

AXA Logistics Europe Master

Allocation and Impact Report

ISIN : XS2407019798 and XS2407019871

November 2022

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I. Management Statement

We are ensuring that AXA Logistics Europe Master assets contribute to the transition to a low-carbon economy. Close collaboration with our partners, tenants and the supply chain enables us to monitor and collect essential data that informs our action plans and frames our targets as we move towards a future in line with the Paris Agreement. The Fund strives to go above minimum requirements to implement measures that answer to internationally recognized best practice benchmarks

While we have come a long way, the road still stretches out before us. Our dedication and commitment must overcome any challenges to pursuing the Fund's sustainability strategy based on decarbonization, resilience and building tomorrow.

This report will illustrate the use of proceeds of the Fund's first bond issuance, and its impact on the sustainable strategy we are implementing to meet our ambitious objectives. I trust the actions we are undertaking today will be joined by many other initiatives which will positively contribute to building tomorrow.

Sincerely,

Arnaud De Jong
Fund Leader of AXA Logistics Europe Fund
Fund Real Assets – AXA IM Alts



Arnaud De Jong
Fund Leader of AXA Logistics Europe Fund
Fund Real Assets – AXA IM Alts

II. ESG Strategy

AXA Logistics Europe Master's investment approach is supported and enabled by our ESG strategy, which helps us integrate and embed ESG considerations into our actions and decision-making process. In line with AXA IM Alts' ESG strategy, our ESG approach is centred around three strategic pillars (see below). The fund has adapted AXA IM Alts' targets to reflect its ambition of delivering sustainable value and be recognised as a sustainability leader. This allows us to focus our efforts and thereby maximise our sustainability impact.

The pillars are:

- **Decarbonisation:** we aim to align our assets with The Paris Agreement's targets and reduce our reliance on fossil fuels and minimize carbon emissions, while actively investing in assets and projects that promote energy efficiency and renewable energy for a sustainable future.
- **Resilience:** we are strengthening the ability of our assets to better withstand the impacts of climate change, from extreme weather events and other physical impacts of climate change, to the transitional risks inherent in a shift to a low-carbon economy. These changes also bring with them opportunities to add value, and we continue to build on our ability to rapidly act on risks and opportunities as they emerge.
- **Building tomorrow, together:** we choose carefully where to focus our creativity and capital to have the greatest impact, engaging with a broad set of stakeholders to embed sustainability across a growing proportion of our investments. This means that together we are creating a world in which future generations can thrive.

This strategy is applied all the way from the acquisition through to the active management of the assets and their financing.



*Milton Keynes, United Kingdom
Picture for illustrative purpose only*

III. Green Finance Framework

The Fund's green strategy does not only concern the asset management of the real estate assets, but also the financing of these assets. As a European leader, the Fund has moved from a traditional financing strategy – to an ESG related financing strategy, through Green Bonds financing and Sustainability Linked revolving credit facility.

During 2021, the Fund has successfully issued €800m of Green Bonds (in two tranches) under its Green Finance Framework that is in line with the highest market standard (BREEAM Excellent and equivalent, or EPC A/B). The Framework has been endorsed by Sustainalytics, a market leading independent ESG and corporate governance research, ratings and analytics firm, which confirmed the framework's alignment with the ICMA Green Bond Principles (2018), and the Green Loan Principles as administered by Loan Market Association. Both issuances have been largely oversubscribed which is a testimony to the market endorsement of the Fund's strategy.

The process for the evaluation and selection of eligible projects utilizes internal expertise. A cross-functional Green Finance Committee (GFC) reviews, monitors, and approves all Eligible Green Projects that meet the core criteria set forth above.

The GFC is chaired by the Global Head of Responsible Investment and includes the senior executive management group and the Fund Manager. Final project selection for investment is endorsed by the Responsible Investment Steering Committee, chaired by the CEO of AXA IM Alts – Real Assets

The Fund has engaged to publish an annual report including (i) allocation of proceeds relevant Green finance instrument (ii) an impact report that will provide information on the environmental outcomes on the above categories of the Eligible Green Projects.

