

This document provides disclosure requirements according to Article 10 of Regulation (EU) 2019/2088, for the financial products referred to in Article 8 of the Regulation

Product name: AXA IM Japan Small Cap Equity

Legal entity identifier: 2138004CBMR82UN7BD86

Summary

Environmental or Social characteristic promoted by the Financial Product

The environmental and social characteristics promoted by the Financial Product consist of investing in:

- issuers considering their **carbon intensity**.
- issuers considering their **water intensity**.

The Financial Product also promotes other specific environmental and social characteristics, mainly:

- Preservation of climate with exclusion policies on coal and unconventional oil & gas activities
- Protection of ecosystem and prevention of deforestation
- Better health with exclusion on tobacco
- Labour rights, society and human rights, business ethics, anti-corruption with exclusion on companies in violation of international norms and standards such as the United Nations Global Compact Principles, International Labour Organisation's (ILO) Conventions or the OECD guidelines for Multinational Enterprises
- Protection of human rights avoiding investing in debt instruments issued by countries where the worst forms of human right violations are observed.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Financial Product. A broad market index, MSCI Japan Small Cap Total Return Net (the "Benchmark"), has been designated by the Financial Product.

AXA IM also applies specific policy to ensure good governance practices of investee companies.

Asset allocation planned for the Financial Product

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

The planned minimum proportion of the investments of the Financial Product used to meet the environmental or social characteristics promoted by the Financial Product is 80% of the Financial Product Net Asset value.

The remaining "Other" investments will represent a maximum of 20% of the Financial Product Net Asset Value. Remaining "Other" investments are used for hedging, liquidity and portfolio management of the Financial Product. Minimum environmental or social safeguards based on AXA IM exclusion policies are assessed and applied on all "Other" assets except on (i) non single name derivatives, (ii) on UCITS and/or UCIs managed by other management company and (iii) on cash and cash equivalent investments described above.

Financial Product's investment strategy

1. The Investment Manager selects investments by applying a non-financial approach based on the exclusion filters as described in AXA IM's Sectorial Exclusion and ESG Standards policies, including taking into account the ESG score of the Financial Product.
2. The Investment Manager will take account of the ESG score (where available) based on ESG scoring from an external data provider as primary inputs assessing data points across ESG dimensions that include the environmental and social characteristics described above and promoted by the Financial Product. AXA IM ESG analysts can complement with a fundamental and documented ESG analysis in case of lack of coverage or disagreement on the ESG rating provided that it is approved by AXA IM dedicated internal governance body.

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

The corporate and sovereign scoring methodologies rely on three pillars and several sub-factors that cover the most material risk factors encountered by issuers in the E, S and G fields. The frame of reference draws on fundamental principles, such as United Nations Global Compact, the OECD Guidelines, the International Labour Organisation conventions, and other international principles and conventions that guide companies and governments activities in the field of sustainable development and social responsibility. The analysis is based on the most material ESG risks and opportunities previously identified for each sector and company, with 10 factors: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour. The final ESG score also incorporates the concept of industry dependent factors and deliberately differentiates between sectors, to overweight the most material factors for each industry. Materiality is not limited to impacts relating to a company's operations, it also includes the impacts on external stakeholders as well as the underlying reputational risk arising from a poor grasp of major ESG issues. In the corporate methodology, the severity of controversies is assessed and monitored on an ongoing basis to make sure that the most material risks are reflected in the final ESG score. The controversies with high severity will trigger large penalties on the sub-factor scores and ultimately on the ESG scores.

These ESG scores provide a standardized and holistic view on the performance of issuers on ESG factors which enables the Financial Product to promote environmental and social characteristics.

The ESG criteria contribute to, but are not a determining factor in, the Investment Manager's decision making.

The ESG data used in the investment process is 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. AXA IM's different methodologies described herein may evolve in the future to take into account any improvements in data availability and reliability, or any developments of regulations or other external frameworks or initiatives - among others.

The Financial Product bindingly applies at all times the following elements described below.

1. The Investment Manager bindingly applies at all times its Sectorial Exclusion Policies and ESG Standards Policy as a first exclusion filter.

