public transportation in Paris and its surrounding suburbs.

Ambitions: RATP has made strong climate-related commitments including GHG emissions reduction targets validated by the SBTi and aligned with the 1.5°C pathway. To achieve these targets, the group has major decarbonisation projects and a broad strategy that includes energy efficiency, renewable energy sourcing, and circular economy initiatives. This positions RATP as a leading player in the decarbonisation of urban transport

Green bond framework: All proceeds of RATP's green bonds will be directed to the financing of sustainable transport projects, including public transport infrastructure, rolling stock renovation and renewal, stations and spaces of modernisation²²

Project highlight:²³ RATP's green bond financed different sustainable transport projects in the Paris region, including new rolling stock for the metro line 14 and the Bus2025 plan for a 100% ecologically friendly fleet. This involved purchasing new more ergonomic vehicles with more capacity for the now extended metro line 14, as well as purchasing electric buses and converting bus depots to electric power

Issuer Reported Project KPIs²⁴:

- Metro line 14: 340 GWh in energy savings; 13,140 tCO₂e avoided
- Bus2025: 143,000 tCO₂e avoided per year



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Impact Outcomes

Green Buildings

Impact highlights:

Allocation to this
project category

39%

Annual energy
savings

9 GWh

Sources: AXA IM, LGX as of 31/12/2024.

Challenge: The built environment represents a large part of energy, water and materials consumption. Buildings account for 34% of global energy demand and 37% of energy and process-related CO₂ emissions.²⁶ Emissions are expected to grow further by 30%-50% by 2050 due to increased floor space and electrification demand, with \$2.5trn-\$3trn annual investments needed globally to achieve net zero by 2050²⁶

Green bonds: Green bonds can support GHG emissions reduction by facilitating the financing of retrofits and new building construction that improve energy performance, as well as low-carbon construction that can lead to lower embodied emissions

Fund: The fund aims to invest in green bonds that finance the development of buildings meeting the highest levels of green building certifications or energy performance thresholds, as well as energy efficiency retrofits. This also includes projects aimed at electrifying heating and cooling, sourcing low-carbon materials, minimising waste and biodiversity impacts, and promoting healthier indoor environments -- ultimately reducing GHG emissions throughout the sector's value chain



Case Study : Unibail-Rodamco-Westfield (URW)

URW is a global real estate company that develops and operates shopping centres, offices and venues across Europe and the US.

Ambitions: URW is committed to achieving net zero across all scopes of emissions by 2050, with short-term targets SBTi-validated. Key decarbonisation measures include property upgrades, phasing out fossil fuel-based heating, promoting low-carbon materials in construction, and tenant engagement

Green bond framework:²⁷ URW's green bonds mainly focus on green buildings that meet stringent environmental certification thresholds. Energy efficiency, low-carbon transportation, and renewable energy projects are also eligible

Project highlight:²⁸ URW's green bond financed several buildings including Trinity, an office building in La Défense, France, the largest purpose-built business district in Europe²⁹. The tower counts around 49,000m² of office space and 3,500m² of public green space

Issuer Reported Project KPIs³⁰ Trinity received an "Excellent" sustainable building certification from BREEAM. As part of the objective to optimise intrinsic energy performance of assets, Trinity delivers some 28% improvement over national standards for building energy



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Engagement and Stewardship

Fund-level Engagement and Stewardship Activities

January 2024 to December 2024

Climate was the main engagement theme for the fund in 2024, in keeping with the fund's objectives. These engagements focused on issuers' climate targets, progress and implementation of existing climate policies and targets, and the quality of green bonds financed to meet aims.

Key figures:

50

engagements with
35 issuers

40%

issuers in portfolio
engaged, by
portfolio weight

36%

of portfolio engaged, by
number of issuers

Examples of companies engaged:

Iberdrola, Mizuho Financial Group, National Grid, Renault, Intesa Sanpaolo SpA

Source: AXA IM as of 31/12/2024.

Our Approach

At AXA IM, we view investor engagement as a dynamic process for driving change. Our goal is to enhance the sustainability practices of investee companies and increase the ability of our investments to have a positive impact.

The AXA Green Short Duration Bond Fund benefits from engagement and stewardship activities carried out across the firm, reflecting engagements specific to green bond instruments but also thematic priorities, notably on climate, that concern issuer-level practices. More information on the ensemble of our engagement activities, including on green bonds, can be found in the [AXA IM Stewardship Report 2024](#).

