



Second-Party Opinion AXA CEF Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the AXA CEF Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, Renewable Energy, Eco-Mobility, and Waste Management – are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9, 11, and 12.



PROJECT EVALUATION / SELECTION AXA Core Europe Fund S.C.S., SICAV-SIF's (the "Fund") internal process for evaluating and selecting projects is coordinated by a cross-functional Green Finance Committee that reviews, monitors, and approves all eligible green projects. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS The Fund's processes for managing proceeds is overseen by the Chair of the Green Finance Committee. The proceeds of each instrument are intended to be allocated within 24 months of issuance. Any unallocated proceeds may be temporarily used for the repayment of existing debt, or for placement in cash or other liquid instruments by the Fund. This is in line with market practice.



REPORTING The Fund intends to report on the allocation of proceeds via its website on an annual basis until full allocation. Reporting details will include details such as the total proceeds allocated to each category as well as eligible green projects with a lookback period of 36 months, and the balance of unallocated proceeds. In addition, the Fund is committed to reporting annually on relevant impact metrics. Sustainalytics views this allocation and impact reporting as aligned with market practice.

Evaluation date	May 26, 2021
Issuer Location	Paris, France

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Introduction

AXA Investment Managers (“AXA IM”) is the asset management arm of AXA, a global insurance and financial services company based in Paris, France. AXA IM operates in over 20 countries and employs approximately 600 people worldwide. AXA IM – Real Assets (the “Company” or “AXA IM RA”) is one of the asset managers operating under AXA IM. At the end of 2015, AXA IM RA launched the AXA Core Europe Fund S.C.S., SICAV-SIF (“AXA CEF” or the “Fund”) real estate investment fund with the goal of investing in real estate assets across Europe. As of 31 December 2020, the Fund held approximately EUR 4.3 billion in assets under management with 204 properties across 13 European countries.

AXA CEF has developed the AXA CEF Green Finance Framework (the “Framework”) under which it intends to issue bonds, loans and/or other finance instruments, and use the proceeds to finance/refinance, in whole or in part, existing/future projects that will improve the sustainability of its real estate asset portfolio. The Framework defines eligibility criteria in five areas:

1. Green Buildings
2. Energy Efficiency
3. Renewable Energy
4. Eco-Mobility
5. Waste Management

The General Partner of the Fund¹ engaged Sustainalytics to review the AXA CEF Green Finance Framework, dated May 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)² and the Green Loan Principles 2021 (GLP).³ This Framework has been published in a separate document.⁴

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA⁶;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.8, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of AXA IM RA’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. AXA IM RA representatives have confirmed (1) they understand it is the sole responsibility of AXA IM RA to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

¹ The legal entity is AXA CoRE Europe GP sàrl.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

⁴ The AXA CEF Green Finance Framework is available on AXA Core Europe Fund S.C.S., SICAV-SIF’s website at: <https://realassets.axa-im.com/axa-core-bond-investors>

⁵ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

⁶ In addition to the Loan Markets Association, the GLP are also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the General Partner of the Fund.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that AXA IM RA has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the AXA CEF Green Finance Framework

Sustainalytics is of the opinion that the AXA CEF Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Green Buildings, Energy Efficiency, Renewable Energy, Eco-Mobility, and Waste Management – are aligned with those recognized by the GBP and GLP.
 - Within the Green Buildings category, AXA CEF intends to finance and/or refinance the acquisition, construction or refurbishment of buildings which meet one of the following criteria:
 - Third-party building certification standards and minimum levels of LEED Gold, BREEAM Excellent, HQE Excellent; or
 - New construction and existing buildings that either have, or are expected to receive, an Energy Performance Certificate ("EPC") of class A or B.
 - The Company has communicated to Sustainalytics that it intends to align the EPC level achievements of the assets within its portfolio with the level that represents the top 15% of building stock in each country.⁷
 - Sustainalytics views the selected green building certification schemes and associated levels as credible. Refer to Appendix 1 for a further description of the referenced building schemes.
 - Under the Energy Efficiency category, AXA CEF may finance and/or refinance activities that aim to reduce the greenhouse gas (GHG) emissions intensity of the buildings. The Framework specifies that renovated and refurbished buildings will achieve the greater of at least a 30% reduction in GHG intensity, or a two-letter grade improvement according to local EPC.
 - This category includes capital expenditures for energy efficiency improvements that align asset performance with the Carbon Risk Real Estate Monitor's 1.5 degree scenario, provided that the aforementioned 30% GHG intensity improvement threshold is satisfied by the expenditures. Sustainalytics notes that by setting minimum thresholds for energy improvements through renovations, this criterion aligns with market practice. Sustainalytics also notes positively that AXA CEF's goal of at least a 30% reduction in GHG intensity for all buildings receiving funding under this category exceeds market expectations and is aligned with market best practice.