The Sectorial Exclusions Policies exclude companies linked to Controversial Weapons, Climate risks, Soft Commodities (based on food and basic agricultural or the marine commodities), unsustainable practices relating to Ecosystem Protection and Deforestation and Tobacco.

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

2. In addition, the Financial Product always outperforms the ESG score of the Benchmark, both ESG scores of the Financial Product and the Benchmark being calculated on a weighted average basis. ESG score is based on ESG scoring from external data provider as primary inputs assessing data points across Environment, Social and Governance (ESG) dimensions that include the environmental and social characteristics described above and promoted by the Financial Product. AXA IM ESG analysts can complement with a fundamental and documented ESG analysis in case of lack of coverage or disagreement on the ESG rating provided that it is approved by AXA IM dedicated internal governance body.

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

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

on an ongoing basis to make sure that the most material risks are reflected in the final ESG score. The controversies with high severity will trigger large penalties on the sub-factor scores and ultimately on the ESG scores.

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

3. The ESG analysis coverage rate of the Financial Product net assets is at 0% minimum.

The ESG data (of which ESG score or SDG score wherever relevant) used in the investment process 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. AXA IM's ESG different methodologies described herein may evolve in the future to take into account any improvements in data availability and reliability, or any developments of regulations or other external frameworks or initiatives - among others.

More details and information are presented in the Financial Product's website disclosures and in its SFDR precontractual annex notably on AXA IM's SFDR sustainability framework, minimum asset allocation planned by the Financial Product, monitoring of environmental or social characteristics promoted, underlying data and due diligence.

WEBSITE PRODUCT DISCLOSURE

No sustainable investment objective

This Financial Product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The environmental and social characteristics promoted by the Financial Product consist of investing in:

- issuers considering their **carbon intensity**.
- issuers considering their **water intensity**.

The Financial Product also promotes other specific environmental and social characteristics, mainly:

- Preservation of climate with exclusion policies on coal and unconventional oil & gas activities
- Protection of ecosystem and prevention of deforestation
- Better health with exclusion on tobacco
- Labour rights, society and human rights, business ethics, anti-corruption with exclusion on companies in violation of international norms and standards such as the United Nations Global Compact Principles, International Labour Organisation's (ILO) Conventions or the OECD guidelines for Multinational Enterprises
- Protection of human rights avoiding investing in debt instruments issued by countries where the worst forms of human right violations are observed.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this Financial Product. A broad market index, MSCI Japan Small Cap Total Return Net (the "Benchmark"), has been designated by the Financial Product.

Investment strategy

The Financial Product bindingly applies at all times the following elements described below.

1. The Investment Manager bindingly applies at all times its Sectorial Exclusion Policies and ESG Standards Policy as a first exclusion filter.

The Sectorial Exclusions Policies exclude companies linked to Controversial Weapons, Climate risks, Soft Commodities (based on food and basic agricultural or the marine commodities), unsustainable practices relating to Ecosystem Protection and Deforestation and Tobacco.

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

2. In addition, the Financial Product always outperforms the ESG score of the Benchmark, both ESG scores of the Financial Product and the Benchmark being calculated on a weighted average basis. ESG score is based on ESG scoring from external data provider as primary inputs assessing data points across Environment, Social and Governance (ESG) dimensions that include the environmental and social characteristics described above and promoted by the Financial Product. AXA IM ESG analysts can complement with a fundamental and documented ESG analysis in case of lack of coverage or disagreement on the ESG rating provided that it is approved by AXA IM dedicated internal governance body.