For the fund, our engagement focuses on enhancing the ability of both issuers and bonds to deliver a positive impact on the fund's sustainability objective: to support the reduction in GHG emissions and the transition to a low-carbon economy.

We will aim to engage with at least 70% of the issuers in the Fund's portfolio with green bonds that are ranked Neutral or Positive on topics related to the Fund's targeted Outcome over the Fund's recommended holding period.

Our engagement and stewardship activities focus on two main goals:

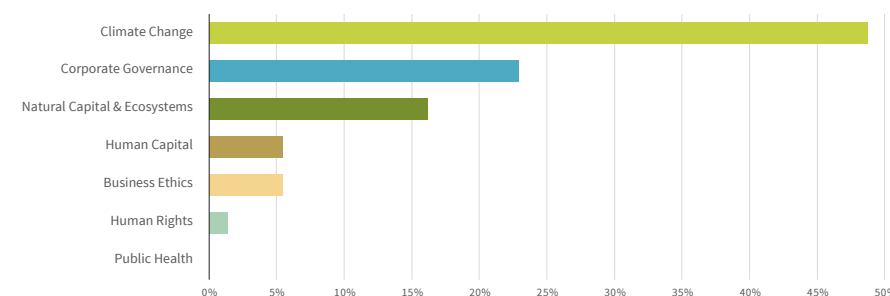
Increasing positive contributions: Ensuring that both the use of proceeds and the issuer's broader strategy contribute meaningfully to the reduction of GHG emissions and the transition to a low-carbon economy, and encouraging improvements in impact reporting to better demonstrate this contribution

Mitigating potential negative externalities and impacts: Encouraging issuers to avoid environmental trade-offs and mitigate any potential negative impacts associated with their businesses and the projects supported by the green bonds

Overall, we seek to ensure that issuers' climate ambitions are - and remain - credible, that projects are appropriately funded through green bonds, and that suitable reporting is available to measure the fund's contributions to the low-carbon transition.

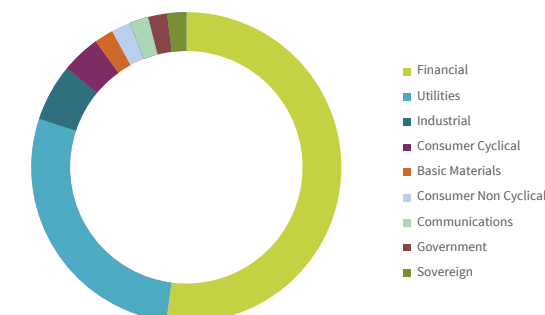
Fund-level Engagement and Stewardship Activities

Breakdown by theme:



Source: AXA IM. For illustrative purposes only.

Breakdown by sectors:



Source: AXA IM. For illustrative purposes only.



Methodologies

The data sources used for the calculation of impact indicators displayed in the report come from third-party data providers. Our data providers procure the underlying data from issuers. Impact data displayed is based on the fund's share of financing a given green bond unless otherwise specified.

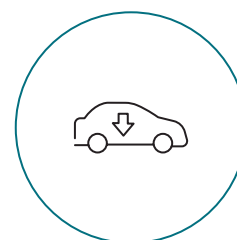
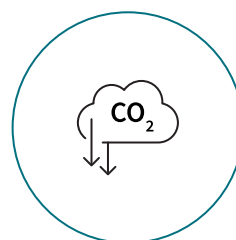
Green bonds provide a high level of transparency as use-of-proceeds instruments and the convention is for green

bond issuers to report on allocation and impact once the proceeds have been allocated. However, this also comes with aggregation challenges due to heterogeneous KPIs that can be reported by issuers and/or their methodologies. In the future, we hope this will improve to better convey the headline impacts associated with our investments.

Impact indicators used:

GHG emissions avoided

Environmental KPI provided by Carbone4. This metric is the carbon emission reduction divided by the AUM of the fund.

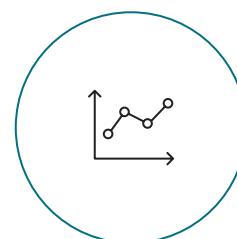
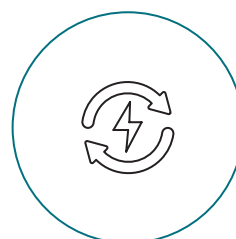


Cars removed from the road

Environmental KPI calculated to translate to tons of CO₂ avoided by number of cars removed from the road using a ratio of 4.5 tons of CO₂ per car.

