



Investment  
Managers

# Investing for People and Planet

Impact Investing – Private Markets  
2021 Annual Review

# Creating tangible solutions

At AXA IM Alts, 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.

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**T**his is a time for action. From COP 26 where the global community discussed tangible actions to tackle climate change and biodiversity loss, to the increasing inequality that has been exacerbated by the COVID-19 crisis, the world needs solutions. Solutions that will require investment capital and expertise to bring about change at great scale. The world needs Impact Investing.

AXA IM Alts was one of the first institutional investors to develop an expertise in impact investing. Our clients have been answering this call to action by increasing their allocation to impact investing strategies. This is evidenced by the range of impact strategies we have launched and our increase in assets under management (AUM) growing from a base of \$200m when we launched our first impact strategy in 2013 to today, managing more than \$900m in impact assets, a 350% growth rate.

The growth of our strategy range and AUM testifies to the success and increasing maturity of the impact investing model. It also reflects the credibility of AXA IM Alts, a global leader in alternative investments, as an active, hands-on impact asset manager.

Across the strategy, we aim to generate measurable and intentional environmental and social outcomes, while delivering competitive financial returns. We work to address the needs and aspirations of under-served people

globally while protecting the natural environment in which communities are based and where they earn their livelihoods. Our investments contribute directly and materially to the United Nations Sustainable Development Goals and Targets.

Over the last year we have continued to raise capital from investors to address a range of impact themes. Our latest addition is the AXA IM Global Health Strategy that we launched at the beginning of 2022. This Strategy invests in companies that deliver quality, affordable healthcare to mass market countries. Key areas include infectious diseases, obesity and maternal and child health. The launch of this Strategy is a testament to our commitment to deliver solutions that have a tangible impact on people's lives globally.

**I strongly believe that AXA IM Alts has a unique role to play in empowering people and companies to find solutions and foster a sustainable environment and an equitable society.**



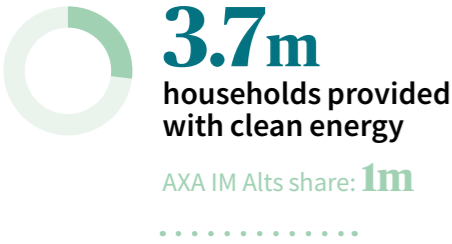
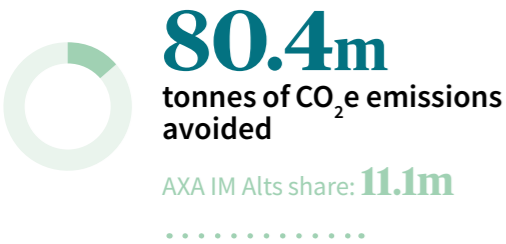
**Isabelle Scemama,**  
Global Head of AXA IM Alts  
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# Highlights

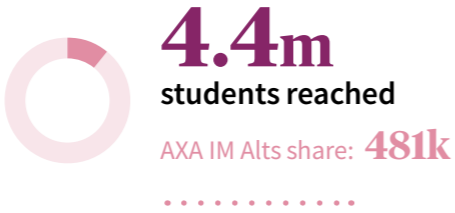
Our objective is to generate demonstrable social and environmental benefits, and the projects and companies we have supported over the years have achieved positive impacts<sup>1</sup> as shown below:



Environment



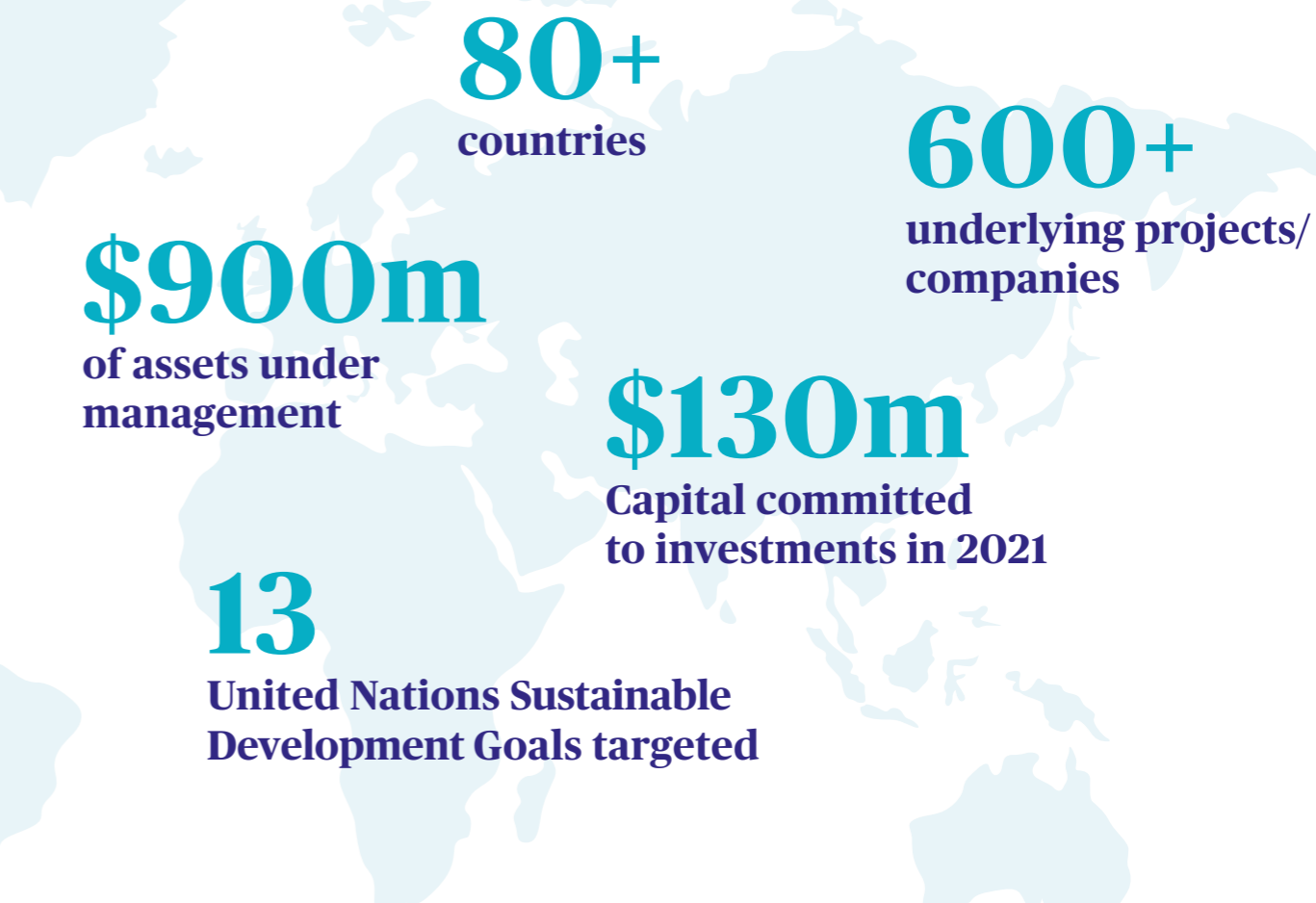
Social



**77** healthcare facilities developed in underserved locations

**13** healthcare solutions developed

# Our global exposure



<sup>1</sup> We have reported aggregate impact numbers as disclosed by investees and our 'share' of the impact results based on our capital contributions. This share is illustrated above by the tag "AXA IM Alts share". Data contained in case studies is sourced from each individual organisation/project. Data correct as of May 2021. Past performance is not a guide to future performance.

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



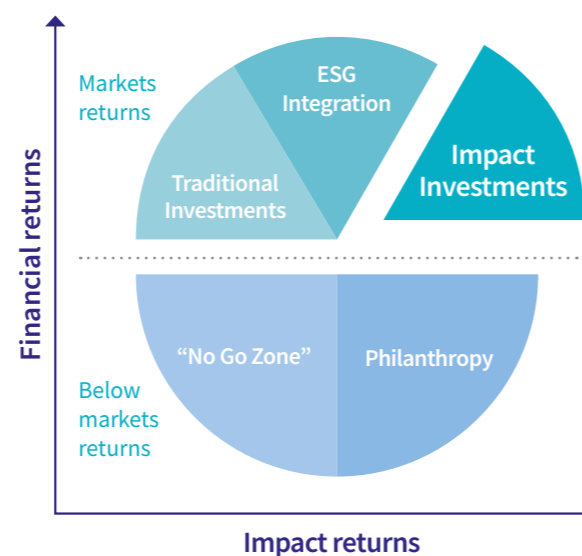
# What is Impact Investing?

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

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

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

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



Impact investing seeks to deliver both impact outcomes and financial returns

# Our strategies and impact themes

Our strategies target impact across asset classes, themes, and geographies. As of 2021, our investment has benefited more than 600 companies and projects across over 80 countries in both developed and developing markets. Many of these initiatives are in emerging economies with significant social and environmental challenges.

**With the launch** of the AXA IM Global Health Strategy, we are continuing to evolve our strategy in line with our mandate to contribute solutions to pressing societal challenges. Our global health strategy aims to reduce inequalities in access to quality healthcare solutions by increasing the availability and affordability of innovative products and services in high-volume, mass markets.

**Our strategies' objectives** and impact themes contribute to the UN's Sustainable Development Goals (SDGs). We have adopted the SDGs as an overarching guide to test the credibility, relevance, scale of impact and contributions of our investments to the sustainable development needs of people and planet. We use the SDGs to identify global needs and regions where our capital and other inputs are needed to deliver meaningful impact, helping bridge a \$2.5 trillion annual financing gap (UN, 2018).



## Deep and credible alignment with the UN Sustainable Development Goals



**1**  
No poverty



**2**  
Zero hunger



**3**  
Good health & well-being



**4**  
Quality education



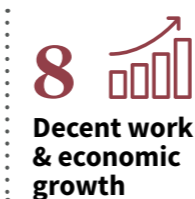
**5**  
Gender equality



**6**  
Clean water & sanitation



**7**  
Affordable & clean energy



**8**  
Decent work & economic growth



**9**  
Industry, innovation & infrastructure



**10**  
Reduced inequalities



**11**  
Sustainable cities & communities



**12**  
Responsible consumption & production



**13**  
Climate action



**14**  
Life below water



**15**  
Life on land



**16**  
Peace, justice, & strong institutions



**17**  
Partnerships for the goals



# Environment

## Our impact approach

Climate change and loss of biodiversity are two of humanity's most pressing challenges. In 2021, for the first time in recorded history, the concentration of carbon dioxide in the Earth's atmosphere reached more than 420 parts per million.<sup>1</sup> Biodiversity is also declining faster than ever, with species going extinct 100 to 1,000 times faster than expected.<sup>2</sup>



### Protecting natural capital

Aligning economic, environmental, and social objectives with financial returns enables us to manage competing priorities for natural capital. We invest in companies and projects that generate returns through sustainable ecosystem management, helping to conserve, protect, and restore natural capital and biodiversity. In addition, many of our investments generate payment for ecosystem services by qualifying for verified carbon credits issued under accredited programmes such as REDD+.