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The corporate and sovereign scoring methodologies rely on three pillars and several sub-factors that cover the most material risk factors encountered by issuers in the E, S and G fields. The frame of reference draws on fundamental principles, such as United Nations Global Compact, the OECD Guidelines, the International Labour Organisation conventions, and other international principles and conventions that guide companies and governments activities in the field of sustainable development and social responsibility. The analysis is based on the most material ESG risks and opportunities previously identified for each sector and company, with 10 factors: Climate Change, Natural Capital, Pollution and Waste, Environmental Opportunities, Human Capital, Product Liability, Stakeholder Opposition, Social

Opportunities, Corporate Governance and Corporate Behaviour. The final ESG score also incorporates the concept of industry dependant factors and deliberately differentiates between sectors, to overweight the most material factors for each industry. Materiality is not limited to impacts relating to a company's operations, it also includes the impacts on external stakeholders as well as the underlying reputational risk arising from a poor grasp of major ESG issues. In the corporate methodology, the severity of controversies is assessed and monitored on an ongoing basis to make sure that the most material risks are reflected in the final ESG score. The controversies with high severity will trigger large penalties on the sub-factor scores and ultimately on the ESG scores.

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

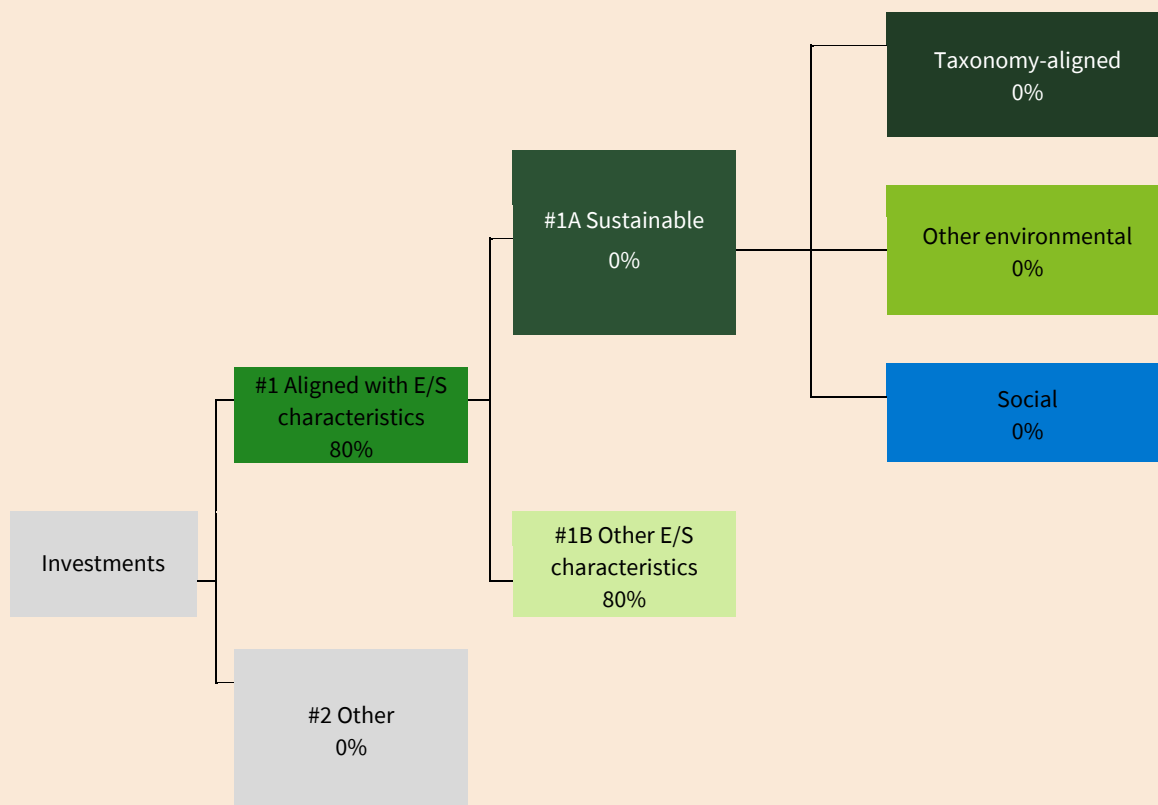
3. The ESG analysis coverage rate of the Financial Product net assets is at 0% minimum.

The ESG data (of which ESG score or SDG score wherever relevant) used in the investment process 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. AXA IM's ESG different methodologies described herein may evolve in the future to take into account any improvements in data availability and reliability, or any developments of regulations or other external frameworks or initiatives - among others.

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

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

Proportion of investments



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

The planned minimum proportion of the investments of the Financial Product used to meet the environmental or social characteristics promoted by the Financial Product is 80% of the Financial Product Net Asset value.