⁷ EPC class A in The Netherlands, France, and Portugal. EPC class A or B in Denmark, Germany, and Ireland.

- For Renewable Energy expenditures under the Framework, AXA CEF may finance the installation of photovoltaic solar energy generation systems along with dedicated supporting infrastructure as well as wind and geothermal energy projects
 - Geothermal facilities will be eligible provided that they meet direct emissions less than 100 gCO₂/kWh. Sustainalytics considers this threshold and investments in renewable energy under the Framework to be in line with market practice.
 - In addition to investing directly in projects, the Fund intends to procure electricity via virtual and physical power purchase agreements (“PPAs” and “VPPAs”). The Fund confirms that PPAs and VPPAs will be long-term agreements of at least five years, which Sustainalytics views as providing greater assurance of positive impacts and aligned with market practice.
- Within the Eco-Mobility category, the Fund may invest in a range of infrastructure projects that promote the use of low-carbon transportation in urban areas. This includes electric vehicle charging stations and infrastructure that supports cycling, including bicycle racks and end-of-trip facilities that support bicycle commutes into urban areas.
 - AXA CEF has communicated to Sustainalytics that expenditures under this category for end-of-trip facilities will be expressly designed for users of low carbon transport, and that facility components such as lockers, change-rooms and shower facilities will be a part of, and connected to a primary low- carbon transport infrastructure expenditure. This is in line with market practice.
- The Waste Management category contemplates the financing of waste management services that will facilitate the segregation of waste, separation of recyclable materials, as well as the storage and removal of waste from properties that AXA CEF is invested in.
- Project Evaluation and Selection:
 - AXA CEF’s internal process for evaluating and selecting projects under the Framework is coordinated by a cross-functional Green Finance Committee (the “Committee”) that reviews, monitors and approves all eligible green projects that meet the Fund’s core criteria of: (i) Substantially contributing to addressing climate change and/or contributing to natural resource preservation while doing no significant harm; (ii) Aligning with AXA CEF’s ESG Strategy,⁸ and (iii) Meeting the Framework’s use of proceeds requirements.
 - The Committee is chaired by the Global Head of Responsible Investment and will include the most senior executive management group and the Fund Manager. Final approval of projects for investment will be provided by the Fund’s Responsible Investment Steering Committee, chaired by the Chief Executive Officer of AXA IM RA. For refinancing activities, eligible projects are subject to a lookback period of 36 months prior to issuance of financing instruments under the Framework.
 - Based on the establishment of a formal committee with cross-departmental representation, as well as a specified lookback period, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - AXA CEF’s Committee will be responsible for the allocation and tracking of all proceeds to eligible projects under the Framework. The allocation process will be overseen by the Chair of the Committee. The Fund intends to fully allocate the proceeds of each finance instrument within 24 months of issuance. Pending allocation, AXA CEF may temporarily use unallocated net proceeds for the repayment of existing debt, or for placement in cash or other liquid marketable instruments in line with AXA CEF’s cash management policy.
 - Based on the clear delegation of authority and the disclosure around management of unallocated proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - AXA CEF commits to publishing an annual report on its website within 12 months of each instrument’s issuance, and then annually thereafter until full allocation of proceeds. Allocation reporting is expected to include the total amount of proceeds allocated to eligible green projects per category, the list of eligible green projects, the percentage of coverage or value of assets with green building certifications defined in the Framework, and the balance of unallocated proceeds.
 - The Fund intends to publish an Impact Report on its website on an annual basis that will provide details on the category-level impacts of investments as well as key performance indicators, including: (i) annual GHG emissions avoided/rehabilitated, (ii) annual energy savings, (iii) renewable energy capacity added (iv) annual amount of waste recycled, (v) annual reduction in

⁸ AXA CEF Green Finance Framework.