€500m

Green Bond issued in **November 2021**

ISIN: XS2407019798 - 0.375% - maturity 2026

€300m

Green Bond issued in **November 2021**

ISIN: XS2407019871 - 0.875% - maturity 2029





III. Green Finance Framework – Use of Proceeds (Part 1/2)

- 100% of net proceeds of the Bond issuance needs to be allocated to « Eligible Green Projects »
- All Eligible Green Projects must provide environmental benefits that contribute to avoiding/reducing CO2 emissions, by increasing renewable capacity, and/or improving energy efficiency. Eligible Green Projects may include physical assets such as green buildings and renewable energy capacity, as well as CAPEX and OPEX related to those assets, and may also include acquisitions of assets. A look-back period of 36 months will apply to the Framework and Eligible Green Projects must comply with the Eligibility Criteria set forth in the following section.
- The company may, at any time, extend the list of Eligible Green Projects to other type of assets which provide verifiable sustainability benefits. In this case, the company commits to update the current Framework and to extend the set of criteria to appropriately analyse the new asset class.

Project category	Description	Environmental Benefit	Related ESG
Green Building	<ul style="list-style-type: none"> • Acquisition or refurbishment of existing buildings which meeting recognised standards, such as: <ul style="list-style-type: none"> – BREEAM certification of at least “Very Good” (with a minimum score of 70% in the energy category) – DGNB certification of at least “Gold” – LEED certification of at least “Gold” – EPC A¹ or B² certification (top 15% of national / regional logistics building stock) • All new construction or redevelopment of buildings will target BREEAM “Excellent” and/or EPC A certification • Existing assets eligible for inclusion include those with at least: <ul style="list-style-type: none"> – BREEAM “Very Good” (with a minimum score of 70% in the Energy category) – DGNB “Gold” – LEED “Gold” – EPC A¹ or B² certification (top 15% of national / regional logistics building stock) 	Climate Change Adaptation through energy consumption reduction	

Our green finance framework is available online here : [AXA Logistics Europe Bonds Issuance | AXA IM Alts \(axa-im.com\)](#)

III. Green Finance Framework – Use of Proceeds (Part 2/2)

Project category	Description	Environmental Benefit	Related ESG
Energy Efficiency	<ul style="list-style-type: none"> Renovations or refurbishment of existing buildings, delivering a minimum 30% reduction in carbon emissions intensity or two letter grade improvements according to local EPC, when accompanied by a minimum reduction in Primary Energy Demand by 20% <ul style="list-style-type: none"> Capex used to align performance with 1.5deg scenario under CRREM Installation, maintenance and repair of energy efficiency equipment Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings 	Climate Change Adaptation through energy consumption reduction	
Renewable Energy	<ul style="list-style-type: none"> Installation of photovoltaic solar or other renewable energy 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) Installation, maintenance and repair of renewable energy technologies 	Climate Change Mitigation through CO2 emissions reduction	
Eco-mobility	<ul style="list-style-type: none"> Electric vehicle (EV) charging stations Any infrastructure promoting the use of low-carbon transport solutions in urban areas, such as electric vehicles, bicycles, etc. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) 	Climate Change Adaptation through energy consumption reduction	
Waste Management	<ul style="list-style-type: none"> Improved waste management such as by offering multiple possibilities to recycle and dispose of waste 	Climate Change Adaptation through sustainable waste management	

Our green finance framework is available online here : [AXA Logistics Europe Bonds Issuance](#) | [AXA IM Alts \(axa-im.com\)](#)

IV. Allocation Report of November 2021 Green Bonds Issuance (Part 1/2)

€500m

Green Bond issued in **November 2021**

ISIN: XS2407019798 - 0.375% - maturity 2026

As of 1st anniversary date of the bond issuance the net bond proceeds are fully allocated:

Property	Sector	Country	Project Category	Net Bonds Proceeds Allocation (€m)	Net Bonds Proceeds Allocation (%)	EPC
Wusterhausen	Logistic	Germany	Green Building	70	14%	B
Sittard	Logistic	Netherlands	Green Building	23	5%	A
Zwaag	Logistic	Netherlands	Green Building	4	1%	A
Veghel	Logistic	Netherlands	Green Building	15	3%	A
Helmond	Logistic	Netherlands	Green Building	15	3%	A
Sicame London Medway	Logistic	United Kingdom	Green Building	17	3%	A
Burago di Molgora - Milan East DS2	Logistic	Italy	Green Building	15	3%	A
Vignozza - Padua DS2	Logistic	Italy	Green Building	18	4%	A
Parma - Parma DC1	Logistic	Italy	Green Building	18	4%	A
Mesero	Logistic	Italy	Green Building	39	8%	A
Siziano	Logistic	Italy	Green Building	17	3%	A
Stezzano	Logistic	Italy	Green Building	7	1%	A
Vescovana BTS	Logistic	Italy	Green Building	23	5%	A
Vescovana Kering	Logistic	Italy	Green Building	12	2%	A
Zaadam	Logistic	Netherlands	Green Building	16	3%	A
Hämeenlinna Taipaleentie 6	Logistic	Finland	Green Building	15	3%	B
Torvstikkeren 10	Logistic	Norway	Green Building	13	3%	B
Stockholm Viby 19:102	Logistic	Sweden	Green Building	22	4%	B
Stockholm Örnäs 1:23	Logistic	Sweden	Green Building	34	7%	A
Stockholm Mörby 5:44	Logistic	Sweden	Green Building	26	5%	A
Jönköping Stigamo 1:39	Logistic	Sweden	Green Building	21	4%	B
Jönköping Stigamo 1:57	Logistic	Sweden	Green Building	46	9%	A
Kerkrade	Logistic	Netherlands	Green Building	13	3%	A
Net Bond Proceeds Allocation				500	100%	

Net bond Proceeds Allocation is computed under Proportionate Basis (Company ownership) as follow : [RE GAV of the Eligible Asset as of 30.06.2022 €m / 500 €m]

IV. Allocation Report of November 2021 Green Bonds Issuance (Part 2/2)

€300m

Green Bond issued in **November 2021**

ISIN: XS2407019871 - 0.875% - maturity 2029

As of 1st anniversary date of the bond issuance the net bond proceeds are fully allocated:

Property	Sector	Country	Project Category	Net Bonds Proceeds Allocation (€m)	Net Bonds Proceeds Allocation (%)	EPC
Stockholm Örnäs 1:18	Logistic	Sweden	Green Building	63	21%	B
Borås Solskenet 3	Logistic	Sweden	Green Building	74	25%	A
Langenbach	Logistic	Germany	Green Building	24	8%	A
Breda	Logistic	Netherlands	Green Building	17	6%	A
Uden	Logistic	Netherlands	Green Building	17	6%	A
Tiel	Logistic	Netherlands	Green Building	16	5%	A
Oud-Beijerland	Logistic	Netherlands	Green Building	15	5%	A
Ridderkerk	Logistic	Netherlands	Green Building	30	10%	A
Eindhoven	Logistic	Netherlands	Green Building	44	15%	A
Net Bond Proceeds Allocation				300	100%	

Net bond Proceeds Allocation is computed under Proportionate Basis (Company ownership) as follow : [RE GAV of the Eligible Asset as of 30.06.2022 €m / 300 €m]

V. Impact report of November 2021 Green Bonds Issuance

€500m

Green Bond issued in **November 2021**

ISIN: XS2407019798 - 0.375% - maturity 2026

€300m

Green Bond issued in **November 2021**

ISIN: XS2407019871 - 0.875% - maturity 2029

Avoided energy consumption (kWh/year)

Avoided energy consumption (kWh/year)	Coverage (as % of Net Bonds Proceeds)	Source	Benchmark
18,271,371	83%	Real data	CRREM

GHG Emission Avoided (KgCO2/year)

Avoided energy consumption (kWh/year)	Coverage (as % of Net Bonds Proceeds)	Source	Benchmark
8,868,053	83%	Real data	CRREM

Water consumption evolution 2021/2020

Avoided energy consumption (kWh/year)	Coverage (as % of Net Bonds Proceeds)	Source	Benchmark
4%	15%	Real data	CRREM

Methodology	Definitions
<p>Energy Intensity Where possible the analysis is based on actual data. Missing data, when available, has been completed using EPC Report or BER Level converted into energy intensity</p>	<p>Avoided energy consumption It shows the energy consumption avoided thanks to the energy performance of the assets by comparing energy intensity to a relevant benchmark (OID or BEES) and multiplying the latter by the surface area of the asset.</p>
<p>Carbon Intensity Where possible the analysis is based on actual data. Missing data, when available, has been completed using EPC Report.</p>	<p>GHG emissions avoided It shows the emissions saved thanks to the efficiency of the building, by comparing asset's GHG emission intensity to a relevant benchmark (MSCI or CREEM) and multiplying the latter by the surface area of the asset.</p>
<p>Water Consumption Where possible the analysis is based on actual data.</p>	<p>Water consumptions It shows the evolution of water consumption compared to previous year, when available.</p>

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