The remaining "Other" investments will represent a maximum of 20% of the Financial Product Net Asset Value. Remaining "Other" investments are used for hedging, liquidity and portfolio management of the Financial Product. Minimum environmental or social safeguards based on AXA IM exclusion policies are assessed and applied on all "Other" assets except on (i) non single name derivatives, (ii) on UCITS and/or UCIs managed by other management company and (iii) on cash and cash equivalent investments described above.

The remaining "other" investments will represent a maximum of 20% of the Financial Product Net Asset Value. The "other" assets may consist in:

- cash and cash equivalent investments, and
- other instruments eligible to the Financial Product and that do not meet the Environmental and/or Social criteria described in this appendix. Such assets may be transferable securities, derivatives investments and investment collective schemes that do not promote environmental or social characteristics and that are used to attain the financial objective of the Financial Product and / or for diversification and / or hedging purposes.

Environmental or social safeguards are applied and assessed on all "other" assets except on (i) non single name derivatives, (ii) on UCITS and/or UCIs managed by other management company and (iii) on cash and cash equivalent investments described above.

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

The Financial Product does not take into consideration the criteria of the EU Taxonomy environmental objectives. The Financial Product is not considering the "do not significantly harm" criteria of the EU Taxonomy.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes

☐ In fossil gas

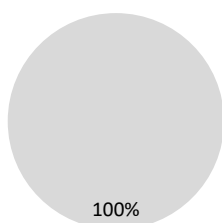
☐ In nuclear energy

☒ No

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

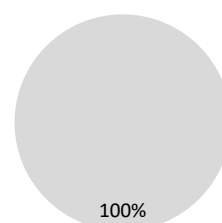
1. Taxonomy-alignment of investments including sovereign bonds*

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



2. Taxonomy-alignment of investments excluding sovereign bonds*

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



This graph represents 100% of the total investments

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

Monitoring of environmental or social characteristics

The environmental and social characteristics promoted by the Financial Product are reflected in monitoring tool and monitored by AXA IM Risk and Control team at all times through the ban-lists established by AXA IM RI Research team on each exclusion policy described above. Ban-lists are built based on criteria defined in AXA IM policies that are presented under the following link: [Our Policies and Reports \(www.axa-im.com\)](http://www.axa-im.com). The exclusion list is updated on an annual basis unless a specific event requires an intermediate revision or a delay in the publication of data from AXA IM sources which may postpone the update. Any updates are approved by dedicated governance body.

The commitment of the Financial Product to outperform its ESG Score is reflected in AXA IM monitoring tools and monitored at all times by AXA IM Risk and Control team. The sustainability indicators Carbon intensity, Water Intensity are reported to investment team in a specific report.

Methodologies for environmental or social characteristics

The attainment of the environmental and social characteristics promoted by the Financial Product and described above is measured with the following sustainability indicators:

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- The weighted average Carbon Intensity of the Financial Product and of its Benchmark, defined as the amount of Greenhouse Gas emissions (GHG, covering at least scope 1 and 2) per tons per millions \$ revenue released into the atmosphere, expressed in CO₂e tons per millions \$ revenue.
- The weighted average Water Intensity of the Financial Product and of the Benchmark, represents the amount of water diverted for use by the organisation from all sources, including but not limited to surface, ground, saltwater, and municipal. It includes cooling water. It is expressed in cubic meters and is provided by an external data provider.

Data sources and processing

The AXA IM sectorial and ESG Standards' ban-lists are prepared using information from external data providers. Data providers used to define those exclusion lists are detailed at the following link: [Our Policies and Reports \(www.axa-im.com\)](http://www.axa-im.com). Ban lists are prepared and updated by AXA IM Responsible Investment Research team and approved by a dedicated governance body.

The ESG Scores rely on an external data provider (MSCI) coupled with an overlay of AXA IM's own fundamental and documented ESG analysis. The proportion of data that are estimated is considered as being in the high range. Those ESG analysis are reviewed and approved in a dedicated governance body, the ESG Assessment and Review Committee.

