

Second-Party Opinion

AXA Logistics Europe Master S.C.A. Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the AXA Logistics Europe Master S.C.A. Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. 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 and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 9, 11 and 12.



PROJECT EVALUATION AND SELECTION AXA Logistics Europe Master S.C.A. (ALEM) has established a Green Finance Committee, which is responsible for evaluating and selecting projects in accordance with the eligibility criteria of the Framework. The committee comprises representatives from ALEM’s Senior Executive Management Group and will leverage AXA IM’s Responsible Investment Policy to monitor and mitigate sustainability-related risks associated with the projects financed through the Framework. This is in line with market practice.



MANAGEMENT OF PROCEEDS ALEM’s Global Head of Sustainability will be responsible for the management and allocation of net proceeds and will track proceeds using existing internal systems. ALEM intends to allocate proceeds within 24 months of issuance. Pending full allocation, unallocated proceeds will be used for the payment of outstanding debt or will be temporarily held in cash, cash equivalents or other liquid marketable instruments as per ALEM’s cash management policy. ALEM has confirmed to Sustainalytics that debt refinancing excludes any debt associated with carbon-intensive assets or activities. This is in line with market practice.



REPORTING ALEM commits to report on the allocation of proceeds and the corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include the amount of proceeds allocated to eligible green projects, list of eligible green projects, amount of unallocated proceeds, aggregate amount of proceeds allocated to eligible green projects by category and the balance of unallocated proceeds invested in cash and cash equivalents. Sustainalytics views ALEM’s allocation and impact reporting as aligned with market practice.

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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 more than 22 countries and employs 2,645 people worldwide. AXA IM Alts (the “Company”) is one of the asset managers operating under AXA IM. In 2019, AXA IM Alts launched the AXA Logistics Europe Master S.C.A. (“ALEM” or the “Fund”) to invest in real estate logistics assets in Europe and the UK. As of September 2023, the Fund held 153 assets under management in 11 countries with a value of approximately EUR 4.9 billion.¹

ALEM has developed the AXA Logistics Europe Master S.C.A. Green Finance Framework dated March 2024 (the “Framework”), under which it intends to issue green bonds and loans² and use the proceeds to finance and refinance, in whole or in part, existing and future projects that aim to contribute to improving the energy and environmental performance of the logistics building stock in Europe. The Framework defines eligibility criteria in five areas:

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

ALEM engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)³ and the Green Loan Principles 2023 (GLP).⁴ The Framework will be published in a separate document.⁵

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁶ opinion on the alignment of the reviewed Framework with 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 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- 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 1.15, 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 ALEM’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. ALEM representatives have confirmed that: (1) they understand it is the sole responsibility of ALEM to ensure that the information provided is complete, accurate and 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 AXA Logistics Europe Master S.C.A., “Report for the quarter ended 30 September 2023”, at: <https://alts.axa-im.com/document/7484/view>

² ALEM has confirmed to Sustainalytics that: i) the Framework is limited to debt instruments and may also include secured bonds, multi-tranche loans and revolving credit facilities; and ii) the type of secured bond, namely secured green collateral bond or secured green standard bond, will be specified as per the voluntary process guidelines published in the June 2022 Appendix 1 of the GBP 2021; and iii) there will be no double-counting of projects and any other outstanding financing labelled “green” or equivalent.

³ 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/>.

⁴ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

⁵ The AXA Logistics Europe Master S.C.A. Green Finance Framework is available at: <https://alts.axa-im.com/investment-expertise/real-estate-equity/logistics/axa-logistics-europe-bonds-issuance>

⁶ 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.

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 ALEM.