- water consumption, (vi) annual energy efficiency gain from regional baseline, and (vii) percentage of coverage or value of assets with green building certifications defined in the Framework.
- Sustainalytics considers the allocation and impact reporting to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles 2021

Sustainalytics has determined that the AXA CEF Green Finance Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of AXA CEF

Contribution of framework to AXA Core Europe Fund S.C.S., SICAV-SIF's sustainability strategy

As a managed fund, AXA CEF applies AXA IM RA's sustainability strategy which is determined by the Real Assets Global Sustainability Team. Sustainalytics is of the opinion that AXA IM RA demonstrates a clear commitment to integrating sustainability considerations within its investments, with a focus on the following pillars: 1) Decarbonization – measuring and reviewing asset performance against the Paris Agreement targets & the transition to the low carbon economy; 2) Resilience – identifying emerging physical and transitional risks related to climate change to inform investment decisions; and 3) Building Tomorrow – identifying new opportunities to create and enhance value across its business.⁹

Under the first pillar, the Company has committed to reducing the emissions of each of its assets by 20% by 2025 and >40% by 2030 and reducing its emissions to net-zero before 2050.¹⁰ In terms of building resilience, AXA IM – Real Assets focuses on building physical and transitional resilience, by identifying and mitigating the risks that need to be mitigated to support the transition to a low carbon economy.¹¹ As part of its third pillar, the Company aims to identify new opportunities to create positive social and environmental impact, with a focus on minimizing potential risks.¹²

As at end 2020, AXA IM RA has invested EUR 28.8 billion in certified real estate assets,¹³ and EUR 4.5 billion in low-carbon infrastructure. In 2018, the Company introduced initiatives to reduce the carbon emissions associated with its direct real estate assets under management, such as replacing lighting systems with LED, implementing an Energy Management Plan, and switching to a green energy provider.¹⁴ At the fund level, AXA CEF undertakes Global Real Estate Sustainability Benchmark (GRESB) assessments which evaluate the Fund's ESG implementation, measurement, management and policy signaling a commitment to integrating sustainability into its approach.¹⁵ In 2020, the Fund established a set of indicators to monitor its ESG performance, including but not limited to the monitoring of EPC levels, independent certification, utility data coverage, carbon emissions data and carbon intensity data.¹⁶ Furthermore, the Fund monitors the KPIs on a quarterly basis and shares this data with investors periodically.¹⁷

Sustainalytics is of the opinion that the AXA CEF Green Finance Framework is directly aligned with the AXA IM RA's overall approach to sustainability and believes the activities in the Framework will further the Company's action on its key environmental priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are recognized to have positive environmental and social impact, it is acknowledged that such eligible projects could also lead to negative environmental and social outcomes. Some key risks could include occupational health and safety, community relations/stakeholder participation, as well as emissions, effluents, and waste generated during the construction of large-scale infrastructure development projects.

⁹ AXA IM – Real Assets, "Responsible Investment", at: <https://realassets.axa-im.com/responsible-investment>

¹⁰ AXA CEF Green Finance Framework.

¹¹ *Ibid.*

¹² *Ibid.*

¹³ As of December 2019, the Fund has obtained sustainability certifications (BREEM, LEED, HQE) for 257 buildings and forests worldwide.

¹⁴ AXA IM – Real Asses, "2019 Real Assets ESG highlights", at: [https://realassets.axa-](https://realassets.axa-im.com/documents/24669/460098/2019+Real+Assets+ESG+Highlights.pdf/4e7ef7b2-37d8-285b-16c7-e1f2e6c8770a?t=1586419478172)

[im.com/documents/24669/460098/2019+Real+Assets+ESG+Highlights.pdf/4e7ef7b2-37d8-285b-16c7-e1f2e6c8770a?t=1586419478172](https://realassets.axa-im.com/documents/24669/460098/2019+Real+Assets+ESG+Highlights.pdf/4e7ef7b2-37d8-285b-16c7-e1f2e6c8770a?t=1586419478172)

¹⁵ AXA CEF Green Finance Framework.

¹⁶ *Ibid.*

¹⁷ *Ibid.*

Sustainalytics is of the opinion that AXA CEF is able to manage and/or mitigate potential risks through the application of its fund manager and parent organization's policies, namely AXA IM RA and AXA S.A ("AXA").

