

Press release

AXA IM Alts extends global green investment strategy with French forestry acquisition

537 hectares acquisition extends AXA IM Alts' forestry portfolio to c. 84,000 hectares

AXA IM Alts, a global leader in alternative investments with €168 billion of assets under management^[1], announces that it has completed the acquisition, on behalf of clients, of a 537 hectare deciduous forest known as 'Forêt de la Reine' in north-east France. The forest, has been purchased by AXA IM Alts' market leading Real Assets team^[2], bringing its total forestry assets under management to 84,000 hectares across France, Ireland, Finland and Australia, sustainably managed on a long-term basis and Eco certified by the main independent organisations^[3].

Known as 'La Forêt de la Reine' and located in Gerbéviller in the Meurthe et Moselle region, the dense forest comprises a growing stock of primarily oak trees (88%), alongside some beech (11%) and a small number of other species, centred around a large pond. Oak is in high demand globally as a result of it being a highly versatile renewable material that is suitable for a wide range of uses from construction through to furniture manufacturing and even luxury products.

Benefitting from a highly accessible strategic forestry location, La Forêt de la Reine is surrounded by strong harvesting and timber processing infrastructure, as well as being in close proximity to the AgroParisTech campus, a leading university in environmental and forestry engineering, which is based in nearby Nancy. Furthermore, the Alsace-Lorraine region, where the forest is located, has a well developed wood industry and borders several European countries, facilitating international distribution. With one of the largest forest reserves in Europe, comprising approximately 17 million hectares^[4], France is also AXA IM Alts' leading forestry market for quality deciduous tree species, representing 63%^[5] of the stock under management on behalf of clients in this market.

The forest's significant biodiversity characteristics align with AXA IM's responsible investment approach and actions to contribute to the transition to a low-carbon world, allocating more capital to climate solutions and net zero aligned assets. Furthermore, it responds to AXA Group's commitment to investing €1.5 billion over the coming years to support sustainable forest management, including €500 million dedicated to reforestation projects in emerging countries, enabling a total of 25 megatons of CO₂ to be captured each year. The Forêt de la Reine should, through a responsible harvesting, lead to an estimated yearly net sequestered of c.2,500 tCO₂ within the forest, and an estimated c.4,000 tCO₂ of avoided emissions in total per year.

AXA IM Alts' investment into forestry extends beyond the ownership of woodland, having last year acquired a 49% equity stake in REI Habitat, a French real estate development group, specialising in the construction of collective buildings made with timber, which aims to accelerate the levels of wood used in property management and to support the structuring of the French forestry and timber industry. Together with AXA IM Alts, REI Habitat plans to develop more than 400,000 sqm of housing and offices in timber structures over the next seven years in France, representing approximately 120,000 sqm of French timber and supporting the development of infrastructure necessary to grow the sector in the country.

Laurent Lavergne, Global Head of Asset Management and Development at AXA IM Alts, commented: "With the acquisition of La Forêt de la Reine we have taken advantage of the rare opportunity to acquire a well located single and dense forest in close proximity to strong supportive infrastructure. Through the careful management of the Forêt de la Reine we can further expand AXA IM Alts' decarbonisation strategy and biodiversity preservation, at the same time, allows our clients to benefit from a highly resilient asset class underpinned by strong demand for oak as a highly versatile renewable material."

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1. Source: AXA IM Alts unaudited data, as of 30 September 2021
2. Source: INREV/ANREV Fund Manager Survey – June 2021 – in terms of assets under management
3. Certifications include: PEFC, FSC
4. Source: IGN Institut Géographique National 2019
5. Source: AXA IM Alts unaudited date, as of 30 September 2021

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About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €168 billion of assets under management^[1] comprising over €80 billion of primarily private real estate, c.€77 billion of private debt and alternative credit, as well as c.€11 billion in Infrastructure, private equity and hedge funds. We take a 360° approach to real assets (real estate & infrastructure) investing with over €113 billion of assets under management in direct opportunities, held indirectly through debt and listed equities and via long term private equity investments into operating platforms. ESG is fully integrated into our investment decision making processes with our responsible investment approach anchored by the three key pillars of decarbonisation, resilience and building tomorrow.

AXA IM Alts employs over 750 people located in 16 offices around the world and serves the needs of more than 500 clients from Europe, North America, Asia Pacific and Middle East. We are the number one property portfolio and asset manager in Europe^[2], and one of the largest worldwide.

1 Source: AXA IM data (unaudited). All figures as of 30 September 2021.

2 Source: INREV Fund Manager Survey, June 2021. #1 largest European managers in total real estate assets under management.

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a responsible asset manager, actively investing for the long-term to help its clients, its people and the world to prosper. Our high conviction approach enables us to uncover what we believe to be the best global investment opportunities across alternative and traditional asset classes, managing approximately €879 billion in assets as at the end of September 2021. AXA IM is a leading investor in green, social and sustainable markets, managing €577 billion of ESG-integrated, sustainable and impact assets as at the end of September 2021. We are committed to reaching net zero greenhouse gas emissions by 2050 across all our assets, and integrating ESG principles into our business, from stock selection to our corporate actions and culture. Our goal is to provide clients with a true value responsible investment solution, while driving meaningful change for society and the environment.

At end of June AXA IM employs over 2,488 employees around the world, operates out of 26 offices across 20 countries and is part of the AXA Group, a worldwide leader in insurance and asset management.

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