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 ALEM has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the AXA Logistics Europe Master S.C.A. Green Finance Framework

Sustainalytics is of the opinion that the AXA Logistics Europe Master S.C.A. Green Finance Framework is credible, impactful and aligned 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.
 - ALEM has established a 36-month look-back period for its refinancing activities, which is in line with market practice.
 - Under the Green Buildings category, ALEM may finance or refinance the construction, redevelopment, acquisition and refurbishment of commercial buildings, which are mainly logistics building and may include offices and retail areas, in Europe in accordance with the following criteria:
 - New and existing buildings that have or are expected to achieve one of the following minimum third-party certification levels: i) DGNB Gold;⁷ ii) BREEAM Very Good⁸ with a minimum score of 70% in the energy category; iii) LEED Gold;⁹ or iv) energy performance certificate (EPC) A in Belgium, France, the Netherlands and the UK or EPC A or B in Germany, Italy, Spain, Sweden, Switzerland, Finland, Norway and Austria.
 - Sustainalytics notes that ALEM is committed to reaching at least 70% score in the energy category in combination with the criteria for BREEAM Very Good. Sustainalytics considers this to be in line with market practice.
 - Sustainalytics considers investments under this category to be aligned with market practice.
 - Under the Energy Efficiency category, the Fund may finance or refinance projects according to the following criteria:
 - Renovation and refurbishment of existing buildings that result in a minimum 30% reduction in carbon emissions intensity or a two letter EPC improvement, when accompanied by a minimum 20% reduction in primary energy demand (PED). This includes capital expenditures for energy efficiency improvements or carbon emissions reduction that contribute to the alignment of asset performance with the Carbon Risk Real Estate Monitor's 1.5°C scenario. ALEM has confirmed that such investments will

⁷ DGNB: <https://www.dgnb.de/en>

⁸ BREEAM: <https://bregroup.com/products/breeam/>

⁹ LEED: <https://www.usgbc.org/leed>

- be limited to renovation expenditures only. Sustainalytics considers market practice to ensure that retrofits will achieve emissions or energy performance improvements of at least 30%.
- Installation, maintenance and repair of energy-efficient equipment and instruments and devices for measuring, regulating and controlling energy performance of buildings. Example expenditures include battery energy storage systems, battery management systems, smart meters and related Internet of Things systems to improve and manage energy performance of buildings. Sustainalytics notes that ALEM may also finance smart meters for gas, which is consistent with the EU Taxonomy Delegated Act. Sustainalytics considers such investments tied to natural gas and associated components and systems more suitable for transition finance as they may prolong fossil fuel consumption.
 - For all expenditures under this category, ALEM has confirmed that: i) technologies designed or intended for processes that are primarily driven or powered by fossil fuels are excluded; and ii) electrified systems will be connected to either renewables or to a grid where the average system grid emissions factor is below 100 gCO₂e/kWh over a rolling five-year period. Sustainalytics considers investments under this category to be aligned with market practice.
- Under the Renewable Energy category, ALEM may finance or refinance the following:
 - Installation maintenance and repair of solar photovoltaic along with dedicated supporting infrastructure.
 - Geothermal facilities with direct emissions below 100 gCO₂/kWh
 - Procurement of renewable energy through power purchase agreements. Sustainalytics notes that, regarding the procurement of renewable energy, long-term PPA's are market preference, while also noting that ALEM commits to the renewal of its existing medium and short-term contracts on the same sustainability terms, continuing its commitment to renewable energy until the maturity of the financial instruments.
 - Sustainalytics considers investments under this category to be aligned with market practice.
 - Under the Eco-Mobility category, the Fund may finance or refinance a range of infrastructure projects to promote the use of low-carbon transportation in urban areas. This includes installation, repair and maintenance of electric-vehicle charging stations in the buildings and infrastructure that supports cycling, such as bicycle racks and end-of-trip facilities that support bicycle commuting. ALEM 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, changing rooms and shower facilities, will be a part of and connected to a primary low-carbon transport infrastructure expenditure. ALEM has further confirmed that parking facilities will be excluded from the financing. Sustainalytics considers investments under this category to be in line with market practice.
 - Under the Waste Management category, ALEM may finance or refinance waste management services that facilitate the segregation of waste, separation of recyclable materials and the storage and removal of waste from properties in which ALEM is invested. Sustainalytics considers this to be aligned with market practice.
 - In addition, ALEM has confirmed that assets financed under the Framework will comply with AXA IM exclusion policy, which lists controversial weapons, soft commodities, climate risks, and ecosystem protection and deforestation.¹⁰
 - Project Evaluation and Selection:
 - ALEM has established a Green Finance Committee (GFC) which is responsible for evaluating and selecting projects in accordance with the eligibility criteria under the Framework. The GFC includes representatives of ALEM's Senior Executive Management Group and is led by the Global Head of Sustainability.
 - Allocation decisions made under the Framework will be subject to AXA IM's internal procedures, which incorporate ESG factors such as climate change, biodiversity and human rights, among other factors. Sustainalytics considers these environmental and social risk assessment and mitigation processes to be adequate and in line with market practice. See Section 2 for further details.

