

Press release

AXA IM Alts increases efforts to address climate change and social inequality through impact investment

26 May 2021 – At AXA Investment Managers, our goal is to bring together private capital, entrepreneurial talent and technology to deliver solutions that advance social equality and ensure the environment can sustain us now and into the future. AXA IM Alts, a global leader in alternative investments with c. €162 billion of assets under management¹, has today released its 2020 Impact Investing Annual Review, documenting its efforts over the past year to invest, through private markets, in projects where the financial outcomes and the stated environmental or social impact objectives are linked.

Over the course of 2020, through its investments, AXA IM Alts continued to deliver impact across environmental and social issues, including protecting natural capital, promoting resource efficiency, and building climate resilience; as well as promoting financial inclusion, access to healthcare and the provision of quality education. In 2020 it committed c. \$174m of capital to support these goals.

Launched in 2012, the AXA IM Alts' Impact strategy has benefited more than 600 companies and projects across more than 80 countries in both developed and developing markets. Through its investment, AXA IM Alts has achieved significant impact outcomes, including²:

- **Environmental:** 8.5 million tonnes of CO2 emissions avoided; 270,000 households provided with clean energy; and approximately 8,000 tonnes of water saved
- **Social:** 436,000 students reached; 6 healthcare facilities developed in underserved locations; and 8.8 million people empowered with financial inclusion solutions

Commenting on the report, Alexandre Martin Min, CIO of Structured Finance at AXA IM Alts, said: “AXA IM Alts was one of the first institutional investors to develop an expertise in impact investing, establishing the strategy nearly a decade ago and launching our first impact fund in 2013. Since then, we have seen increasing interest from clients looking to invest to deliver real and measurable impact, and now manages close to \$900 million across the platform, following a forty percent increase in assets under management last year.”

Jonathan Dean, Head of Impact Investing at AXA IM Alts, commented: “Our focus is on addressing large-scale issues with significant funding gaps, ranging from environmental challenges to widespread lack of access to essential products and services. Through our platform we seek to mobilise long-term capital and thinking to yield solutions and in 2020 we committed c. \$174m of capital with a focus on addressing financial inclusion and global health, as well as the long-term challenges of combatting climate change and biodiversity loss. We sought to identify companies requiring capital that are directly addressing these challenges, from reducing global maternal mortality rates, to sustainable alternatives to single-use plastic. The cumulative impact of these investments is significant, delivering measurable and intentional environmental and social outcomes, aligned to the targets set out by the UN Sustainable Development Goals.

Delivering social impact

AXA IM Alts has continued to invest in companies³ that increase access, reduce costs, and improve the quality of solutions, to enable under-served communities to meet basic needs. In particular, it has sought to empower communities in emerging market countries by investing in companies providing solutions that embed financial resilience and build healthier communities, including:

- **Alydia Health**, a US-based medical device company tackling postpartum haemorrhage which has developed a device which facilitates the contraction of the uterus after childbirth, stopping bleeding. AXA IM Alts' investment will allow Alydia to increase the global use of its device in developed and developing countries, expecting to save 1,100 lives each year⁴.
- **Bridge International Academies**, which provides accessible, quality, and affordable schooling to children in under-served communities in a number of developing countries including Nigeria, Kenya and Uganda. The investment will enable Bridge to expand its partnerships with governments, providing access to quality education that is not dependent on ability to pay, expecting to reach six million pupils as its services grow⁴.
- **Revelation Biosciences**, which develops diagnostics and therapeutics to detect and treat viral infections. The investment will help support their goal of improving global access to their products and provide long-term solutions to COVID-19 and other viral diseases, expecting to save 12,500 additional lives a year with their increased research systems⁴.

Addressing climate risk

AXA IM Alts takes a holistic approach to selecting companies solving climate change and biodiversity loss. It has supported the acceleration of a range of projects that conserve natural capital and ecosystems, promote resource efficiency and sustainability, mitigate climate change, and improve the resilience of vulnerable communities whose livelihoods are affected by the challenges of climate change and ecosystem degradation.

As part of its efforts to protect the natural environment, in 2020 AXA IM Alts invested into forestry companies and projects to conserve natural capital, including an \$11 million investment in **Forest Carbon Indonesia**, a company specialising in conserving and restoring degraded peatland, tropical forests, and wetland ecosystems across Indonesia. The investment will enable Forest Carbon to scale up its activities, supporting the conservation and restoration of 74,000 hectares of peatland, mangrove and tropical forests, avoiding 26 million tonnes of CO₂ emissions, generating 22 million verified carbon credits, and protecting at least 10 International Union for Conservation of Nature Red List endangered species⁴.

A further investment to address waste management hazards through upcycling has helped enable **Sanergy**, a company providing sustainable waste solutions, to significantly expand their waste processing capabilities and outputs to tackle the sanitation crisis in Kenya. Sanergy aims to facilitate the safe removal and processing of over 1.2m tonnes of organic waste, which will in turn avoid the release of 630,000 tonnes of CO₂ emissions that would otherwise occur without its intervention⁴.

AXA IM Alts has also sought to address the myriad environmental issues associated with the proliferation of single use plastics. **PackBenefit** manufactures food trays, bowls and containers using sustainably sourced virgin wood pulp. The Company's products are recyclable, biodegradable and industrially compostable alternative to fossil-fuel derived, single-use plastic food trays. The investment will enable PackBenefit to increase production capacity from 30 million to 386 million sustainable food trays, with the output expected to displace 6.2k tonnes of single-use plastic by 2024⁵.

AXA IM Alts was one of the first institutional investors to develop an expertise in impact investing, establishing the strategy nearly a decade ago and launching its first impact fund in 2013. Since then, it has seen increasing interest from clients looking to invest to deliver real and measurable impact, and now manages close to \$900 million across the platform, following a 40 percent increase in assets under management in 2020.

For the full 2020 Impact Investing Annual Review, please click [here](#).

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1 Source: AXA IM Alts unaudited data, as of 31 March 2021

2 Impact results are based on information provided by investee companies and projects. The results reported here are AXA IM Alts' pro-rata share of aggregate impact performance. This is calculated based on our capital contribution to the underlying company or project.

3 Companies mentioned are for illustrative purposes only and it does not constitute an offer to buy or sell

4 Source: AXA IM Alts unaudited data, as of Q2, Q3, Q4 2020

5 Source: AXA IM Alts unaudited data, as of Q1 2021

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About AXA IM's approach to impact investing

AXA IM manages a variety of impact strategies, ranging from private equity investments to green and social bonds and listed equities and bonds, which look to provide solutions relating to issues such as healthcare, climate change and biodiversity.

AXA IM's impact range is its most focused responsible investment offering, with products specifically designed to have a direct, measurable and positive impact on society and/or the environment. These strategies will report definitive and measurable data against impact KPIs such as carbon footprint or lives improved, and each will target one or more UN SDGs. These strategies have a parallel commitment to deliver returns by tapping into the key themes of the sustainability economy.

As of the end of 2020, AXA IM managed about €2.1 billion of assets in this category.

More information about AXA IM's approach to impact investing [here](#).

About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €162 billion of assets under management as at 31 March 2021¹, across real assets (real estate & infrastructure), private debt & alternative credit and private equity & hedge funds. AXA IM Alts employs over 750 people located in 16 offices around the world and serves the needs of more than 350 clients from Europe, North America, Asia Pacific and Middle East. We are a global leader in real assets investment with c. €109 billion of assets under management, the number one property portfolio and asset manager in Europe², and one of the largest worldwide.

1 Source: AXA IM data (unaudited). All figures as at 31 March 2021.

2 Source: INREV Fund Manager Survey, June 2020. #1 Real estate manager headquartered in Europe based on total assets under management.

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a responsible asset manager, actively investing for the long-term to help its clients, its people and the world to prosper. Our high conviction approach enables us to uncover what we believe to be the best global investment opportunities across alternative and traditional asset classes, managing approximately €869 billion in assets as at the end of March 2021.

AXA IM is a leading investor in green, social and sustainable markets, managing €555 billion of ESG-integrated, sustainable and impact assets as at the end of December 2020. We are committed to reaching net zero greenhouse gas emissions by 2050 across all our assets, and integrating ESG principles into our business, from stock selection to our corporate actions and culture. Our goal is to provide clients with a true value responsible investment solution, while driving meaningful change for society and the environment.

AXA IM employs over 2,440 employees around the world, operates out of 27 offices across 20 countries and is part of the AXA Group, a worldwide leader in insurance and asset management.

Visit our websites <https://realassets.axa-im.com> and www.axa-im.com

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