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# AXA WF ACT Social Progress

Impact Report 2022



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# Executive Summary

In this inaugural annual impact report for AXA WF ACT Social Progress, we aim to illustrate the positive contribution of the companies we invested in across our four social impact themes; Social Inclusion, Healthcare Solutions, Safety & Security and Empowerment.

For each company held in the portfolio as of 31 December 2022, we have provided a brief explanation of the impact we believe that company has had on the relevant social theme, and we intend to track the progress of each company's impact in our future annual impact reports.

In addition, for each of the eleven sub-themes which underpin our four overarching social themes, we have provided a company case study, intended to add additional context on the issues we are aiming to tackle through our investments, as well as explain how each company is addressing the issue at hand through their products and services. The structure we have used in these case studies was designed around the concept of the theory of change, which we have adopted based on our experience of working with the Global Impact Investing Network (GIIN).

We have also provided a theory of change at the overall strategy level, and aggregated data from the companies we invest in to provide overall portfolio-level key performance indicators. The portfolio's contribution towards the UN Sustainable Development Goals is also provided, and is based on the underlying contribution of each company's products and services.

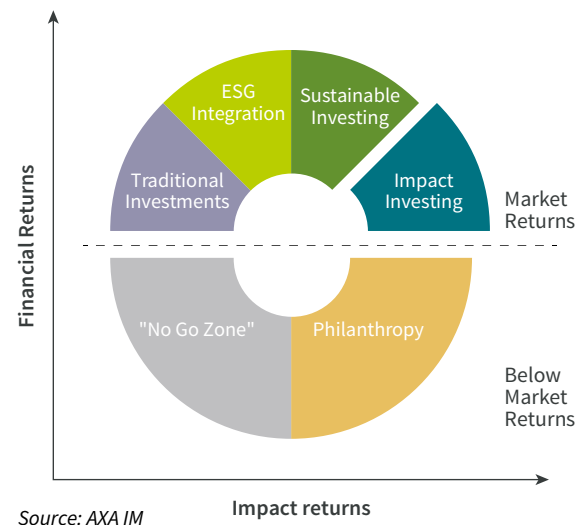
We hope this report provides valuable insight into how the companies we are investing in are contributing to the goal of driving social progress and raising living standards for all. We are fully committed to enhancing this report over the coming years and increasing visibility of the contribution of our strategy and underlying investments.



# Introduction

**At AXA IM, we believe that impact investing is a powerful way of delivering financial returns while also tackling the world’s biggest societal challenges.**

While ESG (Environmental, Social and Governance) integrated strategies are focused on reducing ESG risks, impact investing aims to target companies with operational structures and/or products and services which provide a positive impact on society.



Source: AXA IM

The roots of impact investing have been in venture capital and private equity. But over recent years the concept has evolved to include listed equities and fixed-income markets, accelerated by the 2030 Agenda for Sustainable Development, which sets priorities for a more sustainable economy and was adopted by all United Nations Member States in 2015. Since then, the size of the impact market has increased significantly, reaching the symbolic threshold of 1 trillion dollars

in 2021, based on an estimation of the Global Impact Investing Network (GIIN).

The UN Sustainable Development Goals (“SDGs”) provide a plan of action to companies, investors and citizens to collaboratively address key global challenges including poverty, inequality, climate and health; redefining their roles and impact on society.

## The UN SDGs provide a plan of action for companies and investors

The UN SDG financing gap reached \$3.9 trillion dollars after the Covid-19 pandemic, versus a previous gap of \$2.5 trillion dollars, as the global pandemic has generated additional financing needs but has also decreased available investment. To fully achieve these objectives by 2030, governments, regulators, consumers and investors will have to work together and direct capital flows towards initiatives that promote sustainability and make a positive impact on society.

## The financing gap to achieve the SDG ambition could reach \$4.3tn per year from 2020 to 2025





\*Source: OECD Global Outlook on Financing for Sustainable Development 2023: No Sustainability Without Equity | en | OECD  
The targeting of specific UN SDGs does not imply the endorsement of the United Nations of AXA Investment Managers, its products or services, or of its planned activities and does not constitute, explicitly or implicitly, a recommendation for an investment strategy.


# AXA IM’s impact research framework for listed equities


Impact investors have a key role to play to accelerate positive change. Industry standards emerged to re-orient capital flows and have been adapted over the years to be more flexible and inclusive. However, it is not possible to replicate traditional impact investing concepts in listed equities due to asset class specific issues such as complexity of investees (which may have diversified business models and geographic footprints), access to data, and liquidity and fluidity of the market.


As work to define a common and globally recognized framework for impact investing is still in progress, at AXA IM we have chosen to develop our own [impact research framework for listed equities](#). As a member of the advisory committee of the Global Impact Investing Network (GIIN), AXA IM contributed to the [Guidance for Pursuing Impact in Listed Equities](#) published in March 2023. Our impact investment analysts use this proprietary impact research framework to assess the contributions of companies to environmental and/or social objectives and the United Nations’ Sustainable Development Goals. This framework is based on 5 pillars which are specific to impact investing and is used by our impact funds to identify companies contributing to funds’ predefined targeted impact objectives.

- 

**INTENTIONALITY** Our research seeks to identify companies that demonstrate intentional, strategic commitment to generate positive impact in social or environmental areas.
- 

**MATERIALITY** We seek to identify companies offering solutions with positive outcomes that are of material significance to the beneficiaries and are also important for the company. We pay attention to the proportion of a company’s revenues that align with the SDGs or the EU taxonomy. We also consider a variety of other factors, such as the severity of the issue being addressed, the number of beneficiaries (particularly among underserved people), and the extent to which a firm is a leading solutions provider relative to its peers.
- 

**ADDITIONALITY** Our research seeks to identify companies offering the best and most accessible solutions, for example through innovation, new technologies, lower prices, or better distribution. We also assess the extent to which corporate practices, behaviour and operations are leading, influencing and shaping others’ approaches.
- 

**NEGATIVE EXTERNALITIES** We assess how companies are addressing the negative externalities of their activities which may undermine their positive impact.
- 

**MEASURABILITY** We expect companies to measure and report data and KPIs on the social and environmental impact of their activities. Impact is more difficult to measure than environmental, social and governance (ESG) factors because of the lower degree of data availability and standardisation. We often encourage companies to enhance their impact reporting and we track the evolution of these KPIs.

Through our research, we seek to identify ‘Impact Leaders’, which are the highest rated companies in terms of delivering positive societal impact. We typically focus on companies that sell goods and services of critical importance and generate significant additionality by leveraging technology, scale or innovation to make goods and services accessible and commercially viable in potentially underserved markets.

We believe our in-depth impact research, when integrated into our traditional company and financial analysis, is a powerful tool to identify potential long-term winners, which can create a self-reinforcing relationship between the generation of impact and financial return.



# Act for human progress by protecting what matters and improving living standards for all

## A Theory of Change for AXA WF ACT Social Progress

AXA WF ACT Social Progress has a dual objective of seeking to deliver long-term financial return while investing into companies which deliver a positive and measurable impact on society. The strategy invests into companies that have demonstrated a positive and measurable impact across 4 key social themes; Social Inclusion, Healthcare Solutions, Safety & Security and Empowerment. We seek to select companies that can demonstrably create societal value, mainly through their products and services, to address unmet social needs across developed and emerging regions. Every company in our portfolio demonstrates a positive contribution towards at least one of the 10 targeted social UN SDGs.

### Impact Context

We believe that social inequality is on the rise and so are the potential negative effects on economies, corporations and, ultimately, investment portfolios. The United Nations' (UN) Human Development Index, which tracks factors including life expectancy, education, and per capita income, has found that over the past two years nine out of 10 countries have retreated<sup>1</sup>. It concluded that the main causes of this have been the pandemic, the Ukraine crisis and climate change – and now with the world enduring runaway inflation, the inequality gap is widening further. We think this difficult context could constitute a material risk for investors, while a successful response may bring opportunities. As governments, companies, consumers and investment groups take action to level up society's inequalities, demand for products and services which address the needs of currently under-served populations is increasing. Further, the democratisation of technology, advances in medicine and changing regulations are all factors which are making positive change increasingly possible.

### Our Strategy

Our strategy seeks to support all people, regardless of background, to lead healthy, fulfilling lives. We seek to achieve this by identifying companies which are offering innovative solutions to address the 10 Social UN SDGs.

We have identified four key investment themes, underpinned by several underlying sub-themes (outlined below), which we believe align well with the Social UN SDGs, and will be key drivers of social progress over the coming years.