¹⁰ AXA IM "Our Policies", at: <https://www.axa-im.com/our-policies#exclusion-policies>

- Based on the established process for project evaluation and selection and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The Global Head of Sustainability will oversee the management and allocation of proceeds and will track proceeds using existing internal systems.
 - ALEM intends to allocate proceeds within 24 months of the issuance date of each green finance instrument. Pending full allocation, unallocated proceeds will be used for the payment of outstanding debt or will be held temporarily in cash, cash equivalents or other liquid marketable instruments, as per ALEM's cash management policy. ALEM has confirmed to Sustainalytics that debt refinancing excludes any debt associated with carbon-intensive assets or activities.
 - ALEM has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. The Fund intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
 - Based on the use of an internal tracking system and the disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - ALEM will report on allocation of proceeds on its website on an annual basis until full allocation of proceeds. The allocation report will provide details such as the amount of proceeds allocated to eligible green projects, list of eligible green projects, amount of unallocated proceeds, aggregate amount of proceeds allocated to eligible green projects by category and the balance of unallocated proceeds invested in cash and cash equivalents.
 - The Fund has communicated to Sustainalytics that if it obtains revolving credit facilities under the Framework it will report on allocation until loan maturity.
 - The Company intends to report on relevant impact indicators on an annual basis until full allocation of proceeds. The impact report will include relevant impact metrics such as level of certification by property, annual energy savings (in MWh/year) and annual GHG emissions reduced or avoided (in tCO₂e/year).
 - Sustainalytics considers the allocation and impact reporting processes to be aligned with market practice.

Alignment with the Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the AXA Logistics Europe Master S.C.A. Green Finance Framework aligns with the four core components of the GBP and GLP.

Section 2: Sustainability Strategy of ALEM

Contribution to ALEM's sustainability strategy

ALEM adheres to AXA IM's ESG strategy and targets, focusing on the following pillars: i) decarbonization – measuring and reviewing asset performance against the Paris Agreement targets and the transition to a low-carbon economy; ii) resilience – identifying emerging physical and transitional risks related to climate change to inform investment decisions; and iii) building tomorrow – identifying new opportunities to create and enhance value across its business.¹¹ The Company aligns its strategy with the recommendations of the Task Force on Climate-Related Financial Disclosures.¹²

Under the first pillar, the Company has committed to reducing scope 1 and 2 emissions of its real estate assets by 2025 and becoming net zero by 2050.¹³ The Company has also committed to exiting all coal investments in OECD countries by 2030 and throughout the rest of the world by 2040.¹⁴ In terms of building resilience, AXA IM focuses on building physical and transitional resilience by identifying and mitigating risks to support the transition to a low-carbon economy.¹⁵ As part of its third pillar, the Company aims to identify new opportunities to create positive social and environmental impacts, with a focus on minimizing potential risks.¹⁶ In line with the Company's target, ALEM aims to achieve a 20% reduction in its carbon intensity by

¹¹ AXA IM, "Responsible Investing", (2022), at: <https://alts.axa-im.com/responsible-investing>

¹² Ibid.