### Promoting resource efficiency

Combating climate change and natural resource depletion requires innovative solutions. Reducing and sequestering greenhouse gas emissions and promoting resource efficiency are key components of the strategy. We invest in multi-dimensional solutions, technologies and innovations such as clean energy generation, which reduces reliance on carbon-intensive energy sources. Our investments are also helping to promote energy-efficient products and circular economy solutions that break down the linear 'take, make, dispose' model of production.



### Building climate resilience

The effects of climate change on vulnerable communities threaten the livelihoods and well-being of many. We invest in innovative solutions that enable communities to adapt and build resilience. Our solutions provide communities with the necessary incentives to align with climate action objectives, enabling improved economic and well-being outcomes for individuals and businesses.

### What we measure

> We define KPIs for each target outcome

- **Climate Mitigation**  
CO<sub>2</sub>e avoided
- **Biodiversity**  
Hectares of critical habitats protected
- **Climate Resilience**  
Number of vulnerable people empowered
- **Conservation of Natural Capital**  
Hectares of natural capital conserved
- **Resource Efficiency**  
Waste avoided  
Water saved

<sup>1</sup> <https://www.forbes.com/sites/davidbressan/2021/04/07/carbon-dioxide-spikes-to-record-level/?sh=3b221ed1521f>

<sup>2</sup> <https://ourworldindata.org/extinctions>

# Catalysing clean energy



Agriculture produces 12% of global greenhouse gas emissions, with manure accounting for a quarter of this total. Methane released from manure is estimated to be 84 times more potent than CO<sub>2</sub> over a 20-year period when managed in liquid form. Its near-term potency presents a strong argument for the need to invest in solutions to combat methane emissions and meet climate goals. This has been recognised in the Global Methane Pledge, which aims to reduce methane emissions by 20% by 2030, relative to 2020 levels.

## Increasing small-holder farmers' resilience, sustainability and productivity

**Sistema.bio** provides sustainable solutions to small-scale farmers in Latin America, India and East Africa. The biodigester and biogas appliances company has developed a decentralised waste-to-energy system. This innovative system sequesters methane that would otherwise be released into the atmosphere and converts it into low-carbon biogas and biofertilisers capable of replacing fossil fuel-derived products. By increasing yields and income, farmers in emerging markets have a strong financial incentive to align their activities with climate mitigation objectives.

**Our investment** is helping strengthen Sistema.bio's market position by expanding its current sales network and regional infrastructure. With our investment, Sistema anticipates a significant increase in biodigester sales. The company is aiming for a 30-fold increase in digesters sold by 2026 compared to the number sold since its inception in 2010.



### Expected impact returns

**5m**  
tonnes of waste treated

**1,8m**  
tonnes of carbon emissions avoided

**16m**  
tonnes of biofertiliser produced

**200m**  
cubic metres of biogas produced

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



## Transforming dairy waste into renewable energy

**Ozinga** is a project focused on transforming dairy waste into renewable natural gas (RNG) at several US farms. Anaerobic digesters sequester methane from cow manure that would otherwise be emitted directly into the atmosphere. The biogas produced is then upgraded to RNG, displacing fossil fuels such as diesel.

**Our investment** will help to better manage 1,350 tonnes of manure per day across four farms. With our investment, Ozinga will build more anaerobic digesters, interconnection pipelines, and connection points to distribute RNG across the continental United States.

### Expected impact returns

**2.3m**  
tonnes of carbon emissions avoided

**6.8m**  
Btu of renewable natural gas produced

## Advancing battery and energy storage technologies

The energy sector produces over 70% of the world's greenhouse gas emissions, half of which are directly related to electricity generation and the transportation sector. Energy storage technologies are greatly needed to facilitate the shift from fossil fuels to renewable energy, and contribute to decarbonisation objectives.

**Volta Energy Technologies** is an asset manager specialised in next-generation batteries and energy storage technologies for advanced materials, manufacturing, and power electronics. Catalysing these technologies will increase the proliferation of electric vehicles and renewable energy – primarily solar and wind – on the electrical grid.

**Our investment** will support greater integration of green energy within the energy mix and help provide sustainable substitutes that reduce the use of rare earth materials.

### Expected impact returns

**30m**  
tonnes of greenhouse gas emissions avoided

**79k**  
tonnes of cobalt avoided

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# Boosting food sustainability



## Plant-based alternatives to meat proteins

Raising livestock for meat directly accounts for 2.9Gt of greenhouse gas emissions yearly, equivalent to 5.8% of total emissions. In addition, the conversion of land for livestock rearing increases deforestation of critical ecosystems and biodiversity loss.

**ENOUGH** (formerly 3F Bio) is helping contribute to the transition to a more sustainable food system with a lighter environmental footprint. The food technology company offers an alternative to traditional animal sources through the production of mycoprotein, a fungi-based protein. ENOUGH also has a unique zero-waste production process that further enhances its long-term impact and sustainability credentials.