Our strategy invests into listed companies that make a direct contribution to these themes, mainly through the products and services they offer (this defines the companies' 'investee contribution'). We identify these companies through a proprietary impact research framework based on five key pillars; Intentionality, Materiality, Additionality, Negative Externality and Measurability. For each company we aim to identify and track a range of key performance indicators ("KPIs") which allows us to measure the societal contribution of companies and the progression of such contributions over time.



Each of the 4 themes targeted tackle specific social issues we wish to address, each requiring a range of innovative solutions. To increase **Social Inclusion**, there is a need for wider access to financial products and services from affordable loans for small businesses to insurance for vulnerable people. Increased Inclusion can also be facilitated by providing the technology and infrastructure to connect people, which is severely lacking in some countries. To provide affordable, quality **Healthcare Solutions** for all, investment into biotechnology, pharmaceuticals and equipment is required to drive medical innovation. We aim to identify companies which are supporting these efforts to improve patient outcomes, and are actively lowering barriers to access. To improve **Safety & Security**, we aim to invest in companies enabling physical safety on the road and at work, as well as those that help maintain hygiene and protect against infection. We also invest in companies which provide software and applications to protect against cybercrime. Finally, to promote **Empowerment**, we look for companies which widen access to education and to products and services which enable a healthy lifestyle. In addition, this theme looks for companies which support small business owners, the self-employed and people who are balancing work and family commitments.

### Portfolio Structure

Our strategy is actively managed, with a minimum of 20% of its net assets invested into equities held in the MSCI All Country World Index. The strategy invests in companies across developed and emerging regions, industries and market

**Economic inequality has cut the income of 99% of the global population, and forced over 160 million more people into poverty, according to Oxfam International<sup>2</sup>**

capitalisations although it is inherently biased towards small and mid-cap companies as we find numerous companies with potentially disruptive, innovative solutions and attractive risk/return profiles within this part of the market. The strategy's Healthcare Solutions theme leads to a relatively large allocation to the healthcare sector, and the themes of Safety & Security and Empowerment result in a significant allocation to the industrials and consumer discretionary sectors respectively. The Social Inclusion theme has a diverse exposure, mainly across financials, IT and Real Estate.<sup>3</sup>

### Investor Contribution

The theory of change – actions to achieve a desired change – is at the heart of impact investing. However, practices for delivering and demonstrating impact through public markets vary compared to private markets, as described in the GIIN's [Guidance for Pursuing Impact in Listed Equities](#)

While the strategy targets positive

impact through investment in companies which are creating societal value, mainly through the products and services they offer, we also use shareholder engagement and voting activities as tools to support companies' in meeting our targeted UN SDGs.

Active engagement is focused on a selection of companies where we believe our involvement will have a material impact in achieving predefined impact targets, and is centered around a number of key themes such as Social Relations and Public Health. We also engage around Sustainable Development Goals and drive impact through the utilisation of our shareholder rights urging companies to contribute to global sustainability related targets. Importantly, we also aim to motivate companies to enhance their Impact KPIs disclosure through engagement, which helps us to judge which companies are making progress towards our targeted impact goals.

Furthermore, while investing into listed equities does not typically directly provide new capital, remaining as long-term investors in small- and mid-cap companies which are generating societal value provides greater stability for their share price. This in turn enables the company to pursue other capital market operations which may further increase their impact. We therefore aim to maintain positions over, on average, a 3-5 year horizon, as long as the company remains compatible with the overall objectives and requirements of our portfolio. Maintaining a long-term investment horizon also enables us to carry out effective engagement with individual companies.

<sup>1</sup> [Multiple crises halt progress as 9 out of 10 countries fall backwards in human development, UNDP report warns | United Nations Development Programme](#)

<sup>2</sup> <https://www.weforum.org/agenda/2022/01/inequality-in-2022-oxfam-report/>

<sup>3</sup> Past positioning is not indicative of future positioning



# Portfolio Highlights 2022

Key Performance Indicators of our underlying investments, at an aggregated portfolio level



Number of people provided with health insurance

**27 million**

Centene



Number of cars equipped with safety systems

**54 million**

Aptiv, Gentex



Number of online medical consultations

**15 million**

Teladoc Health



Number people receiving education services

**8.3 million**

Chegg, China East Education



Number of patients treated

**237 million**

Stryker, Dexcom, AstraZeneca



Number of people benefiting from micro-loans

**35.3 million**

Bank Rakyat Indonesia



Mobile communication towers operated in Africa

**13.6 thousand**

Helios Towers



Number of tenants

**152.4 thousand**

TAG Immobilien

● Healthcare Solutions    
 ● Social Inclusion    
 ● Safety & Security    
 ● Empowerment

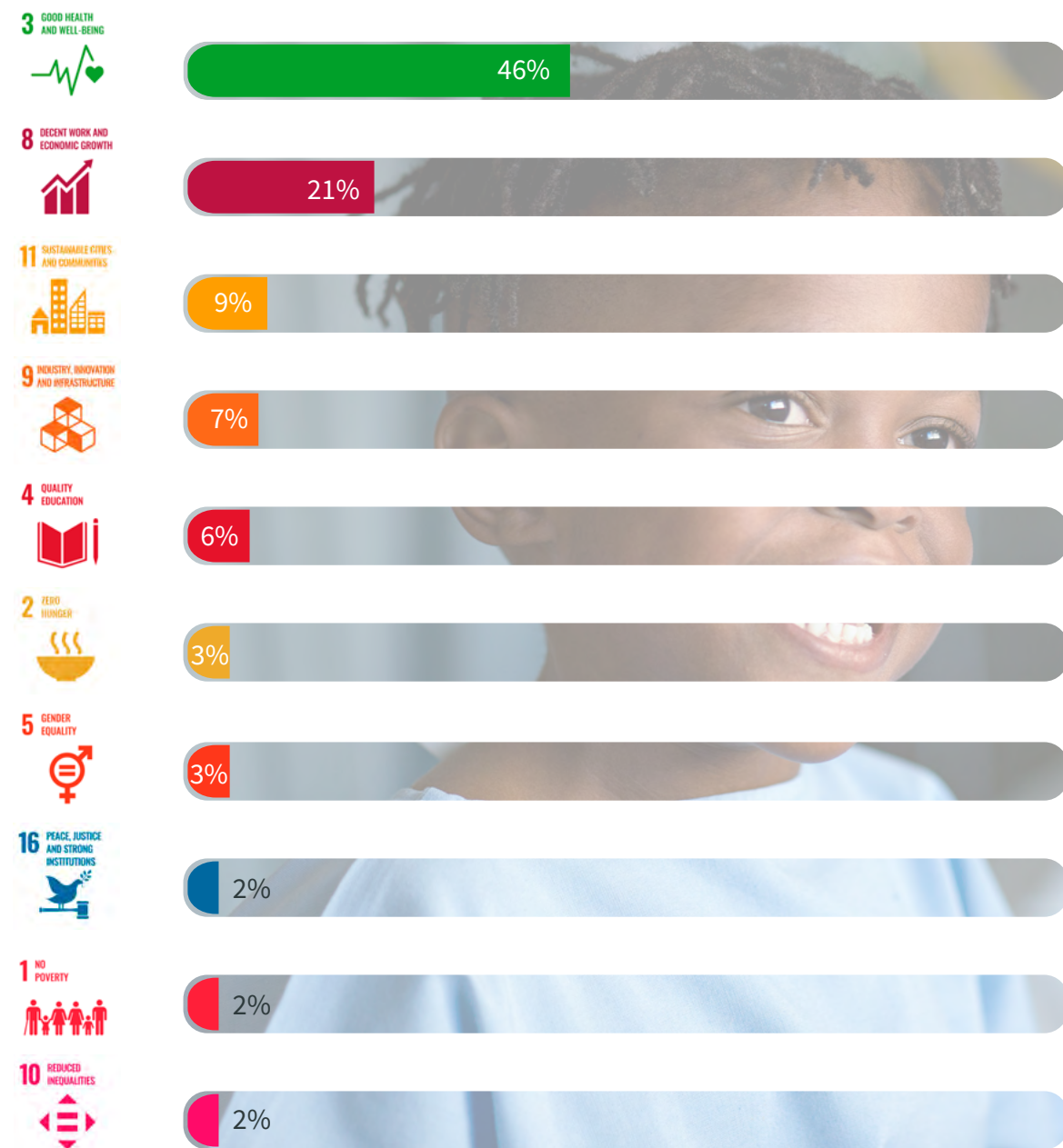
Aggregated portfolio KPIs are calculated by aggregating data for those companies where 1) we have been able to gather KPI data for 2022, and 2) the company is held in the portfolio as of December 2022 and contributes in a relevant way for that particular KPI. Aggregated impact data aims to provide an indication of the overall impact of the underlying companies held in the portfolio, in some cases underlying assumptions and adjustments have been made given individual companies measure and report using different methodologies.





