

Press release

AXA IM Alts expands Natural Capital platform with the launch of a €500m strategy and strategic appointments

- ***The addition of the new strategy builds on AXA IM Alts' existing portfolio of nature-based solutions, as it seeks to address climate change and preserve biodiversity***
- ***Appointments of Adam Gibbon, Edoardo Cavallo and Camila Alva Estabridis, further strengthen the team, underpinned by longstanding relationships in the market and technical expertise***
- ***Strategy will seek to identify investments across strategic equity, direct financing, and carbon solutions***

AXA IM Alts, a global leader in alternative investments with over €190 billion^[1] of assets under management, announces the launch of a new Natural Capital strategy ('the Strategy'), designed to support nature-based solutions. The launch of this new strategy, initially reserved for AXA Group investors which have provided an initial €500m commitment, represents the next step in the evolution of AXA IM Alts' current natural capital offering and underpins AXA IM Alts' broader strategic plans to further extend its efforts to address climate change and biodiversity loss.

This commitment forms part of AXA Group's €1.5 billion commitment to protect and sustainably manage forest ecosystems, and this latest investment will further contribute to its target to remove or avoid up to 25 million tonnes of carbon dioxide each year^[2].

Building off AXA IM Alts' existing expertise within the sector, the Natural Capital Strategy will focus on financing activity that ensures that vulnerable or high value natural habitats are protected from deforestation, including both financing to address the drivers of deforestation and to improve forest conservation efforts, quantified through the issuance of voluntary carbon credits. The portfolio will combine strategic equity investments, with stakes in companies supporting the natural capital ecosystem in local markets, the provision of carbon solutions, and direct project financing.

Jean-Baptiste Tricot, Group Chief Investment Officer, AXA Group, commented, "Forests represent 80% of the Earth's biodiversity and play an essential role in the fight against climate change. At AXA Group, we are committed to using our capital to help preserve our planet's natural ecosystems and address climate risk. We have committed to investing €1.5 billion to support sustainable forest management, including this latest €500 million in reforestation projects in emerging countries, enabling a total of 25 megatons of carbon dioxide to be captured or avoided each year, as part of our net zero commitments"

The Strategy will leverage AXA IM Alts' existing portfolio of strategic equity stakes in key players in the natural capital ecosystem, including project developers with local market access, as well as executing a direct pipeline of carbon projects. It will also seek to build capacity to provide unique carbon solutions to serve the growing demand for carbon offsets.

Alexandre Martin Min, CIO, Structured Finance and Impact Private Equity at AXA IM Alts, commented, "Beyond the need of decarbonizing the human activity over the next 30 years, there is an urgent need to grow scalable investment solutions to protect and manage sustainably natural capital, which are relatively nascent in today's market. People and local market relationships are key to identifying and accessing investment solutions, particularly in such a complex environment. Over the last 10 years, we

at AXA IM Alts have built a wide network of relationships, deepened our expertise and delivered many successful nature-based projects, making us well positioned to lead the acceleration of carbon solutions that seek to preserve natural capital.

A long track record

AXA IM Alts has a long track record investing to protect biodiversity and address climate change. Launched in 2019, the AXA Impact Climate and Biodiversity Strategy^[3], which now has c. €350m (\$350m) in committed capital, invests in projects and companies globally that are helping to restore degraded ecosystems and support carbon avoidance or sequestration. The Strategy has invested over €100m (\$100m) as of end of June 2022 and has a strong track record of successful investments with broad investment exposure including equities, carbon-backed bonds and a project debt facility. Specific investments include^[4]:

- **FUNDAECO:** A company focused on conservation activities in protected forest areas in Central America. AXA IM Alts' green bond investment enabled FUNDAECO to finance and expand the largest forest conservation project conducted under the auspices of the REDD+ program
- **Forest Carbon:** A company that specialises in conserving and restoring degraded peatland, tropical forests, and wetland ecosystems across Indonesia. AXA IM Alts' \$11 million commitment supported Forest Carbon in securing a portfolio of new restoration projects and launching a new series of bonds for each project, allowing large-scale wetland forest restoration to be financed by a growing community of investors
- **The Shared Wood Company:** AXA IM Alts acquired a minority stake in French nature-based project development company committed to preserving and restoring natural ecosystems and biodiversity whilst supporting local communities. Beyond contributing to The Shared Wood Company's growth, AXA IM Alts directly supported its development through financing forestry and sustainable land-use projects and by off-taking the high-quality carbon emission avoidances or carbon removals generated by these projects.