**Our investment** will help scale up the production of mycoprotein and address the product's growing demand, which is not met by the current supply. With our investment, the company is building its first commercial facility, giving it the ability to produce 10,000 tonnes of mycoprotein by mid-2022. It will reach a capacity of 50,000 tonnes by 2027, and we expect over 200,000 tonnes of mycoprotein to be sold and consumed by 2030. ENOUGH is already in discussions with major food producers and retailers to provide mycoprotein for their food ranges.

### Expected impact returns

**1.3m**  
tonnes of carbon  
emissions avoided

**1.209**  
billion litres  
of water saved

**4.3**  
billion litres  
of water recycled

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# Forest Conservation



## A sustainable approach to chocolate production

Conventional cocoa production involves clearing significant areas of forest, resulting in devastating deforestation and biodiversity loss. Forest conservation is particularly important in Madagascar, where 85% of the country's plant and animal species are found nowhere else in the world.

**Beyond Good** is a cocoa bean-to-chocolate bar company founded in 2008. The company sources cocoa directly from Madagascan farmers as part of a new and sustainable approach to chocolate production. By working first-hand with local farmers, Beyond Good promotes agroforestry instead of traditional cocoa farming. This technique integrates shade trees that provide habitats to support native wildlife.

**Our investment** will enable Beyond Good to increase direct sourcing from local farmers and build resilient livelihoods for vulnerable communities. With increased income, the farmers are incentivised to align their economic empowerment with the conservation of critical habitats and endangered species. The investment will also increase Beyond Good's footprint for sustainable cocoa production from 122 to 528 hectares of agroforestry, contributing to the conservation of 89 species of flora and fauna. This includes five species of endangered and vulnerable lemurs on the IUCN Red List of Threatened Species.

### Expected impact returns

**528** To date: 327  
hectares of critical habitats  
for biodiversity conserved  
or protected

**2.9k** To date: 327  
hectares of sustainable  
agroforestry

**3.6k** To date: 102  
smallholder farmers  
to enter Beyond Good's  
supply chain

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# Combating climate change



We invest in nature-based solutions to fight climate change and biodiversity loss.



## Protecting biodiversity in Guatemala

The Global Forest Watch estimates that over the past two decades, Guatemala has lost 19% of its remaining primary forests and forest land, threatening the world's endemic plants and vertebrates.

**Fundaeco** focuses on conservation activities in Guatemala's protected forest areas. As its footprint expands, Fundaeco is strengthening the protection of natural forests and facilitating emissions reductions whilst providing a sustainable means for landowners to monetise their forests' environmental benefits through payment for ecosystem services.

**Our investment** will enable Fundaeco to continue financing its REDD+ project in Izabal, Guatemala, the world's largest REDD+ project. Our carbon-backed bond will ensure the continued protection of Guatemala's tropical forests and expand the conservation area by 10% to 60,500 hectares.

### Expected impact returns

**60.5k**

hectares of land under sustainable management

**4.6m**

tonnes of carbon emissions avoided

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## Carbon sequestration in Kenya

Traditional forestry models in Africa contribute to deforestation and loss of biodiversity by harvesting wood from existing forests. Yet, the continent is facing a \$30bn wood deficit by 2030 that cannot be supplied by its plantations.

**Komaza** is a microforestry-to-wood products company based in Kenya that turns underutilised land into thriving microforests. By monetising emissions reductions through the sale of carbon credits, Komaza incentivises farmers to use surplus degraded land to grow carbon-sequestering trees.

**Our investment** will help Komaza increase its number of trees planted from 7 million in Kenya to 1 billion across Africa by 2050. The capital will help Komaza expand its footprint from 5,000 to 37,000 hectares, enhancing carbon sequestration and improving the income of 50,000 farmers.

### Expected impact returns

**17.5m** To date: 250,000

tonnes of carbon emissions sequestered

**50k** To date: 22,333

farmers with improved financial outcomes



## Restoring degraded ecosystems

In Indonesia, critical ecosystems such as mangrove forests have experienced a nearly 40% decline over the past three decades. The region also experienced major peatland fires in 2015 and 2019, leading to the release of significant levels of CO<sub>2</sub> emissions.

**Forest Carbon** specialises in conserving and restoring degraded peatland, tropical forests, and wetland ecosystems across Indonesia. The organisation is actively managing more than 22,000 hectares of vulnerable peatland, helping to prevent forest fires, strengthen the rural economy, and protect the Sumatran tiger's habitat.

**Our investment** will enable Forest Carbon to scale up its activities across Indonesia, helping avoid 26 million tonnes of CO<sub>2</sub> emissions while supporting the conservation of 74,000 hectares of land. This expansion will result in 22 million carbon credits and the protection of at least 10 IUCN Red List endangered species.

## Protecting family-owned forests in the US

Small landowners are often excluded from entering carbon markets due to the significant administrative and cost complexities.

**Forest Carbon Works** (FCW) is a US-based project developer that helps owners monetise their emissions savings by selling carbon credits through the California emissions trading scheme, known as the Cap-and-Trade Program. FCW provides free carbon inventory services and spreads certain fixed costs across multiple projects to lower costs for owners.

**Our investment** will contribute to 5.4 million carbon credits being registered over five years – an 8.5% share of the US carbon credit market.