# Portfolio characteristics

Contribution to targeted UN SDGs through our underlying investments



# Portfolio characteristics

Thematic exposure



Source: AXA IM as at 31/12/2022. For illustrative purposes only. No assurance can be given that the strategy will be successful or that investors will not lose some or all of their capital. Past positioning is not indicative of future positioning. SDG contribution methodology: each company is assigned a primary and secondary by our Impact analysts.

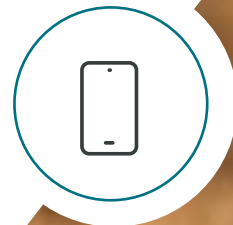
Source: AXA IM as at 31/12/2022. For illustrative purposes only. Totals may not add up due to rounding. No assurance can be given that the strategy will be successful or that investors will not lose some or all of their capital. Past positioning is not indicative of future positioning.





# Social Inclusion

Digital Access



Financial Access



Basic Housing  
& Equipment





# Digital Access

## Case Study: Helios Towers

For people living in regions which lack mobile network infrastructure, access to life-enhancing services including education, healthcare and financial services is severely limited. Helios Towers builds and operates telecom towers in 7 key-African markets, playing an active role in increasing the access to telecom technologies in some of the most unequipped regions of the world.



**Inputs**  
641 Employees



**Activities**  
Helios Towers owns and operates telecommunications towers. The Company offers tower related operational services including site selection, site preparation, maintenance, security, and power Management across Africa



**Outputs**  
Via the 13,553 towers it manages at the end of 2022, Helios covers the telecommunication needs of 139 million people across its operating region. In 2022, 31% of Helios's towers were backed by solar and/or hybrid energy systems, which reduces their carbon footprint.



**Outcome**  
Helios's towers directly fulfil the need for connectivity and generates significant additionality by focusing on resiliency, investing to maintain quality and continuously decrease network downtimes. As Sub-Saharan Africa is one of the most underequipped regions globally for grid connectivity, towers are reliant on networks affected by unpredictable power outages and often on energy intensive generators. Helios is actively involved in retrofitting towers which reduces operational costs, energy use and associated carbon intensity. Helios is progressively implementing clean and alternative energy systems using a mix of solar and hybrid energy sources.



**Impact**  
Helios enables connectivity and therefore access to life-enhancing services such as education, remote health and financial inclusion for underserved populations.  
**Portfolio weight:** 1.39%  
**KPI:** Telecom towers operated in Africa, 13,553



Source : Helios Towers and AXA IM.

# Financial Access

## Case Study: HDFC Bank

India has over 63 million Micro, Small and Medium Sized Enterprises (MSMEs), employing more than 100 million people. However, only 14% of SMEs have access to formal credit<sup>1</sup>. As a result, most individuals and small businesses have to borrow through informal channels, often at very high rates of interest. Proximity to financial services is another driver of financial inclusion, especially in India where 64% of the population lives in rural areas<sup>2</sup>. HDFC Bank helps expand access to financial services to underserved populations with half of its Indian branches located in rural and semi-urban areas, and 47% of corporate loans going to MSMEs as of FY22.



**Inputs**  
141,579 Employees



**Activities**  
HDFC Bank is one of the largest banks in India, providing financial products and services to individuals and businesses, including Micro, Small & Medium Enterprises (MSMEs). The company will merge with HDFC Ltd which provides housing loans to low- and middle-income individuals and businesses.



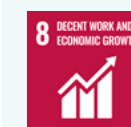
**Outputs**  
As of FY 2022, 71 million customers and \$173 billion in total loans, which include business loans, mortgages, personal loans, credit cards, and two-wheelers loans. \$40 billion in total loan value for MSMEs, representing 47% of business loans, 6,300 branches that serve more than 3,000 cities and towns across India, with approximately 50% of its branches in rural and semi-urban areas. \$93 million spent in CSR initiatives (2% of the company's net income) in 24 Indian states.



**Outcome**  
Increased access to capital and financial services for MSMEs and underserved individuals: this is achieved by offering specific banking products for these customer segments, and facilitated by an extensive branch network in remote areas, as well as digital banking solutions. Promotion of financial literacy and support to economic inclusion through CSR initiatives. Contribution to affordable housing: this is to be expected after the merger with HDFC Limited



**Impact**  
HDFC's strong focus on the needs of under-banked businesses makes a positive contribution to financial inclusion efforts.  
**Portfolio weight:** 2.61%  
**KPI:** Branches in rural and semi-urban areas, 3,183



<sup>1</sup> Indian Ministry for MSMEs cf. 2021-2022 annual report (p.25): Untitled-1 (msme.gov.in), Avendus: MSME Lending Report  
<sup>2</sup> As of 2022, World Bank data: Rural population (% of total population) - India | Data (worldbank.org)  
Source : HDFC IAR FY22.pdf (hdfcbank.com), and AXA IM, Reporting period: 1 April 2021 to 31 March 2022.



# Basic Housing & Equipment

## Case Study: Katitas

Japan is currently facing a major housing challenge. Real estate prices are high and unaffordable according to the World Bank<sup>1</sup>, yet the number of vacant and abandoned houses is increasing. Katitas has become one of the main contributors to the housing stock challenge in Japan, by repurchasing, retrofitting and selling old, vacant houses, and turning them into affordable and quality homes for future, often first-time, owner-occupiers. This activity also helps reduce the environmental footprint of the housing sector.



**Inputs**  
886 Employees




**Activities**  
Katitas purchases pre-owned housing directly from owners and retrofits them to modern standards before selling them on, often to first time buyers.




**Outputs**  
Katitas refurbished and sold 6,927 homes in 2022, an increase of 20% compared to the number of houses sold in 2021.




**Outcome**  
A Katitas home costs on average about 50%<sup>2</sup> less than the average price for a new-built home. Monthly mortgage payments for a Katitas home are also on average lower than the monthly rent for rental properties throughout Japan. A Katitas home is 3 times<sup>2</sup> less carbon intensive and uses about 7 times<sup>2</sup> less lumber as a new-built home.




**Impact**  
**Katitas provides more affordable and less carbon-intensive homes than new-builds, often to first-time owner-occupiers.**  
Portfolio weight: 1.65%  
KPI: Number of used houses retrofitted and sold, 6,927



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION

A list of other companies contributing toward Social Inclusion within AXA WF ACT Social Progress is provided below, portfolio weights are as at 31/12/2022

| Company, Country, Industry                                                                             | Contribution to Social Inclusion                                                                                                                                                                                                                                              | UN SDG Contribution |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Sub Theme: Digital Access</b>                                                                       |                                                                                                                                                                                                                                                                               |                     |
| <b>Intuit</b><br>US, Software<br>Portfolio Weight: <b>2.18%</b>                                        | Intuit provides competitively priced bookkeeping and tax filing technologies targeting small- to micro-entreprises and the self-employed, as well as credit management tools to individuals, helping businesses and individuals to efficiently manage their finances.         | <b>8, 13</b>        |
| <b>Sub Theme: Financial Access</b>                                                                     |                                                                                                                                                                                                                                                                               |                     |
| <b>AIA</b><br>Hong Kong, Insurance<br>Portfolio Weight: <b>2.79%</b>                                   | AIA provides life, accident and health insurance, as well as retirement planning and wealth management services. As the company offers health insurance in underserved Asian markets, it helps vulnerable people in the face of unexpected healthcare expenses.               | <b>3, 8</b>         |
| <b>PT Bank Rakyat Indonesia</b><br>Indonesia, Banks<br>Portfolio Weight: <b>1.92%</b>                  | Bank Rakyat provides corporate loans to MSMEs, which helps widen the access to financial services to underserved populations.                                                                                                                                                 | <b>8, 9, 1</b>      |
| <b>PayPal Holdings</b><br>US, IT Services<br>Portfolio Weight: <b>1.62%</b>                            | PayPal offers affordable payment processing solutions, digital tools for small businesses and working capital financing solutions which increase digital and financial access of SMEs.                                                                                        | <b>8</b>            |
| <b>Capitec Bank Holdings</b><br>South Africa, Banks<br>Portfolio Weight: <b>1.56%</b>                  | Capitec expands access to credit and financial services to individuals and businesses in South Africa through a large network of physical branches, as well as digital features facilitating access to banking services.                                                      | <b>8</b>            |
| <b>Block</b><br>US, Financial Services<br>Portfolio Weight: <b>1.18%</b>                               | Block's Square ecosystem of products promotes entrepreneurship and growth of SMEs. Through facilitating digital payments, it ensures micro merchants do not lose sales due to reliance on cash, improves overall efficiency and cash flow.                                    | <b>8</b>            |
| <b>PagSeguro Digital</b><br>Brazil, IT Services<br>Portfolio Weight: <b>0.86%</b>                      | PagSeguro has a strong focus on supporting growth of MSMEs and underbanked individuals, by providing affordable point of sale devices, free digital bank accounts, and affordable loans in the context of high lending rates.                                                 | <b>8, 9</b>         |
| <b>Bandhan Bank</b><br>India, Banks<br>Portfolio Weight: <b>0.84%</b>                                  | By providing access to affordable banking products to underbanked populations and MSMEs in India, Bandhan Bank expands the access to financial services.                                                                                                                      | <b>8, 9, 1</b>      |
| <b>Sub Theme: Basic Housing &amp; Equipment</b>                                                        |                                                                                                                                                                                                                                                                               |                     |
| <b>Sun Communities</b><br>US, REITs<br>Portfolio Weight: <b>1.82%</b>                                  | Sun Communities provides affordable manufactured housing to owner-occupiers and have committed to keep site rental price rates at an average 2-4% per annum, to be aligned with inflation, avoiding price gouging which is prevalent among competitors.                       | <b>11</b>           |
| <b>Infrastrutture Wireless Italiane</b><br>Italy, Telecommunications<br>Portfolio Weight: <b>1.43%</b> | INWIT plays a key role in delivering wireless mobile coverage within Italy's territory in order to support the country's digitalization, and increase micro-coverage in indoor and outdoor areas with particular connectivity requirements such as rural areas and hospitals. | <b>9, 8, 4</b>      |
| <b>Generac Holdings</b><br>US, Electrical Equipment<br>Portfolio Weight: <b>0.93%</b>                  | Generac provides power generation equipment, energy storage systems and other power products serving residential, light commercial and industrial markets. This helps provide reliable and consistent access to energy.                                                       | <b>9, 7</b>         |
| <b>TAG Immobilien</b><br>Germany, Real Estate<br>Portfolio Weight: <b>0.85%</b>                        | TAG provides relatively affordable housing in Germany and more recently Poland, thus helping to address the local housing shortage.                                                                                                                                           | <b>11, 8</b>        |

<sup>1</sup> According to the World Bank, if the price of a house or an apartment exceeds four times the annual salary of an individual, then access to housing is considered unaffordable - in Japan, that ratio was 8.1 according to Tokyo Kantei, a Tokyo-based real estate market research firm. <https://resources.realestate.co.jp/living/how-affordable-is-it-to-buy-a-home-in-japan-compared-to-other-countries>  
<sup>2</sup> Katitas - Financial Results Presentation for the 45th Fiscal Year ending March 31, 2023 (FY 2022)





# Healthcare Solutions

Testing & Equipment



Insurance



Treatment





# Testing & Equipment

## Case Study: Dexcom Inc

Diabetes is a chronic, life threatening disease that can significantly impact quality of life. It is estimated the worldwide incidence of people suffering from diabetes will reach 783m by 2045<sup>1</sup>. Patients must maintain normal blood glucose levels to avoid significant health risks. Single-point finger stick devices are the most prevalent devices for glucose monitoring which must be used several times a day, and can be unreliable. Moreover, patients cannot test themselves during sleep, when the risk of hypoglycemia is higher. Dexcom's solutions remove these obstacles and in certain reimbursed international markets, Dexcom is committed to proactively lowering its prices



### Inputs

7,600 Employees  
484,200,000 R&D Expenditure



### Activities

Dexcom is a medical device company focused on the design, development and commercialization of continuous glucose monitoring (CGM) systems and is a leader in diabetes care technology



### Outputs

Dexcom directly sells and distributes via third parties to patients world-wide. The company ended 2021 with approximately 1.25m users. The majority of these users are using their CGM systems. 1.7 million patients treated (2022)



### Outcome

A preliminary pilot study demonstrated strong improvements in clinical outcomes, costs, and self-reported measures for a cohort of patients using Dexcom CGM systems, compared to standard of care fingersticks<sup>2</sup>. Another study demonstrated the long-term cost effectiveness of Dexcom CGM in Canada, also improving mean quality-adjusted life expectancy<sup>3</sup>. The company has entered into collaboration agreements to integrate its technology into insulin pump or pen product offerings, which in some cases could use the glucose readings for semi-automated insulin delivery. In certain reimbursed international markets, Dexcom is committed to proactively lowering prices in return for the removal of impediments limiting customer access. The company estimates to have increased or improved access for nearly 1m individuals in 2021 through these efforts.



### Impact

Dexcom's solutions are cost-effective and bring about important improvements in patients' health and wellbeing.

**Portfolio weight:** 2.41%

**KPI:** Number of patients treated, 1.7 million



<sup>1</sup> International Diabetes Federation Atlas, 10th Edition (2021). <https://www.diabetesatlas.org/en/>.

<sup>2</sup> Journal of Diabetes Science and Technology September 2020, "Demonstrating the Clinical Impact of Continuous Glucose Monitoring Within an Integrated Healthcare Delivery System." <https://journals.sagepub.com/doi/abs/10.1177/1932296820955228>

<sup>3</sup> National Center for Biotechnology Information, August 2021, "Evaluation of the Long-Term Cost-Effectiveness of the Dexcom G6 Continuous Glucose Monitor versus Self-Monitoring of Blood Glucose in People with Type 1 Diabetes in Canada." <https://pubmed.ncbi.nlm.nih.gov/34408456/>

# Insurance

## Case Study: Centene Corporation

In a 2022 survey conducted in the United States by the Commonwealth Fund, 46% of respondents said they had skipped or delayed care because of the cost<sup>1</sup>. While the number of Americans lacking health insurance is falling to historic lows (thanks to policy changes during the COVID-19 pandemic and the expansion of Medicaid eligibility under the Affordable Care Act), 43% of working-age adults were inadequately insured in 2022<sup>1</sup>. Centene's commitment as evidenced by its purpose to "transform the health of communities, one person at the time", is centered around increasing access to healthcare services with a focus on low-income uninsured/under-insured individuals. They are the largest Medicaid managed care organization in the US.



### Inputs

74,300 Employees



### Activities

Centene provides fully integrated and cost-effective services to government-sponsored (Medicaid and Medicare) and commercial healthcare programs, focusing on underinsured and uninsured individuals in the US. They also provide education and outreach programs to inform and assist members in accessing quality, appropriate healthcare services.



### Outputs

As of the end of 2022, revenues from Medicaid programs accounted for 64% of total revenues reaching c.16m individuals, and over 27 million people were provided with Managed Care Memberships.



### Outcome

Centene serves millions of low-income adults, children, pregnant women, and those with disabilities through local health insurance companies across the country. Centene's Medicaid programs also provide tailored care options for specific populations in 29 states, such as those who are blind or have a disability, children within and outside the foster care system, and adults and children who suffer from long-term or chronic illnesses or conditions. Medicaid recipients in non-managed care programs typically do not seek preventive care or routine treatment for chronic conditions. Rather, they resort hospital emergency departments, which is typically more expensive. As a result, many states without managed care programs found that the costs of providing Medicaid benefits have increased while the medical outcomes for the recipients remained unsatisfactory, Centene adds value by providing Managed Care Memberships.



### Impact

Centene offers services which protect individuals in the face of unexpected healthcare expenses and increases access to affordable healthcare.

**Portfolio Weight:** 2.23%

**KPI:** number of people provided health insurance, 27 million



<sup>1</sup> <https://www.commonwealthfund.org/publications/issue-briefs/2022/sep/state-us-health-insurance-2022-biennial-survey>



# Treatment

## Case Study: AstraZeneca

One of the main priorities for governments – and individuals – worldwide is to get better access to quality medical cover, and to limit the cost to society, especially given the planet’s ageing population. Most recently, the COVID-19 pandemic has starkly highlighted the need for robust preventive measures which are accessible to all. AstraZeneca provides medicines to treat and prevent a number of communicable and non-communicable diseases and operates a range of access programmes to support lower income communities.



### Inputs

83,500 Employees  
9,800,000,000 R&D Expenditure



### Activities

AstraZeneca Plc, headquartered in the UK, engages in the research, development, and manufacture of pharmaceutical products.



### Outputs

AstraZeneca’s medicines and vaccines are sold in more than 130 countries worldwide, generating 26% of its revenues from emerging markets in 2022. 31.8 million people were reached by their access to healthcare programmes in 2021.



### Outcome

AstraZeneca provides innovative solutions to treating cancer, cardiovascular disease (which is the largest cause of death worldwide)<sup>1</sup>, Asthma (the most common chronic disease among children)<sup>2</sup> and a number of rare, life-threatening conditions for which there is a severe lack of treatment available. AstraZeneca’s access-to-medicine strategy is integrated within the overall corporate strategy and their access to healthcare programmes aim to reach 50m people by 2025. AstraZeneca partnered with University of Oxford to produce and distribute a COVID-19 vaccine, which they supplied at no profit during the pandemic and to low-income countries in perpetuity. The company shows an impressive commitment to innovation with R&D expenses reaching 22% of total revenues in 2022



### Impact

**AstraZeneca produces innovative treatment for a range of critical illnesses across developed and emerging markets.**

**Portfolio weight:** 3.10%

**KPI:** Number of lives impacted by main therapy area medicines, 100 million



A list of other companies contributing toward Healthcare Solutions within AXA WF ACT Social Progress is provided below, portfolio weights are as at 31/12/2022

| Company, Country, Industry                                                                       | Contribution to Healthcare Solutions                                                                                                                                                                                                                            | UN SDG Contribution   |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Sub Theme: Testing &amp; Equipment</b>                                                        |                                                                                                                                                                                                                                                                 |                       |
| <b>Stryker Corporation</b><br>US, Healthcare Equipment<br>Portfolio Weight: <b>2.56%</b>         | Stryker produces innovative medical instruments and solutions for surgical procedures, which are all highly material as they permit medical professionals and caregivers to restore patients’ health and reduce trauma rising from critical medical conditions. | <b>3</b>              |
| <b>Intuitive Surgical, Inc.</b><br>US, Healthcare Equipment<br>Portfolio Weight: <b>2.32%</b>    | Intuitive Surgical supplies innovative medical technologies that accelerate the use of minimally invasive surgery which reduces traumas and decreases hospitalization and recovery times. This improves patient outcomes and decreases medical costs.           | <b>3</b>              |
| <b>DiaSorin S.p.A.</b><br>Italy, Healthcare Equipment<br>Portfolio Weight: <b>1.96%</b>          | DiaSorin provides diagnostic equipment which is vital to improving patient outcomes. The company focuses on innovation, and is positioned as a leader in specialty tests.                                                                                       | <b>3</b>              |
| <b>Sartorius AG</b><br>Germany, Life Sciences Tools<br>Portfolio Weight: <b>1.84%</b>            | Sartorius provides the biopharmaceutical industry and biotech start-ups with tools and technologies to progress research more quickly and at lower costs. therefore supporting the development and production of life-saving drugs and vaccines.                | <b>3</b>              |
| <b>Clicks Group Limited</b><br>South Africa, Retail<br>Portfolio Weight: <b>1.76%</b>            | Clicks distributes medicines in South Africa through its extensive pharmacy network. While primarily targeting middle to upper income segments, it improves access to healthcare through its geographic presence and CSR initiatives.                           | <b>3</b>              |
| <b>SKAN Group AG</b><br>Switzerland, Life Sciences Tools<br>Portfolio Weight: <b>1.60%</b>       | SKAN Group enables aseptic and aseptic-toxic manufacturing processes for the pharmaceutical and biotech industry, providing systems which prevent contamination and ensure the safety and quality of pharmaceutical products.                                   | <b>3</b>              |
| <b>Veeva Systems Inc</b><br>US, Healthcare Technology<br>Portfolio Weight: <b>1.40%</b>          | Veeva offers software solutions that enable pharmaceutical and medtech companies to accelerate clinical development and regulatory approval and better manage quality and safety data.                                                                          | <b>3, 5, 8</b>        |
| <b>Dr. Lal PathLabs Limited</b><br>India, Healthcare Providers<br>Portfolio Weight: <b>1.12%</b> | Dr. Lal PathLabs provides a large range of diagnostics services to patients across India. Further, skill development initiatives targeting the unemployed youth contribute to bridging the healthcare skill gap in India, while pursuing economic inclusion.    | <b>3</b>              |
| <b>Teladoc Health, Inc.</b><br>US, Healthcare Technology<br>Portfolio Weight: <b>0.45%</b>       | Teladoc’s telehealth solutions increase access to care and cost efficiency of the healthcare sector in the US. Allowing individuals who wouldn’t otherwise seek or receive care to see physicians and specialists.                                              | <b>3</b>              |
| <b>Sub Theme: Treatment</b>                                                                      |                                                                                                                                                                                                                                                                 |                       |
| <b>CSL Limited</b><br>Australia, Biotechnology<br>Portfolio Weight: <b>2.58%</b>                 | CSL provides lifesaving therapies and vaccines for influenza. The company considers responsible pricing policies and has initiatives in place to increase product access and strengthen governments’ pandemic response.                                         | <b>3</b>              |
| <b>Croda International Plc</b><br>UK, Chemicals<br>Portfolio Weight: <b>2.15%</b>                | Croda provides innovative bio-based chemical solutions, most notably for use in healthcare solutions which accelerate the development of novel vaccines, as well as in sustainable agriculture.                                                                 | <b>12, 2, 3</b>       |
| <b>Regeneron Pharmaceuticals,</b><br>US, Biotechnology<br>Portfolio Weight: <b>1.85%</b>         | Regeneron Pharmaceuticals develops and manufactures antibody and protein-based therapeutics with a significant investment in research and development and a focus on addressing unmet clinical needs among diverse populations.                                 | <b>3</b><br><b>10</b> |
| <b>Alnylam Pharmaceuticals, Inc</b><br>US, Biotechnology<br>Portfolio Weight: <b>1.12%</b>       | Alnylam is an industry leader in the development of specialty RNAi treatments, with a focus on rare and genetic diseases. They have also implemented programs aiming to increase access and affordability, as well as quality of care and early diagnosis.      | <b>3</b><br><b>8</b>  |

<sup>1</sup> WHO, Health Topics: Cardiovascular Diseases. ([https://www.who.int/health-topics/cardiovascular-diseases#tab=tab\\_1](https://www.who.int/health-topics/cardiovascular-diseases#tab=tab_1))

<sup>2</sup> WHO, Asthma Fact sheet (<https://www.who.int/news-room/fact-sheets/detail/asthma>)

Source : AstraZeneca and AXA IM





# Safety & Security

Cybersecurity



Personal Safety





# Cybersecurity

## Case Study: Rapid7

Cybercrime and data protection are critical issues for any organisation. Cybercrime affects all types of organisations and can cause irreversible damage to companies but also to their clients and stakeholders. In September 2020, the first cyberattack-induced death occurred in a German hospital after a ransomware caused fatal treatment delays for a patient. Rapid7 is an important contributor in the global effort to combat cybercrime by better protecting clients and reducing the risks and materiality of cyber-security incidents.



### Inputs

2,623 Employees  
189,970,000 R&D Expenditure



### Activities

Rapid7 is a US software company which offers customers a broad range of quality information security solutions. The company's landmark product, the Insight Platform, offers clients a cloud-based, encrypted platform combining threat analysis, detection, response, and prevention tools. Rapid7 also offers attack simulation services, for customers to test their security capacities



### Outputs

As of 2022, Rapid7 addressed the cybersecurity needs of 10,929 clients. Rapid7 provides cybersecurity services to 44% of organisations in the Fortune 100, however, 55% of sales were from middle-market and small organisations in 2021.



### Outcome

Rapid7 helps a wide range of companies (both public and private) to address cyber threats and protect their and their customers' data. The group however specifically targets companies that have limited in-house information security resources as Rapid7's cloud-based platform offers resource-constrained clients scalable solutions. In June 2022, Rapid7 reported findings from an independent study (Forrester Consulting) that quantified the Total Economic Impact and benefits of the company's Insight platform. The study reported that Rapid7's services delivered over 549% return on investment, helped reduce the likelihood of a major security breach by 90%, and the time spent on investigations by 87.5%. This resulted in USD 1.6 million in savings over three years for the company analysed.



### Impact

Rapid7 helps corporations prepare to face cyberattacks, reducing the risk of significant losses.

Portfolio weight: 1.08%

KPI: Number of corporate customers provided with information security services, 10,929



# Personal Safety

## Case Study: Rentokil Initial

Modern living conditions, urban sprawl and emerging changes in climate make the spread of pests and pest-borne diseases increasingly likely (World Health Organization). An estimated 829,000 people in low- and middle-income countries die as a result of inadequate water, sanitation, and hygiene each year<sup>1</sup>, and vector borne diseases are becoming more prevalent due to climate change. Rentokil Initial provides pest and hygiene services globally, which increase sanitation and decrease the spread of bacteria and communicable diseases. One of the potential drawbacks of pest control is the use of harmful chemicals, Rentokil has made efforts to minimise the use of harmful substances relative to peers.



### Inputs

58,592 Employees  
3,000,000 R&D Expenditure



### Activities

Rentokil Initial, listed in the UK, is a global leader in pest control and hygiene services and solutions. Rentokil also operates a workwear supply and maintenance business in France.



### Outputs

Rentokil provides both preventative and responsive protection to commercial and residential clients, against multiple pests, in 87 countries. For example, the company sold over 357,000 Lumina LED fly traps by 2022.



### Outcome

Rentokil's research has innovated more sustainable pest control and hygiene solutions such as energy-efficient, LED-based pest control, non-chemical alternatives (research on fungi-based technologies), non-kill pest-control solutions and hygiene products with water efficiency attributes. For example, the company reports that Lumina LED fly lamps save up to 62% energy and emissions compared with fluorescent bulb tubes, and the use of their constant pest monitoring services permits a reduction in the use of chemicals. Rentokil is also putting an increasing focus on emerging countries within its acquisition strategy and their extensive mosquito and vector control solutions, make material contributions in densely populated cities across many geographies, including Latin America, Asia, Africa and southern Europe.



### Impact

Rentokil Initial helps ensure heightened levels of sanitation and hygiene, reducing the risk of propagation of bacteria and infectious diseases.

Portfolio weight: 2.03%

KPI: LED fly and pest traps sold, 375,000



<sup>1</sup> As of March 2022, according to the World Health Organization, some 829 000 people in low- and middle-income countries die as a result of inadequate water, sanitation, and hygiene each year. Poor sanitation is linked to transmission of diarrhoeal diseases such as cholera and dysentery, as well as typhoid, intestinal worm infections and polio. It exacerbates stunting and contributes to the spread of antimicrobial resistance. <https://www.who.int/news-room/fact-sheets/detail/sanitation>



A list of other companies contributing toward Safety & Security within AXA WF ACT Social Progress is provided below, portfolio weights are as at 31/12/2022

| Company, Country, Industry                                                                                | Contribution to Safety & Security                                                                                                                                                                                                                                | UN SDG Contribution |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Sub Theme: Cybersecurity</b>                                                                           |                                                                                                                                                                                                                                                                  |                     |
| <b>GB Group PLC</b><br>UK, Software<br>Portfolio Weight: <b>1.29%</b>                                     | GB Group produces digital data risk management tools for organizations worldwide which are used to detect and prevent fraudulent activities, for example using AI to reduce the number of false alarms organizations must investigate.                           | <b>16, 8</b>        |
| <b>Everbridge, Inc.</b><br>US, Software<br>Portfolio Weight: <b>1.11%</b>                                 | Everbridge helps organizations and governments improve their preparation for and response time to disasters, lowering death tolls and economic losses. It also enables organizations to better respond to climate-related critical events.                       | <b>11, 8, 13</b>    |
| <b>Sub Theme: Personal Safety</b>                                                                         |                                                                                                                                                                                                                                                                  |                     |
| <b>MSA Safety, Inc.</b><br>US, Commercial Services<br>Portfolio Weight: <b>2.39%</b>                      | MSA's products promote workers' and first responders' health and safety, notably in high-risk activities such as firefighting, construction and mining. The company's focus on connectivity and inclusive design increases the additionality of its solutions.   | <b>8</b>            |
| <b>Johnson Controls International plc</b><br>Ireland, Building Products<br>Portfolio Weight: <b>2.36%</b> | Johnson Controls improves the energy efficiency of buildings and provides solutions to make them safer, for example providing fire detection and suppression solutions.                                                                                          | <b>7, 11</b>        |
| <b>Gentex Corporation</b><br>US, Auto Components<br>Portfolio Weight: <b>2.20%</b>                        | Gentex supplies dimmable devices, vision systems, sensors, and advanced electronic products for the automotive, aerospace, and fire protection industries. Its automotive solutions help increase drivers' visibility, thus reducing the risk of road accidents. | <b>3, 11</b>        |
| <b>Eurofins Scientific SE</b><br>Luxembourg, Life Sciences Tools<br>Portfolio Weight: <b>2.00%</b>        | Eurofins' laboratories provide analytical services which help promote human health, improve cancer treatments, tackle antibiotic resistance, optimize kidney transplantation outcomes, identify prenatal conditions and fight viruses.                           | <b>3, 12, 6</b>     |
| <b>Teradyne, Inc.</b><br>US, Semiconductors & Equipment<br>Portfolio Weight: <b>1.98%</b>                 | Teradyne manufactures testing equipment for the semiconductor industry, thereby enabling electronic systems used in a number of critical solutions such as electric power grids, automotive systems, and healthcare and communication technologies.              | <b>9, 8</b>         |
| <b>Aptiv PLC</b><br>Ireland, Auto Components<br>Portfolio Weight: <b>1.65%</b>                            | Aptiv's safety systems help improve road safety and reduce the number of road accidents. It also enables energy efficiency improvements in passenger vehicles.                                                                                                   | <b>7, 3, 11</b>     |
| <b>Intertek Group plc</b><br>UK, Professional Services<br>Portfolio Weight: <b>1.62%</b>                  | Intertek provides Total Quality Assurance (TQA) services, which help ensure the quality and safety of products in the field of critical industries such as pharmaceuticals and medical devices.                                                                  | <b>12, 3</b>        |
| <b>Alarm.com Holdings, Inc.</b><br>US, Software<br>Portfolio Weight: <b>1.41%</b>                         | Alarm.com is a provider of wireless and web-enabled security system technology. Solutions include interactive security, video monitoring, intelligent automation, energy management and wellness.                                                                | <b>8, 7, 6</b>      |







# Empowerment

Education



Entrepreneurship



Self-Care





# Education

## Case Study: IDP Education

Education is a powerful agent of social mobility, especially when it includes the most disadvantaged. At the individual level, it improves livelihoods and even life expectancy. At the country level, it contributes to social stability and stimulates long-term economic growth. The challenge in education is twofold. First, to widen access and draw in everyone, young and old, in an equitable and continuous manner. Second, to develop quality and effective learning methods for example through education technologies (edtech), offering students low-cost solutions for more effective and personalised learning. IDP facilitates international placements for students into universities in English-speaking countries, which enables career development, and permits host universities to attract more diverse students and talents.



### Inputs

4, 709 Employees



### Activities

IDP Education is an Australian listed educational services company focused on providing English language certification and access to tertiary education in English-speaking countries to prospective students from developing countries. IDP also provides English courses to students, and facilitates meetings between prospective students and universities looking for new international students and scholarship recipients.



### Outputs

In 2021-2022, over 55,000 students were placed in universities, the group conducted over 1.9 million IELTS (International English Language Testing System) tests, and gave almost 70,000 courses across its language schools in Cambodia and Vietnam. In 2022, 5,377 offers were made to students on Fastlane and the tool was adopted by 65 partner universities. IDP also has impactful non-revenue generating initiatives, funding schooling for 4,000 students in Kenya and partnering with Cambodia's ministry of Education to deliver digital English learning scholarships to 2,000 students.



### Outcome

IDP's services provide wider access to education. Average testing fees per student have decreased over the last two years (to 2022), notably as IDP experienced growth in lower-priced countries, suggesting pricing is relatively adapted by localisation, which further increases accessibility. The company's use of technology also makes it increasingly easier to access their services, for example IDP's Fastlane app helps to speed up the admission process for student placement.



### Impact

**IDP plays a role in facilitating social mobility and reducing inequalities, as well as increasing diversity in English speaking universities.**  
**Portfolio weight:** 1.90%  
**KPI:** students placed in educational institutions, 55,400



Source: AXA IM and IDP education annual report

# Entrepreneurship

## Case Study: Etsy

Online marketplaces such as Etsy promote economic empowerment as they enable sellers to generate income in a flexible way. This flexibility may be particularly useful for women; in the UK for example, analysis published by the TUC estimates that women are around seven times more likely than men to be out of the labour market due to caring commitments<sup>1</sup>. Additionally, second-hand platforms are important in supporting the circular economy and avoiding use of resources from producing a new product. For example, if on average a garment was worn twice as much then the greenhouse gas emissions of the fashion industry could be up to 44% lower<sup>2</sup>.



### Inputs

2, 790 Employees  
 412,398,000 R&D Expenditure



### Activities

Etsy is a US listed digital retailer which operates an online marketplace for creative entrepreneurs to sell their goods. Etsy also owns Elo7 (Brazil-based online marketplace for handmade items), Reverb (online marketplace for new, used, and vintage musical instruments) and Depop (fashion resale marketplace).



### Outputs

As at December 2022, there were more than 100m items listed on the Etsy marketplace, 7.5m active sellers and 95.1m active buyers.



### Outcome

Etsy promotes entrepreneurship, giving small business owners access to an e-commerce platform and to potentially scale up their business. The company also contributes to promoting gender equality both through its focus on workforce diversity (51% of the workforce is made up of women and marginalised gender employees) and seller diversity (80% of sellers are women). The company also supports responsible consumption through its acquisition of companies which facilitate the reuse of goods, therefore avoiding emissions being produced from a 'new' product. While Etsy has faced some criticism from sellers regarding increasing transaction fees, we believe the fees charged by Etsy are reasonable and towards the lower end of the spectrum, when compared to peers.



### Impact

**Etsy promotes economic empowerment, particularly for women. Etsy's second-hand platforms also promote responsible consumption.**  
**Portfolio weight:** 2.18%  
**KPI:** Income generated by sellers on Etsy.com, USD 3.6 billion



<sup>1</sup> <https://www.tuc.org.uk/news/women-7-times-more-likely-men-be-out-work-due-caring-commitments>

<sup>2</sup> Ellen MacArthur Foundation, *New Textiles Economy* (2017)



# Self-Care

## Case Study: Godrej Consumer Products

Every year there are more than 700,000 deaths from vector-borne diseases, which disproportionately affect the poorest populations<sup>1</sup>. Since 2014, major outbreaks of dengue, malaria, chikungunya, yellow fever and Zika have afflicted populations and overwhelmed health systems in many countries. The use of long lasting insecticide treated nets by people at risk and indoor residual spraying with insecticide to control the vector mosquitoes can help prevent malaria. Godrej Consumer Products make such products widely accessible which enables people with lower incomes to look after their health and wellbeing.



### Inputs

2,601 Employees



### Activities

Godrej Consumer Products manufactures personal care, hair care, household care, including household insecticides, and fabric care products, which it offers through a large range of brands.



### Outputs

In FY2021-22, the company sold its products to over 1.2 billion customers across over 90 countries. The company spent \$773,000 on vector-borne disease prevention programmes in urban and rural Indian areas in FY2022. Godrej's urban dengue programme and rural malaria project reached out to over 200,000 households in 400 urban settlements, 4 cities, and 780 villages.



### Outcome

Godrej Consumer Products distributes products which help prevent potentially deadly vector-borne diseases to people in countries who are at high risk. The company's rural malaria project helped achieve the target of zero reported malaria cases in 2 of 7 districts (over 2.5 million inhabitants) in 2021, while all districts saw a significant drop in recorded cases. Testing rates increased by up to 510% across districts. By FY2026, the company aims to protect 30 million people against vector-borne diseases through its prevention programmes. Additionally, Godrej has been plastic neutral since FY2018 in India.



### Impact

**Godrej Consumer Products helps to improve public health outcomes by lowering the risk of contracting deadly vector-borne diseases.**

**Portfolio weight:** 1.49%

**KPI:** Households reached through the rural malaria prevention programme, 194,000



A list of other companies contributing toward Empowerment within AXA WF ACT Social Progress is provided below, portfolio weights are as at 31/12/2022

| Company, Country, Industry                                                                         | Contribution to Empowerment                                                                                                                                                                                                                                     | UN SDG Contribution |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Sub Theme: Education</b>                                                                        |                                                                                                                                                                                                                                                                 |                     |
| <b>Chegg</b> ,<br>US, Consumer Services<br>Portfolio Weight: <b>2.05%</b>                          | Chegg operates a direct-to-student learning platform that provides students with learning resources and learning material. The provision of more affordable textbooks and stable subscription pricing helps increase affordability.                             | <b>4, 8, 10</b>     |
| <b>China East Education Holdings</b><br>China, Consumer Services<br>Portfolio Weight: <b>1.49%</b> | China East Education provides accessible, high-quality vocational training for adults and younger students who may not be able to access high school. They also provide graduate placement and entrepreneurial services.                                        | <b>4</b>            |
| <b>Kahoot! ASA</b><br>Norway, Entertainment<br>Portfolio Weight: <b>1.01%</b>                      | Kahoot! is an online learning and audience engagement platform, aimed at children, students (for learning at home and in a school environment) and employees (for training and engagement purposes), making learning more accessible.                           | <b>4</b>            |
| <b>Sub Theme: Entrepreneurship</b>                                                                 |                                                                                                                                                                                                                                                                 |                     |
| <b>Bright Horizons Family Solutions</b><br>US, Consumer Services<br>Portfolio Weight: <b>1.14%</b> | Bright Horizons is one of the leading providers of high-quality child care and early education services that are designed to help client employees better integrate work and family life, as well as grow their careers.                                        | <b>5, 4</b>         |
| <b>Sub Theme: Self-Care</b>                                                                        |                                                                                                                                                                                                                                                                 |                     |
| <b>Unicharm Corporation</b><br>Japan, Household Products<br>Portfolio Weight: <b>2.33%</b>         | Unicharm provides baby and childcare, feminine hygiene, health care, household and pet care products which promote hygiene and health. Unicharm's sanitary products are sold at an affordable price in Southeast Asian countries.                               | <b>3, 5</b>         |
| <b>National Vision Holdings</b><br>US, Speciality Retail<br>Portfolio Weight: <b>2.29%</b>         | National Vision provides affordable eyecare, eyewear and eye exams to customers throughout the United States. The company's 'America's Best' brand in particular facilitates access to affordable and quality eyewear to price-sensitive customers.             | <b>3</b>            |
| <b>Planet Fitness</b><br>US, Hotels, Restaurants & Leisure<br>Portfolio Weight: <b>2.18%</b>       | Planet Fitness provides low-cost infrastructure and equipment for physical activity. The company's presence in lower-income areas and 'Judgement Free Zones' helps people from all socio-economic backgrounds overcome barriers to physical activity.           | <b>3</b>            |
| <b>Kerry Group</b><br>Ireland, Food Products<br>Portfolio Weight: <b>1.81%</b>                     | Kerry provides taste and nutrition solutions for the food, beverage and pharmaceutical industries which aim to provide healthier, more nutritionally balanced food options to a high number of people.                                                          | <b>12, 2, 3</b>     |
| <b>Ping An Insurance (Group)</b><br>China, Insurance<br>Portfolio Weight: <b>1.13%</b>             | Ping An Insurance helps bridge the health and mortality protection gaps in China, it has developed "sustainable" insurance products, which address climate and environmental risks, medical needs and elderly care, as well as SMEs and agri-businesses' needs. | <b>3, 8</b>         |

<sup>1</sup> Vector-borne diseases (who.int)

# Investor Contribution: Active Stewardship

As our strategy invests only into listed equities, we believe one of the most material tools to contribute to deliver impact as an investor, in addition to investee contribution, is through our active ownership and stewardship strategy. This consists of using our shareholder rights to urge companies to contribute to global sustainability related targets. Active engagement with companies is focused on a number of key themes including Climate Change, Biodiversity, Social Relations and Public Health and Governance, with 76% of our engagements targeting UN Sustainable Development Goals in 2022. We have rolled out a clear process for selecting engagement priorities at an AXA IM level, as defined in our [Engagement policy](#), with proactive engagement on material ESG areas. To ensure we allocate sufficient effort to enable change, proactive engagements are conducted with a limited number of

companies constituting our **Focus list** – a priority list of circa 50 companies for which intense and repetitive engagement is conducted on one or two key issues.

We also conduct **Thematic projects** on specific themes, which cover a wider universe of companies, aimed at supporting companies in the reduction of their negative externalities, to deliver positive impact and improve impact-related disclosures. We conduct engagement with issuers and track progress – achieving effective change can take time, and we define a timeframe which we consider reasonable for achieving these objectives, depending on the nature of the change we are targeting and the underlying concerns. These also differ according to the country of the issuer and the relevant thematic area. Furthermore, we vote in a manner that

is intended to be beneficial for the long-term, sustainable value of the companies in which we invest. Areas of support or dissent can relate to a number of sustainability related issues, such as executive remuneration, climate and diversity – which we have captured within our dedicated voting policy. Voting may occasionally be used as an escalation option if we believe engagement on a thematic issue has stalled.

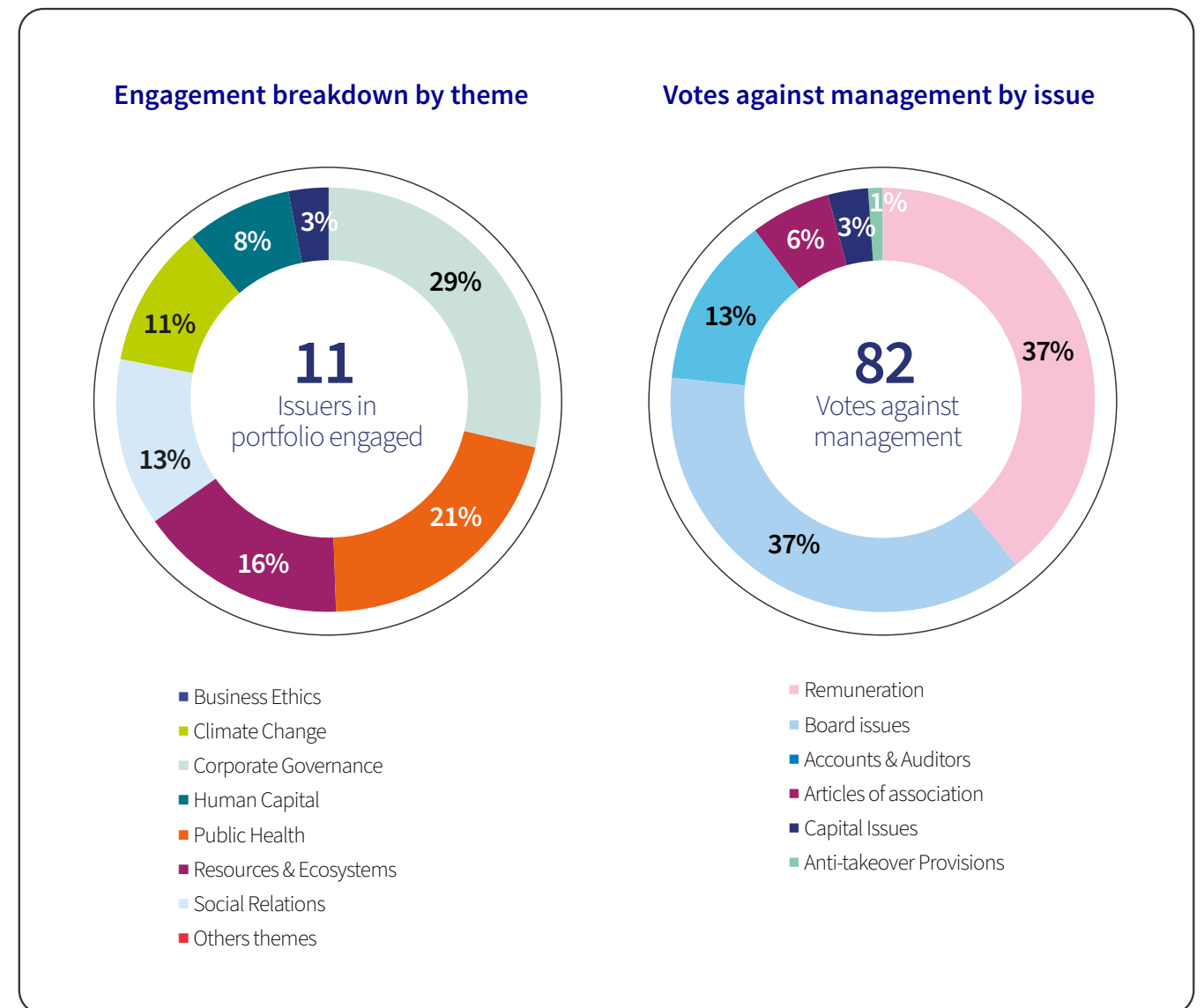
We also participate in a number of industry groups, selecting those which focus on topics where we believe our involvement will have a material impact, and join forces with other investors and stakeholders to have a greater impact. Our [2022 Stewardship Report](#) details collaborative engagements, investor initiatives and statements we have led, supported and/or contributed to.



# Engagement Statistics 2022

Over 2022, we engaged with 11 companies held in AXA WF ACT Social Progress, representing 20% of the portfolio.

We voted in 60 meetings with 63% of those meetings including at least 1 vote against management. In total we voted against management in 82 instances, representing 13% of our total votes.



<sup>1</sup> 2022 Annual Stewardship Report, AXA Investment Managers



# Engagement Case Studies 2022



## Bank Rakyat Indonesia

**Strategy theme:**  
Social Inclusion- Financial Access  
**Theme(s) targeted by the engagement:**  
Climate Change, Resources & Ecosystems, Social Relations  
**SDG(s) targeted by the engagement:**



**Objectives:**

- Monitor progress relating to financing of palm farms and coal power

**Engagement summary:**  
We met with Bank Rakyat’s ESG specialists to discuss palm oil financing (SDG15), coal financing (SDG13) and initiatives regarding microfinance (SDG1). The bank has made reasonable progress on each of these topics, but there remains room for improvement. We will notably follow up in 2023 to ensure remaining borrowers do achieve palm oil certification.

**Date of last meeting:** 10/01/2022  
**Engagement progress tracker:** 4 Engagement Progress



## Dexcom

**Strategy theme:**  
Healthcare Solutions – Testing & Equipment  
**Theme(s) targeted by the engagement:**  
Public Health, Climate Change, Resources & Ecosystems  
**SDG(s) targeted by the engagement:**



**Objectives:**

- Provide more detailed information on social impact of products
- Increase exposure and extend access to more low and middle-income countries
- Increase access and affordability
- Clarify DexCom’s objectives in terms of climate reporting and seek external validations

**Engagement summary:** We engaged with the IR and FP&A team to discuss its products’ social impact, accessibility and affordability, as well as climate reporting. The engagement aligns with our objective to achieve higher accountability and push for climate related commitments in the companies we invest in. This engagement is done on an individual basis. We recognized an adequate response from Dexcom: they provided us with relevant information, but we still expect improvements – notably around climate reporting.

**Date of last meeting:** 28/09/2022  
**Engagement progress tracker:** 2 issuer Responds

# Negative Externalities

Each company’s corporate practices, or products and services, may significantly undermine the positive impact it is generating elsewhere. We therefore assess how companies are addressing the negative externalities of their activities. We have provided below some examples of the negative externalities generated by the companies presented in this report.

### Etsy

There have been concerns expressed relating to the quality and safety of listed items; a 2021 Business Insider investigation found 800 prohibited items (including weapons and ivory products) on the platform. There is a supplier code of conduct in place for sellers to follow (which includes prohibiting forced labour) and current measures in place to prevent policy violations include automated systems, proactive review by specialists, and flags from members and trusted authorities. A new reporting portal was launched over 2022 to address counterfeit goods concerns, which allows intellectual property rights holders to report issues.



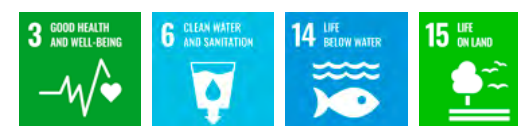
### Helios Towers

Increased infrastructure may partially impede on efforts to reduce deforestation. The Congo basin is host to the second largest rainforest in the world, containing around a quarter of the remaining tropical rainforest globally. Therefore forest clearing linked to Telecom infrastructure should be monitored. Helios have framed an Environmental policy which includes a commitment to protecting biodiversity and ecosystems, but a formal comment on forest protection would be a good addition.



### Rentokil initial

There may be some reservations regarding the chemical composition of some of the pest control solutions provided. Rentokil is transparent on chemicals usage and reporting, but exposure to certain specific chemical compounds remains inevitable, so long as no other alternative has been developed to fight against specific types of pest. MSCI identifies robust efforts from the group to minimize harm from chemical substances relative to peers, but also identifies a small number of high profile chemicals. Rentokil has made some commitments to phase-out certain chemicals used in fumigation. A minor portion of pest control solutions are dedicated to farming and agriculture. Solutions for clients in these sectors are centred around protecting crops during post-harvest storage, and protecting land from rodents through gas fumigation, applied by pest professionals rather than farmers themselves. Phostoxin fumigation does not have a residual effect on soil or plants.



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