

**Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product Name:** AXA IM ACT US Short Duration High Yield Low Carbon      **Entity LEI:** 21380016844YDDKHVW28

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

<span style="color: green;">●●</span> <input type="checkbox"/> <b>YES</b>	<span style="color: green;">●</span> <input checked="" type="checkbox"/> <b>NO</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ____%	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 21.13% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Financial Product has met the environmental and social characteristics promoted for the reference period by investing in companies considering their:

- Carbon intensity
- Water Intensity

The Financial Product has not designated an ESG Benchmark to promote environmental or social characteristics.

#### ● **How did the sustainability indicators perform?**

During the reference the period, the attainment of the environmental and social characteristics promoted by the Financial Product has been measured with the sustainability indicators mentioned above:

The Financial Product uses an 'extra-financial indicator improvement' approach, and outperformed Carbon intensity by at least 20% compared to its Benchmark during the reference period.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Sustainability KPI Name	Value	Benchmark	Coverage
Carbon intensity	131.55 CO2 tons per millions \$ revenue for corporate and in CO2 Kg per PPP \$ of GDP for sovereign	379.17	92.26 %
Water intensity	1189.35 Thousands of cubic meters for corporates	24853.92	92.26 %

● **... And compared to previous periods?**

Not applicable.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

During the reference period, the Financial Product has partially invested in instruments qualifying as sustainable investments with various social and environmental objectives (without any limitation) by assessing the positive contribution of investee companies through at least one of the following dimensions:

**1. UN Sustainable Development Goals alignment (SDG)** of investee companies as reference framework, considering companies which contribute positively to at least one SDG either through the Products and Services they offer or the way they carry their activities (“Operations”). To be considered as a sustainable asset, a company must satisfy the following criteria:

- a) the SDG scoring related to the “products and services” offered by the issuer is equal or above 2, corresponding to at least 20% of their revenues being derived from a sustainable activity, or
- b) using a best in universe approach consisting of giving priority to the issuers best rated from a non-financial viewpoint irrespective of their sector of activity, the SDG scoring of the issuer’s operations is on the better top 2.5%, except in consideration to the SDG-5 (gender equality), SDG 8 (decent work), SDG 10 (reduced inequalities), SDG 12 (Responsible Production and Consumption) and SDG 16 (peace & justice), for which the SDG scoring of the issuer’s Operation is on the better top 5%. For SDG 5, 8, 10 and 16 the selectivity criteria on issuer’s “Operations” is less restrictive as such SDGs are better addressed considering the way the issuer carries their activities than the Products and Services offered by the investee company. It is also less restrictive for SDG 12 which can be addressed through the Products & Services or the way the investee company carries their activities.

The quantitative SDG results are sourced from external data providers and can be overridden by a duly supported qualitative analysis performed by the Investment Manager.

**2. Integration of issuers engaged in a solid Transition Pathway** consistently with the European Commission’s ambition to help fund the transition to a 1.5°C world - based on the framework developed by the Science Based Targets Initiative, considering companies which have validated Science-Based targets.

**3. Investments in Green, Social or Sustainability Bonds (GSSB), Sustainability Linked Bonds:**

- a) GSSB are instruments which aim to contribute to various sustainable objectives by nature. As such, investments in bonds issued by corporates and sovereigns that have been identified as green bonds, social bonds or sustainability bonds in Bloomberg data base are considered as “sustainable investments” under AXA IM’s SFDR framework.
- b) With regards to Sustainability Linked Bonds, an internal framework was developed to assess the robustness of those bonds that are used to finance general sustainable purpose. As these instruments are newer leading to heterogeneous practices from issuers, only Sustainability Linked Bonds that get a positive or neutral opinion from AXA IM’s internal analysis process are considered as “sustainable investments”. This analysis framework draws on the International Capital Market Association (ICMA) guidelines with a stringent proprietary approach based on the following defined criteria: (i) issuer’s sustainability strategy and key performance indicators relevance and materiality, (ii) Sustainability performance target’s ambition, (iii) bond characteristics and (iv) sustainability performance target’s monitoring & reporting.

The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

During the reference period, the Do No Significant Harm Principle for the sustainable investments the Financial Product made had been achieved by not investing in company meeting any of the criteria below:

- The issuer caused significant harm along any of the SDGs when one of its SDG scores is below –5 based on a quantitative database from an external provider on a scale ranging from +10 corresponding to ‘significantly contributing’ to -10 corresponding to ‘significantly obstructing’, unless the quantitative score has been qualitatively overridden.
- The issuer failed within in AXA IM’s sectorial and ESG standards ban lists, which consider among other factors the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- The issuer had a CCC (or 1.43) or lower ESG rating according to AXA IM ESG scoring methodology (as defined in SFDR precontractual annex).

### ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The Financial Product has taken into consideration Principal Adverse Impacts (“PAIs”) indicators to ensure that the sustainable investments did not harm significantly any other sustainability objectives under SFDR.

Principal adverse impacts have been mitigated through AXA IM sectorial exclusion policies and AXA IM ESG standards (as described in the SFDR precontractual annex that have been applied bindingly at all times by the Financial Product), as well as through the filters based on UN Sustainable Development Goals scoring.

Where relevant, Stewardship policies have been an additional risk mitigation on principal adverse impacts through direct dialogue with companies on sustainability and governance issues. Through the engagement activities, the Financial Product has used its influence as an investor to encourage companies to mitigate environmental and social risks relevant to their sectors as described below.

Voting at general meetings has also been an important element of the dialogue with investee companies in order to foster sustainably long-term value of the companies in which the Financial Product invests and mitigate adverse impacts as described below.

AXA IM also relies on the SDG pillar of its sustainable investment framework to monitor and take into account adverse impacts on those sustainability factors by excluding investee companies which have a SDG score under – 5 on any SDG (on a scale from + 10 corresponding to ‘significant contributing impact’ to – 10 corresponding to ‘significant obstructing impact’), unless the quantitative score has been qualitatively overridden following a duly documented analysis by AXA IM Core ESG & Impact Research. This approach enables us to ensure investee companies with the worst adverse impacts on any SDG are not considered as sustainable investments.

#### **Environment:**

<b>Relevant AXA IM policies</b>	<b>PAI indicator</b>	<b>Units</b>	<b>Measurement</b>
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2, & 3 starting 01/2023)	Metric tonnes	
Ecosystem Protection & Deforestation policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Climate Risk policy	PAI 4: Exposure to Companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)	PAI 5 : Share of non-renewable energy consumption and production	% of total energy sources	
Climate risk policy (considering an expected correlation between GHG emissions and energy consumption) <sup>1</sup>	PAI 6: Energy consumption intensity per high impact climate sector	GWh per million EUR of revenue of investee companies, per high impact climate sector	
Ecosystem Protection & Deforestation policy	PAI 7: Activities negatively affecting biodiversity sensitive areas	% of investments	

SDG no significantly negative score	PAI 8: Emissions to water	Tonnes per million EUR invested, expressed as a weighted average	
SDG no significantly negative score	PAI 9: Hazardous waste and radioactive waste ratio	Tonnes per million EUR invested, expressed as a weighted average	

Social and Governance:

Relevant AXA IM policies	PAI indicator	Units	Measurement
ESG standards policy: violation of international norms and standards	PAI 10: Violations of UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	
ESG standards policy: violation of international norms and standards (considering an expected correlation between companies non-compliant with international norms and standards and the lack of implementation by companies of processes and compliance mechanisms to monitor compliance with those standards) <sup>2</sup>	PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	
SDG no significantly negative score	PAI 12: Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board gender diversity	Expressed as a percentage of all board members.	
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

Please note that, despite our commitment in the precontractual SFDR annex to publish these indicators in our periodic reporting SFDR annex, SFDR Level 2 requirements – such as the integration of PAI indicators in the investment process – only entered into force on 01/01/2023, after this report’s reference period. Therefore, PAI indicators will start being disclosed in the periodic reporting SFDR annex relative to the reference period in which SFDR Level 2 requirements entered into application.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

During the reference period, the Financial Product did 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, Labor and Environment. AXA IM excluded any companies that have been assessed as “non compliant” to UN’s Global Compact Principles, International Labor Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investment must also not significantly harm any environmental or social objectives.



## How did this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Financial Product took into consideration the following Principal Adverse Impact indicators applying the following exclusion policies and stewardship policies :

Relevant AXA IM policies	PAI indicator	Units	Measurement
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2 & 3 starting 01/2023)	Metric tonnes	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 4: Exposure to companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)			
Climate Risk policy (engagement only)	PAI 5: Share of non-renewable energy consumption and production	% of total energy sources	
Ecosystem protection & Deforestation policy			
ESG standard policy / violation of international norms and standards	PAI 7: activities negatively affecting biodiversity sensitive area	% of investments	
ESG standard policy / violation of international norms and standards			
ESG standard policy / violation of international norms and standards	PAI 10: Violation of UN global compact principles & OECD guidelines for Multinational Enterprises	% of investments	
ESG standard policy / violation of international norms and standards			
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board Gender diversity	Expressed as a percentage of all board members	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity			
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

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## What were the top investments of this financial product?