Renewable energy generated

Environmental KPI provided by Carbone4 representing the amount of renewable energy created by our investment in green bonds.



Other impact indicators:

Additional impact-related KPIs displayed in the 'Impact highlights' and 'Impact Outcomes' sections of this report are provided by LGX. LGX collects KPIs directly reported by issuers in their green bond reporting.

This report has been established on the basis of unaudited data sourced by our front office tools as of 31/12/2024. The data presented represents past positioning. Past positioning is not a reliable indicator of future positioning. Companies and green bonds shown in this Impact Report are for illustrative purposes only as of 31/12/2024 and may no longer be in the portfolio later. It does not constitute investment research or financial analysis relating to transactions in financial instruments, nor does it constitute an offer to buy or sell any investments, products or services, and should not be considered as solicitation or investment, legal or tax advice, a recommendation for an investment strategy or a personalized recommendation to buy or sell securities.

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The ESG data used in the investment process mentioned throughout this document are based on ESG 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.



1 Based on Bloomberg data as of 30/06/2025.

2 Based on ICE index data, as of 31 March 2025

3 [NextGenerationEU Green Bonds - European Commission](#)

4 [China issues inaugural sovereign green bond - Net Zero Investor](#)

5 [The good, the bad, the opportunities: green bonds in 2025 | AXA IM Core](#)

6 [Growth of the green bond market and greenhouse gas emissions - BIS](#)

7 Created by the French Ministry of Ecological Transition, the Greenfin label guarantees the green quality of investment funds and is aimed at financial actors who serve the common good through transparent and sustainable practices. The label has the distinction of excluding funds that invest in companies operating in the nuclear sector and fossil fuels. This Label is dedicated to the green finance and aims to mobilize a portion of savings for the benefit of the energy and ecological transition. For more information please refer to www.ecologie.gouv.fr/label-greenfin

8 [Global Risks Report 2025 – WEF](#)

9 [World Energy Transitions Outlook 2023 – IRENA, Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach – IEA](#)

10 [Global Status Report for Buildings and Construction – UN](#)

11 <https://core.axa-im.com/document/10192/view>

12 [Basis: Ofgem assumption that a typical household in England, Scotland and Wales uses 2,700 kWh of electricity a year. Source: Average gas and electricity usage – Ofgem](#)

13 [Basis: The City of London covers an area of approximately 2.59km2 \(1.12 square miles\) Source: Our role in London – City of London](#)

14 [Climate Change 2023 Synthesis Report - IPCC. Net GHG emissions as of 2019](#)

15 [Net Zero Roadmap: 2023 Update – IEA. Based on IEA's Net Zero Scenario](#)

16 [Green finance framework – Orsted](#)

17 [Green Bond Impact Report 2023 – Orsted](#)

18 [Hornsea 2 Offshore Wind Farm - Orsted](#), Impact KPIs as reported by the issuer. KPIs are in absolute terms and do not represent the fund's share of impact related to the project. Several green bonds held in the fund as of 31/12/2024 were allocated by the issuer to this project.

19 [World Energy Investment 2023 – IEA](#)

20 [World Energy Investment 2023 – IEA](#)

21 [SLOCAT Transport and Climate Change Global Status Report 2nd Edition – SLOCAT](#)

22 [Green Bond Framework – RATP](#)

23 [RATP Green Bond Impact Report 2024 - RATP](#)

24 [RATP Green Bond Impact Report 2024 - RATP](#), Impact KPIs as reported by the issuer. KPIs are in absolute terms and do not represent the fund's share of impact related to the project.

25 [Global Status Report for Buildings and Construction 2024/2025 - UN](#). Emissions refer to the construction and operation of buildings.

26 [Bridging the Gap: How to Finance the Net Zero Transition – World Economic Forum](#)

27 [Green Financing Framework 2022 – URW](#)

28 [2024 Universal Registration Document – URW](#)

29 [Trinity – URW](#)

30 [2024 Universal Registration Document – URW](#), Impact KPIs as reported by the issuer. KPIs are in absolute terms and do not represent the fund's share of impact related to the project.

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