### Expected impact returns

**74k**

hectares under sustainable management

**26m**

tonnes of carbon emissions avoided

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### Expected impact returns

**5.4m**

carbon credits issued

**35k**

hectares under sustainable management

# Building climate solutions capacity



To reach the Paris Climate Agreement target of limiting warming to 1.5°C above pre-industrial levels, global CO<sub>2</sub> emissions must be reduced from 2010 levels by nearly 50% by 2030.<sup>1</sup> This ambitious goal can be achieved by preventing degradation and deforestation and by sequestering emissions through nature-based solutions.

We invest in solutions to improve the capacity and technical expertise required to execute nature-based projects. Through these investments, we aim to support the growth of a market that recognises the role that ecosystem services play in combatting climate change.



## Regenerating natural ecosystems

**The Shared Wood Company** (SWC) is a nature-based project development company committed to preserving and restoring natural ecosystems and biodiversity whilst supporting local communities. Primarily focused on financing forestry projects in Latin America and Africa, SWC designs, builds and operates nature-based real assets at scale to tackle biodiversity loss, climate change and rural poverty.

**Our investment** will support SWC in expanding its capacity to undertake forest conservation, afforestation, restoration and regeneration projects. In addition, our capital will address the significant financing shortfall faced by nature-based projects, demonstrating a market-based solution to an urgent environmental problem.

## A brokerage platform for carbon offsets

**ClimateSeed** connects carbon reduction projects with businesses seeking to offset their emissions. The company has a portfolio of 36 projects in 24 countries with an aggregated capacity to generate 4 million verified carbon credits across various sectors: forestry, land use, renewable energy, waste management, water management, energy efficiency, and fuel switching.

**Our investment** will fund ClimateSeed's operating activities, supporting its development and expansion. The capital will be used to broaden the company's project portfolio of nature-based projects.

<sup>1</sup> <https://unstats.un.org/sdgs/report/2021/goal-13/>

# Towards a circular economy



## Expected impact returns

**386m**  
single-use plastic  
containers displaced

**6.2k**  
tonnes of single-use  
plastics displaced

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

## Expected impact returns

**1.2m** To date: 55,473  
tonnes of waste removed  
and upcycled

**50k**  
tonnes of biofertiliser  
produced



## A circular packaging economy for Europe

Single-use plastics represent 91% of all plastic produced, resulting in 8.3b tonnes of plastic pollution. 86% of the world's plastic waste is landfilled, incinerated or leaks into the natural environment, and the rate of pollution is projected to double unless we adopt a sustainable solution.

**PackBenefit** designs and manufactures industrially compostable alternatives to fossil fuel-derived, single-use plastic food trays, bowls and containers.

Made of sustainably sourced wood pulp, the products can be recycled, biodegraded, or converted into biofuel.

**Our investment** will enable PackBenefit to increase production at its existing plant and build a new facility. Scaling up will pave the way for further expansion by highlighting the commercial viability of fibre-based alternatives, even in demanding regulatory markets such as the EU.

## Funding circular sanitation solutions

Cities are growing faster than ever. In Kenya, only 5% of sewage is effectively treated, leading to water and land pollution, greenhouse gas emissions from landfills, and a 2% loss in GDP every year due to illness. At current rates, complete sanitation coverage will take 150 years.

**Sanergy** is a waste management company that provides non-sewered sanitation solutions for urban slums. It collects and transforms sanitation and

other organic waste into sustainable inputs used for the production of insect protein for animal feed, organic fertiliser and biomass briquettes for fuel.

**Our investment** will enable Sanergy to significantly expand its waste processing capabilities and outputs. With our capital, the company will be able to safely remove and process more than 1.2m tonnes of waste and avoid 630,000 tonnes of CO<sub>2</sub> emissions.



# Social

## Our impact approach

Through our healthcare investments we aim to generate positive social impacts, building a bridge from high-income markets to high-volume markets with strong growth potential in healthcare. Our mission is to ensure healthy lives, promote well-being and address inequalities in access to quality healthcare solutions.

Our investments support companies that are committed to improving healthcare access, quality and affordability targeting our priority healthcare pillars. These include women and maternal & child, vision, infectious diseases, and diabetes and obesity.



### Targeting accessible healthcare

Healthcare provision remains an urgent global challenge in terms of access, quality and supply. Traditionally, underserved populations have been excluded from quality healthcare. We want to help bridge this healthcare gap.

Through our investments, we aim to increase the availability and affordability of healthcare products and services that target global disease burdens. This is done through delivering solutions at affordable price points by addressing high-volume, mass markets. This serves the healthcare needs of the many – not the few.



### Innovating in Healthcare

We provide funding for companies focusing on clinical development or early commercialisation of solutions such as medical devices, biopharmaceuticals, vaccines and diagnostics. These innovations have the potential to revolutionise healthcare and deliver intentional and positive health outcomes relative to global disease burdens.

Investments include affordable broad-spectrum treatments for poisonous snakebites, devices proven to prevent postpartum haemorrhage, next-generation intraocular lenses for cataract treatment, and non-invasive dermal glucose sensors to detect prediabetes and diabetes.

### What we measure

> We define KPIs for each target outcome

- **Lives improved**  
Number of lives improved by the provision of healthcare solutions
- **Lives saved**  
Number of lives saved by the provision of healthcare solutions
- **Quality solutions**  
Number of healthcare solutions developed/distributed

# Building healthy communities



An estimated 463 million adults suffer from diabetes worldwide. The economic burden represents 2% of global GDP and is projected to double by 2030.

Diabetic retinopathy, caused by high blood sugar levels damaging the retina, is the most prevalent cause of vision loss among diabetics. Diabetes also increases the risk of developing cataracts, a leading cause of low vision affecting 95 million people.

Vision impairment severely impacts quality of life and poses a significant financial burden due to productivity loss. These conditions can be managed through proper detection, monitoring and treatment.

## Harnessing AI to cure preventable blindness

**EyenUK** is a medical technology company driving the transition to predictive and preventative healthcare through innovative, AI-driven diagnostic solutions. The company has developed eye screening software for autonomous diabetic retinopathy detection without a specialist, and predictive biomarkers for risk assessment and disease surveillance. Once fully developed, the platform can be used to detect and monitor other eye diseases and chronic diseases by non-specialists at the point of care.

**Our investment** will support Eyenuk in eliminating preventable blindness and transitioning to predictive and preventative healthcare for chronic diseases. Our capital will help Eyenuk ensure timely diagnosis of life- and vision-threatening diseases, as well as the evolution of its platform to support the detection of other chronic diseases.



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### Expected impact returns

**300k**  
eyes tested per annum,  
at scale in target countries

**75k**  
eyes referred for treatment  
following testing

**15k**  
lives improved  
through sight-saving  
eye treatments



### Expected impact returns

**50k**  
lives improved  
per annum, at scale  
in target countries

## Accessible eye care for cataract treatment

**Z-Optics** is developing the next generation of intraocular lenses (IOL) for cataract treatment. Treatments in Low-Middle Income Countries (LMIC) to date are limited and expensive, and often favour monofocal lenses that do not restore full-range vision. Now, cataracts can be treated surgically by replacing the clouded lens with an IOL.

**Our investment** will enable Z-Optics to produce this innovative lens with the potential to deliver full-range vision for affected populations. Z-Optics will produce a version of the device or make the standard device available at an appropriate price point for LMICs, increasing access and affordability for underserved beneficiaries.

## Establishing a new category of Bio-Wearables

Approximately 1 in 3 Americans have pre-diabetes which, if left untreated, increases their risk of developing Type 2 diabetes.

**Biolinq** is developing a wearable patch with an array of micro-sensors that continuously monitor glucose from just beneath the surface of the skin. The wearable is designed to be completely painless to apply and wear, simple to use, and features a novel user interface that provides real-time feedback directly on the device.

**Our investment** in the technologies being developed by Biolinq will support an important journey towards improved metabolic health and wellness, with the potential to slow and/or avoid the progression of diabetes complications.

### Expected impact returns

**350k**  
lives improved per annum,  
at scale in target countries

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# Novel healthcare solutions



## Innovative treatment for snakebite victims

Venomous snakebites cause up to 138,000 annual deaths, mostly in rural, impoverished areas. An estimated 75% of those deaths occur outside the hospital setting. Survivors live with serious, life-altering outcomes such as loss of limb and permanent disability.

Under the current standard of care, antivenom must match the specific snake species responsible for the bite. However, fewer than half of the world's 450 venomous snake species have a corresponding antivenom.

### Expected impact returns

**11.5k**  
lives saved per annum,  
at scale in target  
countries

**200k**  
lives improved  
per annum, at scale  
in target countries

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**Ophirex** is developing a novel solution to address the majority of venomous snakebites globally. Pre-clinical studies have shown that its small molecule treatment, varespladib, is a potent inhibitor of broad-spectrum snake venom sPLA2 enzymes, a highly toxic substance present in 95% of all snake venoms.

Compared to current species-specific and antibody-based antivenoms, varespladib is also cheaper and easier to manufacture, store, and administer. A pill-based delivery option will enable remote use where access to trained healthcare personnel is restricted. This will ensure victims can receive treatment during the crucial window.

**Our investment** will aid Ophirex in developing the varespladib antivenom, which overcomes several limitations present in existing treatments. In turn, the capital will help address serious public health issues related to snakebites, delivering significant healthcare and socio-economic returns in developed and developing countries.

# Fighting pandemics



## Testing and treatment for viral infections

Most viral tests and treatments are prohibitively expensive for LMICs. The cold chain handling and temperature-controlled transport and storage makes them less convenient and reliable for use in developing countries.

**Revelation Biosciences** develops diagnostics and therapeutics to detect and treat viral infections. The company is developing a suite of products that can be applied to a wide range of viral infections including influenza, COVID-19 and other respiratory infections. This includes a diagnostic product for the rapid detection of viral infections and a therapeutic – nasal drops – that treats viral infections and prevents infection in high-risk environments.

**Our investment** will help Revelation Biosciences improve global access to their products and provide long-term solutions to a range of viral diseases.

### Expected impact returns

**12.5k**  
lives saved per annum,  
at scale in target countries

**50k**  
lives improved per annum,  
at scale in target countries

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



# Targeting accessible healthcare



## Innovating to address postpartum haemorrhage

Postpartum haemorrhage (PPH) is the leading cause of maternal death globally, affecting 10% of all deliveries worldwide. More than 100,000 women die from PPH each year with most of the deaths occurring in LMICs, particularly sub-Saharan Africa.