The top investments of the Financial Product are detailed below:

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

Top investments	Sector	Proportion	Country
HLF 7.875% - 01/09/2025 Call	Manufacture of other food products n.e.c.	2.05%	US
COMM 6% - 01/03/2026 Call	Manufacture of communication equipment	1.91%	US
CSCHLD 5.5% - 15/04/2027 Call	Satellite telecommunications activities	1.85%	US
OUT 6.25% - 15/06/2025 Call	Advertising agencies	1.61%	US
NXST 5.625% - 15/07/2027 Call	Television programming and broadcasting activities	1.59%	US
IEP 6.375% - 15/12/2025 Call	Activities of holding companies	1.56%	US
IEP 4.75% - 15/09/2024 Call	Activities of holding companies	1.56%	US
OUT 5% - 15/08/2027 Call	Advertising agencies	1.55%	US
NCX 4.875% - 01/06/2024 Call	Manufacture of other organic basic chemicals	1.54%	CA
SIRI 5% - 01/08/2027 Call	Satellite telecommunications activities	1.54%	US
OI 6.625% - 13/05/2027 Call	Manufacture of hollow glass	1.46%	US
GTN 7% - 15/05/2027 Call	Television programming and broadcasting activities	1.43%	US
THC 6.25% - 01/02/2027 Call	Hospital activities	1.42%	US
MATW 5.25% - 01/12/2025 Call	Manufacture of other articles of paper and paperboard	1.37%	US
LABL 6.75% - 15/07/2026 Call	Manufacture of other articles of paper and paperboard	1.37%	US

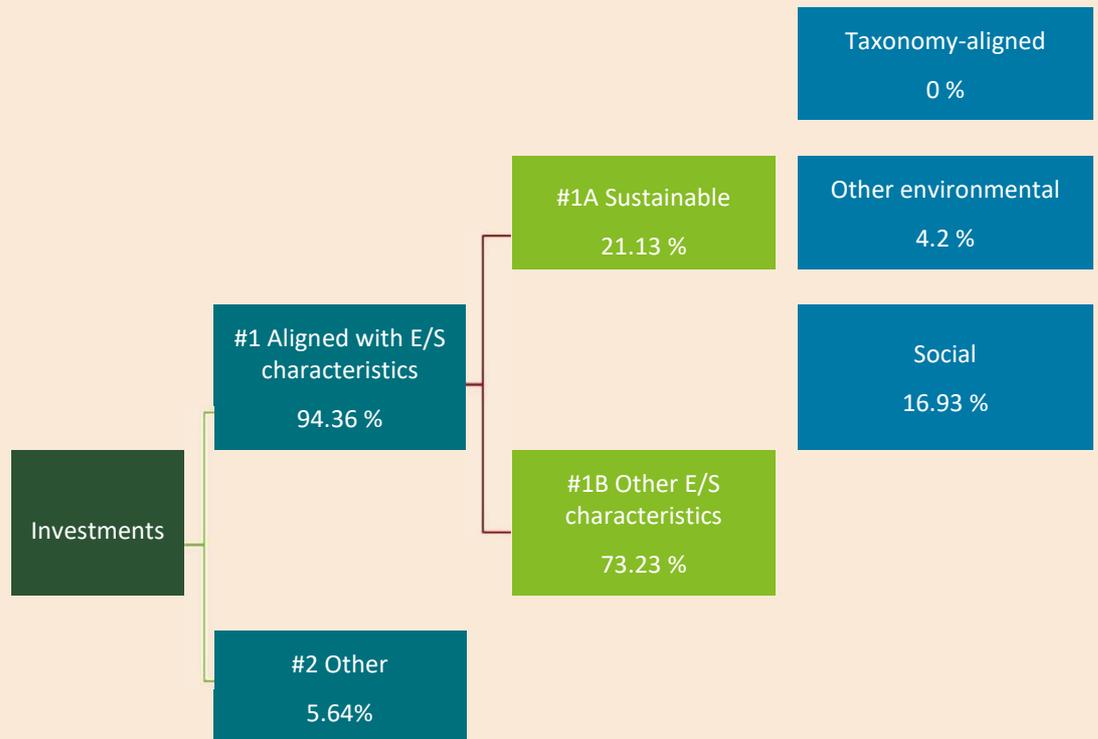
The portfolio proportions of investments hereabove presented were measured on 30/12/2022 and may not be representative of the reference period.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



**#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 environmentally and socially sustainable investments.
- 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 actual asset allocation has been reported based on the assets weighted average at the end of the reference period. Depending on the potential usage of derivatives within this product's investment strategy, the expected exposure detailed below could be subject to variability as the portfolio's NAV may be impacted by the Mark to Market of derivatives. For more details on the potential usage of derivatives by this product, please refer to its precontractual documents and its investment strategy described within.

**In which economic sectors were the investments made?**

Financial product's investments were made in the economic sectors detailed below:

Top sector	Proportion
Satellite telecommunications activities	9.18%
Manufacture of other articles of paper and paperboard	5.67%
Other software publishing	5.49%
Private security activities	4.39%
Television programming and broadcasting activities	4.35%
Gambling and betting activities	3.95%
Activities of holding companies	3.39%
Hospital activities	3.3%
Other credit granting	3.26%
Advertising agencies	3.16%
Renting and operating of own or leased real estate	3.07%
Other monetary intermediation	3.02%
Wired telecommunications activities	2.89%
Other human health activities	2.79%
Other food service activities	2.32%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes
  - In fossil gas  In nuclear energy
- No

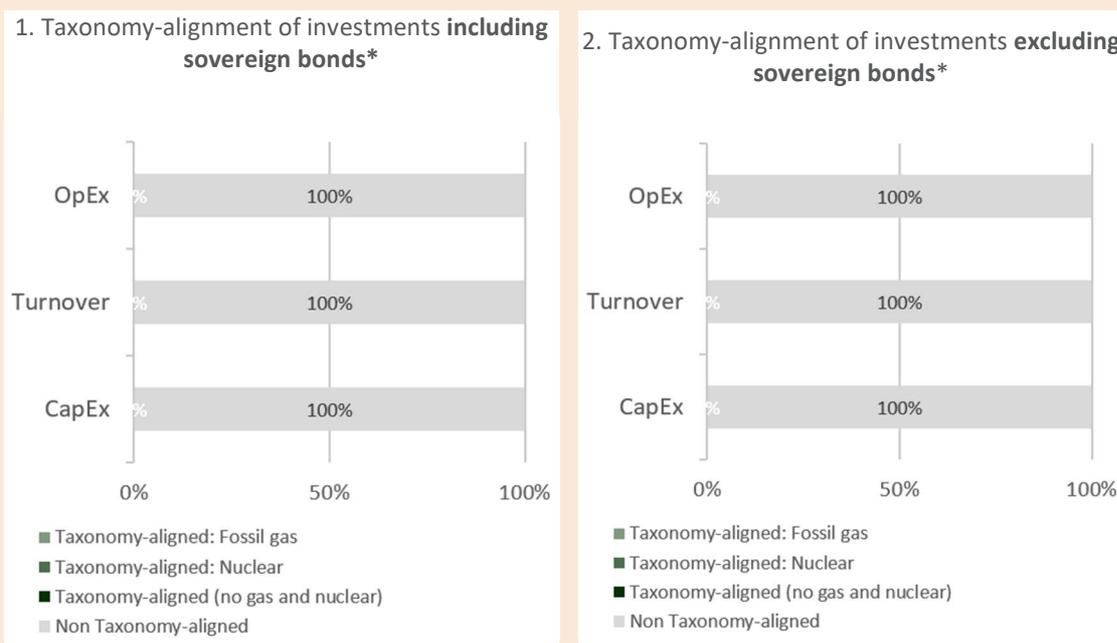
The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives. The Financial Product did not consider the 'do not significant harm criteria' of the EU Taxonomy.

<sup>1</sup> 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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

**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.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What was the share of investments made in transitional and enabling activities?**

The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives. The financial Product did not consider the “do not significantly harm” criteria of the EU Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What was the share of investments with an environmental objective not aligned with the EU taxonomy?**

The share of the sustainable investments with an environmental objective not aligned with the EU Taxonomy has been 4.2% for this Financial Product during the reference period.

Investee companies with an environmental sustainable objective under SFDR are contributing to support UN SDGs or transition to decarbonization based on defined criteria as described above. Those criteria applying to issuers are different from technical screening criteria defined in EU Taxonomy applying to economic activities.

● **What was the share of socially sustainable investments?**

During the reference period, the Financial Product invested in 16.93% of sustainable investments with a social objective.

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The remaining “Other” investments represented 5.64% of the Financial Product’s Net Asset Value.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

In 2022, the Financial Product reinforced exclusion policies applied with new exclusions related to unconventional oil and gas, mainly (i) oil sands leading to the exclusion of companies for which oil sands represents more than 5% of global oil sands production, (ii) Shale/ Fracking excluding players that produce less than 100kboepd with more than 30% of their total production derived from fracking, and (ii) Arctic with divestment from companies deriving more than 10% of their production from Arctic Monitoring and Assessment Programme (AMAP) region or representing more than 5% of the total global Arctic production. More details on those enrichments are available under the following link: <https://www.axa-im.com/our-policies-and-reports>



## How did this financial product perform compared to the reference benchmark?

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.