In July 2021, AXA IM Alts also announced the acquisition of ClimateSeed, the voluntary carbon off-setting platform, through its Impact Strategy. ClimateSeed acts as an innovative marketplace, connecting businesses seeking to offset their carbon emissions with project developers offering carbon reduction projects with high environmental and social benefits, complementing the Strategy's diversified portfolio of nature-based projects facilitating carbon avoidance and sequestration.

Strengthening the team

In addition to the launch of the new Strategy, AXA IM Alts has also identified a team of natural capital market experts to join the platform as it further expands its efforts to provide natural capital solutions, with **Adam Gibbon**, **Edoardo Cavallo** and **Camila Alva Estabridis** joining the team to support and lead deployment. **Adam Gibbon** joins AXA IM Alts with over 17 years of experience investing in nature-based climate solutions. He has spent his career designing and implementing investment solutions to address climate change and biodiversity loss. **Edoardo Cavallo** is a specialist in emerging markets and has extensive expertise working with investors and entrepreneurs to provide nature-based solutions to climate change. Finally, development and environmental economist, **Camila Alva Estabridis**, joins having spent more than 10 years in public policy, working with governments and development institutions including the World Bank and the International Food Policy Research Institute.

The expanded team combines extensive personal networks and established experience across natural capital markets, with existing relationships and technical knowledge to allow AXA IM Alts to efficiently assess the pipeline of investment opportunities.

The strategy can be exposed to the following risks, among others: performance and market risk, sourcing risk, operational risk, capital risk, regulatory risk, valuation model risk, liquidity risk.

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1. Source: AXA IM data (unaudited). All figures as of 30 June 2022.

2. 25m tonnes CO2 per year target between the Natural Capital and Forestry portfolios once at scale and portfolio / underlying projects have been ramped-up

3. Currently reserved to AXA Group investors and not open to third party investors

4 Companies shown are for illustrative purposes only as of 21/09/2022 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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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 December 2021, AXA IM managed about €3 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 over €190 billion of assets under management^[1] comprising c. €88 billion of primarily private real estate, over €84 billion of private debt and alternative credit, as well as over €18 billion in Infrastructure, private equity and hedge funds. We take a 360-degree approach to real assets (real estate & infrastructure) investing with over €131 billion of AUM in direct opportunities, held indirectly through debt and listed equities and via long-term private equity investments into operating platforms. ESG is fully integrated into our investment decision-making processes with our responsible investment approach anchored by the three key pillars of decarbonisation, resilience and building tomorrow. AXA IM Alts employs over 800 people located in 16 offices around the world and serves the needs of more than 500 clients from Europe, North America, Asia-Pacific and Middle East. We are the number one property portfolio and asset manager in Europe^[2], and one of the largest worldwide.

1 Source: AXA IM data (unaudited). All figures as of 30 June 2022.

2 Source: IPE Top 150 Real Estate Investment Managers, November/December 2021. #1 real estate investment manager in Europe based on total European real estate 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 €823 billion in assets as at the end of June 2022.

AXA IM is a leading investor in green, social and sustainable markets, managing €563 billion of ESG-integrated, sustainable and impact assets as at the end of December 2021. 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.

At end of December 2021, AXA IM employs over 2,460 employees around the world, operates out of 23 offices across 18 countries and is part of the AXA Group, a worldwide leader in insurance and asset management.

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