**Alydia Health** is a US-based medical device company that developed a device, **Jada**, designed to facilitate uterine contraction following childbirth to stop bleeding and prevent PPH. Clinical studies have shown that Jada stops bleeding in 96% of patients within minutes. The company's Jada device received regulatory approval from the US Food and Drug Administration in 2020 and has now been used by almost 5,000 women.

In 2021, Alydia Health was acquired by Organon – a global healthcare company formed through a spin-off from Merck – which has a mission to deliver high-impact medicines and solutions focusing on women's health. Our responsible exit is aligned with 'Good Exit' principles and considerations. Organon demonstrated alignment with and ability to continue the impact objectives underpinning our investment. The company's resources and footprint will enable faster scale-up of the Jada device throughout LMICs and the continued development of the product for underserved beneficiaries. The company has agreed to be bound by a Global Access Agreement, and committed to post-exit monitoring and reporting.



# Global Health Investments



Improving lives by leveraging the power of private capital



Through our investments, we aim to have a positive impact by working with other investors to contribute solutions to global health challenges.

## Enhancing disease prevention and control

**EuBiologics**\* develops and manufactures oral cholera vaccines and biopharmaceuticals. Cholera, a bacterial infection caused by ingestion of contaminated food or water, claims an estimated 95,000 lives each year<sup>1</sup>. With demand for cholera vaccines forecasted to exceed supply at the time of investment, the company developed Euvichol+, a cholera vaccine that has been used globally to address cholera outbreaks. Since our investment, 74 million doses of Euvichol+ have been shipped.

## Making essential medicines affordable to all

**Univercells**\* is committed to revolutionising global biologics availability by developing technology-driven biomanufacturing solutions. The company's cutting-edge manufacturing platform technology supports a variety of bioprocessing services. The platform lowers the cost of goods for global health vaccinations while reducing the barriers to distributed production in low-and middle-income countries.

## Addressing global health inequities

**Medicines Development for Global Health (MDGH)**\* develops new and improved medicines for neglected diseases that disproportionately affect people in low- and middle-income countries. MDGH achieved FDA approval for moxidectin, a novel treatment for river blindness. A low-cost, effective treatment will benefit the 198 million people at risk of contracting the debilitating disease, which is the world's second-leading infectious cause of blindness.

<sup>1</sup><https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4455997/> \*Investments held as LP in the Global Health Investment Strategy

# How we measure & manage impact

The AXA IM impact strategy aims to generate measurable outcomes that address the needs of an identified beneficiary group while delivering market-rate financial returns. Managing, monitoring and measuring impact performance is crucial to ensuring we meet this goal.



## Our IMM System

Our Impact Measurement and Management (IMM) System covers all aspects of our investment process, from initial assessment, evaluation and due diligence to investment, monitoring and exit. Environmental, Social and Governance (ESG) considerations are embedded within the investment lifecycle. Our objective is to ensure that impact is generated with intention and focus. It should be a key driver for investment decisions and the management of investments over time.



## Evaluating impact

We evaluate the extent to which investments are generating social and environmental impacts mindfully and meeting predetermined targets using a proprietary system that follows the entire investment trajectory.

This aims to ensure that we are both generating a positive impact for our planet and its people and delivering competitive financial returns.



## The Impact Platform

We developed the AXA IM Impact Platform, a tech-based, modular IMM solution. This innovative platform supports our impact investing strategy, offering greater accountability and credibility to our stakeholders. The tool enables investors to track impact performance in real time, accessing qualitative and quantitative indicators, performance tracking, and data visualisation tools.

# Mapping our impacts

Prior to making investments, we use an impact wheel to chart the steps necessary to achieve impacts in line with our strategy. This enables us to review both challenges and solutions, assessing the relevance, directness, depth and scale of proposed investments relative to the impact we are seeking. This is crucial to ensuring that impact is our top priority when investing and helps us maintain our focus over time.

## The impact wheel



# Our investment process

We integrate impact and ESG considerations at every stage of our investment process, ensuring that all potential investments meet our financial and non-financial criteria.



# Impact Platform

## Innovating to deliver real-time analysis

We strive to meet emerging client requirements and evolving industry standards. As we continue to implement our strategy, we are scaling up our impact management resources.



Accountability and credibility are fundamental to effective impact management and reporting. Our innovative Impact Platform makes this possible, bringing rigour to our impact measurement and management (IMM) and improving monitoring of the ESG aspects of our investments.

A tech-based, modular IMM solution, **the Impact Platform** will enhance our impact management and enable clients to track the impact performance of their investments

### User-friendly interface

The Impact Platform provides clients with a single point of access for all relevant information and reporting. Its intuitive interface provides insight into the impact programme and our execution of the impact mandate.

The platform incorporates qualitative and quantitative indicators, performance tracking, and data visualisation tools. This enables clients to analyse data and build personalised, specific reports with ease.

### End-to-end impact management

The Impact Platform delivers important benefits at every stage of the investment process, from inception to exit. It enables users to understand how the impact budget has been allocated, by country, sector or impact pillar. Clients can also see how investments are performing, and which SDGs they contribute to. Furthermore, data can be aggregated and disaggregated to provide insights.

During the investment period, impact performance relative to KPIs and targets over time can be monitored at investment and strategy level. Post-investment, the platform streamlines reporting on impact, while its transparent records enhance traceability of impact results.