¹³ AXA IM, "Climate Action Report", (2022), at: <https://www.axa-im.com/sites/corporate/files/2022-10/axa-im-climate-action-report-final.pdf>

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

2025 compared to a 2019 baseline, as well as have more than 50% of its assets under management certified at least with BREEAM Very Good, an EPC B or equivalent by 2025.¹⁷

By the end of 2022, AXA IM had reduced the carbon intensity of its direct real estate asset under management by 19% and had 67% of its real estate asset certified by LEED, BREEAM or Energy Star.¹⁸ At Fund level, ALEM undertakes Global Real Estate Sustainability Benchmark (GRESB) assessments, which evaluate the ESG performance of individual or a portfolio of asset.¹⁹ For this, the Fund has established a set of KPIs to monitor its ESG performance, including monitoring EPCs, independent certification, utility data coverage, carbon emissions data and carbon intensity data, amongst others.

Sustainalytics is of the opinion that the Framework is aligned with ALEM and the Company's overall sustainability strategy and initiatives, and will further the Fund's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving: i) land use and biodiversity protection; ii) emissions, effluents and waste; iii) occupational health and safety; and v) business ethics.

Sustainalytics is of the opinion that ALEM is able to manage or mitigate potential risks through implementation of the following:

- AXA IM's ESG Standards Policy follows internationally recognized business ethics principles, namely, the United Nations Global Compact Principles and the OECD guidelines for Multinational Enterprises, and it outlines the responsible investment criteria for the AXA IM. Covering all responsible investment open-ended funds under AXA IM's management, the standards policy establishes the following exclusionary criteria: i) companies involved in tobacco and white phosphorus weapon production; ii) companies with severe controversies; iii) investments with low ESG quality of the investment; and iv) investments in countries with severe human rights violations. AXA IM updates the criteria on annual basis.²⁰ Additionally, AXA IM's Engagement Policy emphasizes direct dialogue with companies on sustainability and governance issues that have a material impact on long-term financial performance. The ESG topics included are climate change, biodiversity, environment resource and ecosystem, labour rights, customer and supply chain management, public health.²¹
- With regard to emissions, effluents and waste, the AXA IM Climate Risk Policy establishes AXA IM's investment criteria for hard-to-abate sectors including, coal, oil and oil and gas exploration in the Arctic. AXA IM identifies companies for their engagement activities based on a combination of materiality criteria, strength of climate and transition strategies, and scale of environmental impact. The engagement activities, including voting, dialogue and engagement letters, focus on the companies' strategy, particularly on the Paris Agreement alignment, transparency and governance.²²
- Regarding land use and biodiversity protection, the AXA UN Ecosystem Protection and Deforestation policy establishes investment criteria for companies in high deforestation risk sectors, namely palm oil, soy, cattle and timber. Applicable to all portfolios under AXA IM's management, AXA IM excludes companies in any sectors facing high controversies in relation to land use and biodiversity. In addition, AXA IM promotes active engagement with companies that have agricultural or forestry products supply chains.²³
- ALEM follows AXA Group's Health and Safety policy,²⁴ which requires all project sites to identify, manage and report operational health and safety issues on site. The policy requires the creation of a local H&S committee to oversee the management and training of all stakeholders regarding health and safety.
- In terms of business ethics, the Group Compliance and Ethics Code applies to all AXA IM's employees and subsidiaries and outlines the Company's procedures to prevent, detect, manage and mitigate unethical business practices related to conflicts of interest, bribery, corruption, money

¹⁷ AXA Logistics Europe Master S.C.A., "Report for the quarter ended 30 September 2023", at: <https://alts.axa-im.com/document/7484/view>

¹⁸ AXA IM, "Climate Progress Report", (2023), at: <https://www.axa-im.com/document/6488/download>

¹⁹ GRESB, at: <https://www.gresb.com/nl-en/about-us/>

²⁰ AXA IM, "ESG Standards Policy", (2024), at: <https://www.axa-im.com/document/6535/download>

²¹ AXA IM, "AXA Investment Managers - Engagement Policy", (2024), at: <https://www.axa-im.com/document/6549/view>

²² AXA IM, "Climate Risk Policy", (2023), at: <https://www.axa-im.com/document/6139/view>

²³ AXA IM, "Ecosystem Protection & Deforestation Policy", (2023), at: <https://www.axa-im.com/document/6142/view>

