

AXA CoRE Europe Fund

Type of Engagement: Allocation Review

Date: June 30, 2022

Engagement Team:

Ijeoma Madueke, ijeoma.madueke@sustainalytics.com, (+1) 647 317 3631

Nimisha Shah, nimisha.shah@morningstar.com

Introduction

In June 2021, ACEF Holding SCA, a subsidiary of its guarantor AXA CoRE Europe Fund issued a green bond aimed at refinancing existing projects that provide positive environmental impact. Sustainalytics provided a Second-Party Opinion¹ on the AXA CEF Green Finance Framework² (the “Framework”). In January 2022, AXA CoRE Europe Fund engaged Sustainalytics to review the projects funded through the issued 2021 green bond and to provide an assessment as to whether the projects met the Use of Proceeds criteria outlined in the Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded in 2021 based on whether the projects and programmes met the Use of Proceeds and Eligibility Criteria outlined in the AXA CEF Green Finance Framework.

Table 1 lists the Use of Proceeds and Eligibility Criteria.

Table 1: Use of Proceeds and Eligibility Criteria³

Use of Proceeds	Eligibility Criteria
Green Buildings	- Acquisition, construction or refurbishment of buildings which meet recognised standards, such as: - BREEAM or HQE certification of at least “Excellent” - LEED certification of at least “Gold” - All new construction and existing buildings that either have or are expected to receive an Energy Performance Certificate (EPC) of class A, or an EPC of class B⁴
Energy Efficiency	- Renovations or refurbishment of existing buildings, delivering a minimum 30% reduction in carbon emissions intensity or two letter grade improvements according to local EPC - Capex used to align performance with 1.5deg scenario under CRREM
Renewable Energy	- Installation of photovoltaic solar or other renewable energy⁵ - Dedicated support infrastructure for photovoltaic solar across building management systems - Purchase of renewable energy for electricity consumption under medium- and long-term power purchase agreements (> 5 years)
Eco-Mobility	Electric vehicle (EV) charging stations

¹ Sustainalytics Second Party Opinion, at: <https://realassets.axa-im.com/axa-core-bond-investors>

² AXA CoRE Europe Fund, “AXA CEF Green Finance Framework”, at: <https://realassets.axa-im.com/axa-core-bond-investors>

³ No allocation was made under other categories defined in the AXA CEF Green Finance Framework.

⁴ Energy Performance Certificate (EPC) of class A in France, Netherlands, and Portugal, and a minimum EPC of class B or above in Denmark, Germany, and Ireland

⁵ Other renewable energy sources could include geothermal facilities, in any case emitting less than 100gCO₂e/kWh

	Any infrastructure promoting the use of low-carbon transport solutions in urban areas, such as electric vehicles, bicycles
Waste Management and Recycling	Improved waste management such as by offering multiple possibilities to recycle and dispose of waste

Issuing Entity's Responsibility

AXA CoRE Europe Fund is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects and amounts allocated.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of AXA CoRE Europe Fund's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from AXA CoRE Europe Fund and review of documentation to confirm the conformance with the AXA CEF Green Finance Framework.

Sustainalytics has relied on the information and the facts presented by AXA CoRE Europe Fund with respect to the Nominated Projects. Sustainalytics is not responsible, nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by AXA CoRE Europe Fund.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,⁶ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of AXA CoRE Europe Fund's Green Bond, are not in conformance with the Use of Proceeds outlined in the AXA CEF Green Finance Framework. AXA CoRE Europe Fund has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of October 2021.

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in June 2021 to determine if projects aligned with the Use of Proceeds Criteria outlined in the AXA CEF Green Finance Framework and above in Table 1. For allocation to the individual use of proceeds categories, please refer to Appendix 1.	All twelve projects reviewed complied with the Use of Proceeds criteria.	None

⁶ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix

Appendix 1: Allocation Reporting by Eligibility Criteria

Use of Proceeds Category	Green Projects Financed	Name of Property	Property Location	Certifications/ EPC Labels	Net Bond Proceeds Allocation (EUR)
Green Buildings	Office	Smart Side - 2 rue Floréal	France	BREEAM Excellent	177,988,951
	Residential	Clancy Quay 3	Ireland	BREEAM Excellent	7,639,784
	Residential	Clancy Quay 2	Ireland	EPC A	5,477,515
	Residential	Clancy Quay 1	Ireland	EPC B	14,460,218
	Residential	Liffey Trust	Ireland	EPC B	2,433,067
	Residential	Elysian	Ireland	EPC B	6,153,881
	Warehouse / Logistic	Schaapherderweg 30	Netherlands	EPC A	13,146,246
	Residential	Irma	Denmark	BREEAM Excellent	34,392,913
	Office	Issy	France	HQE Excellent	135,698,011
	Residential	Halldorhus	Denmark	BREEAM Excellent	52,469,997
	Residential	The Grange - Jade	Ireland	EPC B	7,205,227
	Residential	Organistens Hus	Denmark	EPC A	42,934,191
Total Proceeds Allocated (EUR)					500,000,000
Total Proceeds Raised (EUR)					500,000,000

Disclaimer

Copyright ©2022 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.