The Carbon Intensity sustainability indicator is relying on an external data provider Trucost. These data are updated on an annual basis. The proportion of data that are estimated is considered as being in the high range.

The Water Intensity sustainability indicator is relying on an external data provider Trucost. These data are updated on an annual basis. The proportion of data that are estimated is considered as being in the high range.

AXA IM may change third party data providers at any time and at its own discretion and this may lead to changes to the data used for the same instruments or investments in the future.

AXA IM has been working with ESG data providers for several years and performs a due diligence on the methodology and outputs when selecting them. To make the best possible choices, the strengths and weaknesses of each data provider were reviewed and compared to determine factors such as coverage, data quality, alignment with sustainability-related regulations, calculation methodologies and level of transparency on these methodologies, update frequency and cost. When selected, AXA IM also performs regular checks on such external data providers. Regarding ESG scores and Sustainable Investment methodology in particular, each refresh of data is subject to a review as per our internal governance with an involvement from the risk department, quantitative experts and investment teams.

Data is received generally from automated data feeds. Values are cascaded to relevant associated issuers or securities and are then processed to aggregate instrument level data at portfolio level. Appropriate controls on aggregation are performed by quant analysts. Data is stored in AXA IM data management system and is made available to various teams (mainly quant analysts, investment teams, risk and control). Investment teams have access to ESG data of which related to sustainability indicators and sustainable assets through AXA IM Front Office tools.

More information on data providers, measures and any relevant governance bodies taken to ensure data quality and governance on data is available in AXA IM Climate report at the following link: [2021 Article 173 – TCFD combined report.pdf](#)

Limitations to methodologies and data

Methodologies may evolve in the future to take into account any improvements for example in data availability and reliability, or any developments of, but not limited to, regulations or other external frameworks or initiatives.

AXA IM relies largely on third-party data providers on ESG related data. Ultimately, data coming from either the issuers' reporting or external providers might not be equally calculated due to different measurement methodologies or an embedded risk of error. AXA IM may also change third party data providers at any time and at its own discretion and this may lead to changes and hence limitations to the data used for the same instruments or investments.

However, AXA IM conducts some due diligences on data or methodologies that could prevent any limitations in the attainment of environmental or social characteristics promoted by the Financial Product.

Due diligence

AXA IM sectorial exclusion policies encompass areas such as Controversial Weapons, Climate risks, Soft Commodities and Ecosystem Protection & Deforestation and Tobacco. AXA IM's Environmental, Social and Governance standards policy ("ESG Standards") integrates specific sectorial exclusions such as white phosphorus weapons, includes violation of international norms and standards such as the United Nations Global Compact Principles or the OECD guidelines for Multinational Enterprises and excludes investment companies which are involved in severe ESG-related incidents and investments in issuers with a Low ESG quality. Instruments issued by countries where serious specific categories of violations of Human Rights are observed are also banned. More details on those policies are available at [Our Policies and Reports \(www.axa-im.com\)](http://www.axa-im.com).

AXA IM's exclusion policies and ESG standards are reviewed annually by our Compliance and RI Coordination teams and updated accordingly. Based on these policies and standards, our responsible Investment Research team draws up ban lists which are then implemented into our systems to be monitored.

The Financial Product's other extra-financial commitments are also implemented through our monitoring tool which take into account other regulations and extra-financial guidelines (such as, but not limited to, Label guidelines). The parameters used for the monitoring are reviewed by our Compliance team before being implemented into our monitoring tools.

These due diligence processes' implementation and monitoring are controlled internally by our Compliance team to ensure compliance with applicable regulatory norms.

Engagement policies

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

An engagement action can be initiated with corporate issuers subject to severe controversies with progress of engagement activities is monitored by RI dedicated governance committee.

More details on AXA IM Stewardship policies are available at [AXA Investment Managers - Engagement Policy](#) and AXA IM last stewardship report is available at [Stewardship and Engagement \(www.axa-im.com\)](http://www.axa-im.com).

Designated reference benchmark

Not applicable as the designated Benchmark is a broad market index which is not aligned with the environmental and/or social characteristics promoted by the Financial Product.