### Enhanced transparency and accountability

Our strategies, as well as investee companies and projects, are detailed on the platform. This will provide comprehensive information to our clients and increase our accountability on the delivery of impact.

### Building a community of impact stakeholders

We designed this platform to provide deep insights into our execution of the impact mandate entrusted to us by our clients. With real-time information at their fingertips, our clients will find it easier to articulate their contributions to impact investing and the Sustainable Development Goals.

# Aligning with additional industry standards and norms

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



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



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



The IMP framework is an approach that has gained currency amongst impact investors as an industry consensus on how to measure, compare, manage and report on the impact contributions of investments. We use the five dimensions of the Impact Management Project (IMP) (What, Who, How Much, Contribution and Risk) to assess potential investments and evaluate the impact performance of our investments. AXA IM is a funder of and an advisor to the IMP.



AXA IM is an active signatory of the PRI and we align our practices with the six principles of the PRI by incorporating the consideration of environmental, social and governance issues into our investment processes.



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



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



## Operating Principles for Impact Management

# Operating Principles for Impact Management

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

### Principle 1 ✓



**Define strategic impact objective(s), consistent with the investment strategy**

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

### Principle 2 ✓



**Manage strategic impact on a portfolio basis**

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

### Principle 3 ✓



**Establish the Manager's contribution to the achievement of impact**

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

### Principle 4 ✓



**Assess the expected impact of each investment, based on a systematic approach**

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

### Principle 5 ✓



**Assess, address, monitor, and manage potential negative impacts of each investment**

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

### Principle 6 ✓



**Monitor the progress of each investment in achieving impact against expectations and respond appropriately**

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

### Principle 7 ✓



**Conduct exits considering the effect on sustained impact**

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

### Principle 8 ✓



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

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

### Principle 9 ✓



**Publicly disclose alignment with the Principles and provide regular independent verification of the alignment**

# AXA IM Philanthropy Mechanism

We have developed a charitable mechanism for our impact strategy range to support initiatives and projects that are not commercial prospects but still bring significant impact value. We identify organisations whose activities are aligned with our environmental and accessible healthcare priorities.

## Protecting Indian elephants

**World Land Trust** is an international conservation charity that funds the creation of nature reserves and provides permanent protection for habitats and wildlife through a network of partner organisations around the world.

**Our donation** supports the restoration of a natural corridor for Indian elephant populations moving between D’Ering Wildlife Sanctuary and Dibru Saikhowa National Park, whilst enhancing the capacity and livelihood opportunities of local communities and reducing human-elephant conflicts.

2021 results

**200** hectares  
of land committed to the project



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

## Reintroducing European vultures

**Ligue pour la Protection des Oiseaux** is one of the oldest nature conservation associations in France. Its main focus is bird protection and conservation, but it is also active in education and awareness-raising campaigns.

**Our donation** supports a project to reintroduce four species of European Vultures in the Massif Central, working with local breeders and farmers, authorities and research centres.

2021 results

**637** young vultures in flight  
: **853** breeding pairs

## Facilitating births in rural areas

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

**Our donation** supports a project at the Chiulo Hospital (Angola) that aims to facilitate 1,400 births and increase access to quality maternal, neonatal and child healthcare services for women and children living in rural areas

2021 results

**1,596** births  
: **4,457** prenatal visits

### IMPORTANT NOTICE

**Risk Factors:** The nature of this strategy will involve investing in the private markets, often in emerging market countries, so the strategy is exposed to certain risk that are but not limited to: performance, impact measurement, liquidity, valuation, concentration, geo political, currency, tax, legal etc. This list is not exhaustive.

**No Assurance of Investment Performance:** The strategy has not commenced operations and, accordingly, has no operating history upon which prospective investors may evaluate its likely performance.

There is no assurance that the Investment Objective will be achieved at any point in time and that the strategy will be able to generate any investment performance. There is a risk of loss of the entire capital invested by the Investors.

**Impact measurability may be subjective:** Impact projections and results are based on information provided by investee companies and projects. Impact measurement may be subjective in nature and covers a wide variety of possible key indicators which constitute the Impact Performance of the strategy. The data and measurement techniques may be specific and subjective to each underlying investment.

**Liquidity risk:** Not all securities or instruments invested in by the strategy will be listed or traded on an organised exchange or other venue. Further, the strategy may hold trading positions in unlisted securities and markets that are volatile and of limited liquidity. Timely divestiture or sale of trading positions may be impaired by, among other things, decreased trading volume, increased price volatility, concentrated trading positions, the limitation on the ability to of the strategy to transfer transactions to which the strategy may be a party and the overall position size. It may be impossible or costly for the strategy to liquidate or unwind positions prior to the maturity of any position particularly if there are other market participants seeking to dispose of similar assets at the same time or if the relevant market is moving against the position. Accordingly, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The strategy may also encounter difficulty in disposing of assets at a fair price and may incur high transactions costs and fees in doing so.

**Valuation risk:** The strategy will invest the whole or potentially a large part of its assets directly or indirectly in illiquid and/or unquoted securities or instruments. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process.

**Sourcing/Operations risk:** The investment sourcing process for the strategy is completed over a 3-year long ramp-up period. The nature of the strategy involves a lengthy due diligence process which could result in broken deal costs should an investment not reach execution.

**Market risk:** The strategy is focused on Emerging Markets which is considered to carry higher ancillary risk which could affect the performance of investments. The strategy could have a high concentration in Emerging Market geographies.

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