- AXA is a member of various international organizations that promote the sustainable development agenda.¹⁸ AXA has been a signatory to the UN Global Compact Principles since 2003, indicating its commitment to environmental and social responsibility, as well as respect for human rights.¹⁹ Moreover, since 2007 AXA IM has been a signatory to the UN Principles for Responsible Investment, demonstrating a commitment to integrating ESG considerations into its investment processes.²⁰
- AXA has a dedicated Responsible Investment Committee that is responsible for overseeing and developing its responsible investment policies, which cover AXA's over EUR 500 billion general account assets.²¹ AXA integrates ESG considerations into its investment activities by conducting ongoing research across its assets. This includes a materiality assessment of each asset's underlying risk to inform the development of asset-specific resilience and adaptation plans. As part of this ESG analysis, AXA has defined minimum issuer-level ESG standards and subsequently excludes investments in underperforming issuers. Furthermore, AXA's internal credit risk analysis takes ESG factors and the transparency of the issuers into consideration. To avoid potential ESG risks connected to AXA's investment activities, including those under AXA IM RA's, AXA has put exclusionary criteria in place which includes sector-based restrictions towards companies that are exposed to significant and/or unmitigated social, human rights, ethical or environmental risks. AXA IM RA has confirmed that its ESG objectives are in line with AXA's.
- AXA IM also applies a Responsible Investment Policy (the "Policy") across all of its lines of business, including AXA IM – Real Assets. As outlined in the Policy, ESG considerations are integrated across three asset classes: 1) direct real estate, 2) commercial real estate debt, and 3) infrastructure debt. The Policy is overseen by several committees including the ESG Monitoring and Engagement Committee. AXA IM RA has confirmed that these ESG considerations have been incorporated within the Fund's strategy.

Based on these policies and procedures, Sustainalytics is of the opinion that AXA CEF follows adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All five use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

The importance of green buildings and energy efficiency in Europe

The building sector is the largest consumer of energy in the European Union (EU) representing about 40% overall and contributing to approximately 36% of GHG emissions.²² Furthermore, it is notable that direct emissions from the building sector in the EU have increased by 5% from 2010 to 2019.²³ While 75% of the current building stock in the region is considered to be energy inefficient, only approximately 1% of buildings undergo energy efficient renovation each year. Building renovation has a key role to play in the greening of the EU's building sector, due to its potential to reduce both the total energy consumption and emissions by 5% each.²⁴

As part of the Climate Target Plan 2030, the EU set a 55% GHG reduction target by 2030 compared to 1990 levels.²⁵ In order to achieve this, GHG emissions of the EU's buildings stock should be reduced by 60%, final energy consumption by 14%, energy consumption for heating and cooling by 18%.²⁶ Improving the energy efficiency of the current building stock in combination with construction of new energy efficient buildings is

¹⁸ AXA, "Commitments", at: <https://www.axa.com/en/about-us/commitments>

¹⁹ UNGC, at: <https://www.unglobalcompact.org/what-is-gc/participants/1048-AXA>

²⁰ PRI, at: https://www.unpri.org/signatory-directory/axa-investment-managers/909_article

²¹ AXA, Responsible Investment, at: <https://www.axa.com/en/about-us/investments#tab=responsible-investment>

²² European Parliament, "Report on Maximising the energy efficiency of the EU building stock", 2020, at: https://www.europarl.europa.eu/doceo/document/A-9-2020-0134_EN.html

²³ The International Energy Agency (IEA), "Tracking Buildings 2020", at: <https://www.iea.org/reports/tracking-buildings-2020>

²⁴ European Commission, "Energy Efficiency in Buildings", at: https://ec.europa.eu/info/news/focus-energy-efficiency-buildings-2020-feb-17_en

²⁵ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", at:

https://eurlex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

²⁶ *Ibid.*

important for also achieving the EU’s carbon neutral goal by 2050.²⁷ In order to meet this goal, the European Commission proposed the European Green Deal to tackle climate change and environmental degradation; highlighting the role of energy efficiency in buildings.²⁸

Sustainalytics is of the opinion that AXA CEF’s investments in green buildings and energy efficiency real estate projects is expected to have a positive environmental impact and contribute to the EU’s efforts towards meeting short-term and long-term climate targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds and loans issued under the AXA CEF Green Finance Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Eco-Mobility	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Waste Management	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Conclusion

AXA CEF has developed the AXA CEF Green Finance Framework under which it intends to issue green bonds, loans and/or other finance instruments, and use the proceeds to finance/refinance, in whole or in part, existing/future eligible green projects. Sustainalytics considers that the projects funded by the proceeds of these instruments are expected to have positive environmental impacts.

The Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability initiatives of the Company and that the green use of proceed categories will contribute to the advancement of the UN SDGs 7, 9, 11, and 12. Additionally, Sustainalytics is of the opinion that AXA CEF has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.




Based on the above, Sustainalytics is confident that AXA CEF is well-positioned to issue green bonds, loans and/or other finance instruments and that the Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2021.

²⁷ European Commission, “European Climate Law”, (2020), at: https://ec.europa.eu/clima/policies/eu-climate-action/law_en

²⁸ The European Commission, “A European Green Deal”, at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

Appendices

Appendix 1: Sustainalytics' Assessment of Green Building Certifications

	HQE	BREEAM	LEED
Background	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990 and based in the UK, BREEAM is used for new, refurbished and extension of existing buildings.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.
Certification levels	Pass Good Very good Excellent Exceptional	Pass Good Very Good Excellent Outstanding	Certified Silver Gold Platinum
Areas of Assessment: Environmental Project Management	Global management system	Management (Man) addresses various aspects: project management, deployment, minimal environmental disturbance worksite and stakeholder engagement.	Integrative process, which requires, from the beginning of the design process, the identification and creation of synergies between the various project stakeholders regarding the construction choices and the technical systems.
Areas of Assessment: Environmental Performance of the Building	Energy Environment (Site, Components, Worksite, Water, Waste, Maintenance) Comfort (Hydrothermal, Acoustic, Visual, Olfactory) Health (Spaces quality, Air Quality, Water Quality) Principles of Equivalence	Energy Land Use and Ecology Pollution Transport Materials Water Waste Health and Wellbeing Innovation	Energy and atmosphere Sustainable Sites Location and Transportation Materials and resources Water efficiency Indoor environmental quality Innovation in Design Regional Priority
Requirements	Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility. Based on the total number of stars obtained per area, an overall HQE level is then given. Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item ¹¹ and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).
Performance display			
Accreditation	HQE Construction Certification Referent HQE Operations Certification Advisor	BREEAM International Assessor BREEAM AP BREEAM In Use Assessor	LEED AP BD+C LEED AP O+M

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: AXA Core Europe Fund S.C.S., SICAV-SIF

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: AXA CEF Green Finance Framework

Review provider's name: Sustainalytics

Completion date of this form: May 26, 2021

Publication date of review publication:

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Green Buildings, Energy Efficiency, Renewable Energy, Eco-Mobility, and Waste Management – are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9, 11, and 12.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Waste Management; Eco-Mobility |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Fund’s internal process for evaluating and selecting projects is coordinated by a cross-functional Green Finance Committee that reviews, monitors, and approves all eligible green projects. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
|--|--|

- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

The Fund's processes for management of proceeds is overseen by the Chair of the Green Finance Committee. The proceeds of each instrument are intended to be allocated within 24 months of issuance. Any unallocated proceeds may be temporarily used for the repayment of existing debt, or for placement in cash or other liquid instruments by the Fund. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

The Fund intends to report on the allocation of proceeds via its website on an annual basis until full allocation. Reporting details will include details such as the total proceeds allocated to each category as well as eligible green projects with a lookback period of 36 months, and the balance of unallocated proceeds. In addition, the Fund is committed to reporting annually on relevant impact metrics. Sustainalytics views this allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
|---|--|

Other (*please specify*):

Frequency:

Annual

Semi-annual

Other (*please specify*):

Impact reporting:

Project-by-project

On a project portfolio basis

Linkage to individual bond(s)

Other (*please specify*):

Information reported (expected or ex-post):

GHG Emissions / Savings

Energy Savings

Decrease in water use

Other ESG indicators (*please specify*): Several quantitative and qualitative metrics as outlined in the Framework.

Frequency

Annual

Semi-annual

Other (*please specify*):

Means of Disclosure

Information published in financial report

Information published in sustainability report

Information published in ad hoc documents

Other (*please specify*): Issuer's website

Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

Consultancy (incl. 2nd opinion)

Certification

Verification / Audit

Rating

Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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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.



Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider