

Launch of the AXA Impact 3 "Climate & Biodiversity" Fund to fight against climate change



AXA has launched the Impact 3 "Climate & Biodiversity" Fund, through which the company invests in projects to fight against climate change and preserve biodiversity.

Starting date of the project	2019
Project Localisation Places of implementation of the project at this stage and targeted geography if replicable.	Investment projects located in Africa and Asia.
Project objectives Type of climate innovation of the project with a description of the problem/issue addressed	<p>The fund invests to protect natural capital, promote resource efficiency and improve the resilience of vulnerable communities to the effects of climate change and biodiversity loss. It will invest \$350 million of AXA's general assets - the doubling of its size was announced by AXA CEO Thomas Buberl at the United Nations General Assembly. The multiplication of its size is intended to finance entrepreneurial projects that deliver positive and measurable environmental results and financial returns.</p> <p>This dedicated impact investment fund also promotes the financing of natural CO2 storage projects (restoration and protection of forests, mangroves and natural ecosystems).</p> <p>The Fund was awarded the "Best Impact" initiative for ESG in the 2019 Sustainable Investment Awards.</p>
Detailed project description	<p>AXA was one of the first institutional investors to proactively engage in impact investing, an investment strategy that aims to generate objectively measurable and intentional environmental and social impacts alongside financial returns, both of which are explicitly and intentionally integrated into the management strategy.</p> <p>In 2013, AXA committed €200M to launch its first impact fund, focused on financial inclusion, access to healthcare and education. In 2016, AXA allocated an additional €150M to create Fund 2, focused on environmental and social impact. In 2019, AXA launched its third impact fund with \$350M, dedicated to biodiversity and climate change, and then in 2020 allocated \$50M in a 4th fund promoting financial inclusion and access to healthcare in emerging countries, bringing the total commitment to approximately €700M since 2013.</p> <p>The AXA Impact 3: "Climate & Biodiversity" Fund was launched in May 2019 at the G7 Environment ministerial meetings with the aim of combating climate change and protecting biodiversity and ecosystems: natural capital, efficient use of resources, improving the resilience of communities vulnerable to the effects of climate change and biodiversity loss. In particular, it supports:</p> <ul style="list-style-type: none"> • Komaza: a timber production project with the ambition to become the largest sustainable forest enterprise in Africa. AXA's investment will contribute to the reforestation of 37,000 hectares of degraded land, thereby capturing 17.5 Mt of CO2. This investment strengthens climate resilience by aligning the financial interests of local communities (50,000 farmers) with conservation. • Forest Carbon Indonesia: is a project developer specializing in the conservation and restoration of degraded tropical forests, peatlands and wetland ecosystems in Indonesia, Malaysia and Cambodia. The company has been operating for over a decade, with its most notable project to date being the Sumatra Merang Peatland Project in Indonesia. This project has led to the restoration of more than 74,000 hectares of peatland forest, captured 26MT of CO2, generated 22MT of carbon credits, and protected more than 20 species. AXA has committed \$11 million to forest carbon restoration projects for wetlands in Indonesia. • Sanergy is a waste management company based in Nairobi, Kenya, founded in 2011 in a quest for a sustainable full value chain approach to addressing the sanitation crisis in slums. Sanergy's mission is in line with a circular economy, collecting and transforming organic waste into insect protein for animal feed, fertilizer, biomass briquettes. 1.2 million tons of waste will be disposed of and recycled by 2024, 50,000 tons of bio-fertilizer will be produced, as well as 51,000 tons of insect protein, and 140,000 tons of biomass briquettes from waste, offering a sustainable alternative to charcoal. The greater scale will bring significant environmental benefits, avoiding 630,000 tons of CO2e emissions and favouring the complementary use of organic fertilizers over 51,000 hectares of land, with additional benefits in terms of soil biodiversity and productivity.

Main project's drivers for reducing the greenhouse gas emissions	Reduction levers		Details on the aspects of the project		
	<input type="checkbox"/> Energy and resource efficiency (including behaviour)				
	<input type="checkbox"/> Energy Decarbonisation				
	<input type="checkbox"/> Energy efficiency improvements				
	<input type="checkbox"/> Improving efficiency in non-energy resources				
	<input type="checkbox"/> Emissions absorption: creation of carbon sinks, negative emissions (BECCS, CCU/S, ...)				
	<input checked="" type="checkbox"/> Financing low-carbon producers or disinvestment from carbon assets		Creation and endowment of an impact investment fund.		
	<input type="checkbox"/> Reduction of other greenhouse gases emission				
Emission scope(s) on which the project has a significant impact and quantification of GHG emission reductions per emission scope			Aspects of the project contributing to the reduction of emissions by emission category	Quantification of associated GHG emissions by emission category Please follow the quantification methodology used in the Afep guidelines .	
	Reduction of the company's carbon dependency				
	Scope 1 Direct emissions generated by the company's activity.				
	Scope 2 Indirect emissions associated with the company's electricity and heat consumption.				
	Scope 3 Emissions induced (upstream or downstream) by the company's activities, products and/or services in its value chain.				
	Increase of carbon sinks				
	Emissions Absorption Carbon sinks creation, (BECCS, CCU/S, ...)	Komaza project	• AXA's investment contributes to the reforestation of 37,000 hectares of degraded land, and thus captures 17.5MT of CO2.		
		Forest Carbon Indonesia Project	• 26MT of CO2 captured due to the conservation of tropical forests.		
	GHG emissions avoided by the company at third parties				
	Avoided Emissions Emissions avoided by the activities, products and/or services in charge of the project, or by the financing of emission reduction projects.	Sanergy project	• Avoidance of 630,000 tons of CO2 emissions		
	Clarification on the calculation or other remarks: /				
	Modality of verification of the quantification.	Calculation standard used (ADEME base, GHG protocol, etc.): Not disclosed			
		Verification of the calculation (internal or external): Not disclosed			
Other environmental and social benefits of the project	By investing in various projects through the "Climate & Biodiversity" Impact Fund, AXA contributes to the following SDGs in particular: - SDG 7: Affordable and clean energy - SDG 12: Responsible consumption and production - SDG 13: Climate action - SDG 14: Life below water - SDG 15: Life on land				

Project maturity level	<input type="checkbox"/> Prototype laboratory test (TRL 7) <input checked="" type="checkbox"/> Real life testing (TRL 7-8) <input type="checkbox"/> Pre-commercial prototype (TRL 9) <input type="checkbox"/> Small-scale implementation <input type="checkbox"/> Medium to large scale implementation Remarks: click here to enter the level of maturity of the project
Capacity and conditions of the project reproducibility, with associated climate impact mitigation potential	/
Amount of investment made (in €)	<p>In 2013, AXA committed €200mn to launch its first impact fund focusing on Financial Inclusion, Access to Healthcare and Education.</p> <p>In 2016 AXA scaled up its contributions by allocating a further €150m to set up Impact Fund 2, focusing on environmental and social impact.</p> <p>In 2019, AXA announced the launch of its third Impact Investment Fund with US\$175mn, dedicated to Biodiversity & Climate change.</p> <p>In 2020, AXA further scaled up its allocation to impact investing by committing an additional US\$175mn to the AXA Impact Fund: Climate & Biodiversity and US\$50mn to a fund promoting financial inclusion and access to healthcare for underserved beneficiaries in Low and Middle Income countries.</p> <p>This additional allocation brings AXA's total commitment to impact investing to approximately €700mn since 2013.</p>
Economic profitability of the project (ROI)	<input type="checkbox"/> ST (0-3 years) <input checked="" type="checkbox"/> MT (4-10 years) <input type="checkbox"/> LT (> 10 years) Remarks: click here to enter the information
Engaged partnerships	None
Open comments from the project owner	/
More about the project	
Contact the company carrying the project	https://www.axa-im.com/contact
Project URL links	https://particuliers.axa-im.fr/investissement-responsable/investissement-d-impact
Illustrations of the project	