²⁴ AXA IM, "AXA Health & Well-being and Safety Policy Statement", at: https://www.axa-com.cdn.axa-contento-118412.eu/www-axa-com/3854d48b-2171-40f6-bd05-fe19f95ad6f2_axa_group_health_wellbeing_and_safety_policy_2022.pdf

laundering, financing of terrorism, insider trading and consumer privacy.²⁵ AXA IM has in place an anonymous whistleblower tool available for internal and external stakeholders.²⁶

- ALEM is a subsidiary of the AXA Group which is a signatory of the UN Global Compact, indicating the Group's commitment to environmental and social responsibility and respect for human rights.²⁷ Since 2012 the Group has been a signatory to the UN Principles for Responsible Investment, demonstrating the Group's commitment to integrating ESG considerations into its investment processes.²⁸

Based on these policies, standards and assessments, Sustainalytics is of the opinion that ALEM has implemented 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

The 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.

Importance of green buildings and energy efficiency in the EU

The buildings sector was responsible for 40% of total energy consumption in the EU and 36% of its GHG emissions in 2020.²⁹ The EU has committed to reducing GHG emissions by 55% by 2030 compared to 1990.³⁰ To achieve its target, the EU would need to reduce GHG emissions from buildings by 60%, final energy consumption by 14% and energy consumption from heating and cooling by 18% by 2030 compared to 2015 levels.³¹ Given that more than 85% of the EU's building stock was built before 2001, renovations to improve the energy efficiency of buildings are expected to play a significant role in decarbonizing the sector.³² Renovating existing buildings could reduce the EU's total energy consumption by an estimated 5-6% and lower its total GHG emissions by 5%.³³ To reach the 2030 target, the EU needs to double its annual renovation rate to 2-3% of the building stock annually by 2030. In addition, the Energy Performance of Buildings Directive (EPBD) requires all public buildings developed since 2019 and all new buildings built from 2021 onwards to be nearly zero-energy buildings (NZEB).

Based on the above, Sustainalytics is of the opinion that ALEM's financing of green buildings in Europe will contribute to the countries' decarbonization efforts and support the EU in achieving its climate targets.

Importance of renewable energy in mitigating CO₂ emissions in the EU

The energy sector was responsible for more than two-thirds of total GHG emissions globally by 2021.³⁴ Global electricity demand is expected to nearly double between 2020 and 2050, with the largest absolute rise in electricity use.³⁵ To achieve net zero by 2050, the share of renewables in total electricity generation globally should increase from 29% in 2020 to more than 60% in 2030 and to nearly 90% in 2050.³⁶ In addition, the global annual investment in the energy sector should expand to USD 5 trillion by 2030 from USD 2 trillion in 2021 to achieve net zero emissions by 2050.³⁷

²⁵ AXA IM, "Compliance & Ethics Code", (2018), at: https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com%2F9322d10b-418d-4b26-80eb-aab4fe71a78a_axa_codeethic_versionen_decembre2018_vdef_b.pdf

²⁶ Ibid.

²⁷ UNGC, "AXA", at: <https://www.unglobalcompact.org/what-is-gc/participants/1048-AXA>

²⁸ PRI, "AXA Group", at: <https://www.unpri.org/signatory-directory/axa-group/908.article>

²⁹ European Commission, "In focus: Energy efficiency in buildings", (2020), at: https://commission.europa.eu/news/focus-energy-efficiency-buildings-2020-02-17_en

³⁰ European Commission, "Stepping Up Europe's 2030 climate ambition", (2020) at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0562>

³¹ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", (2020), at: https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

³² Ibid.

³³ European Commission, "Comprehensive study of building energy renovation activities and the uptake of nearly zero-energy buildings in the EU", (2019), at: <https://op.europa.eu/en/publication-detail/-/publication/97d6a4ca-5847-11ea-8b81-01aa75ed71a1/language-en/format-PDF/source-119528141>

³⁴ IEA, "Greenhouse Gas Emissions from Energy Data Explorer", (2023), at: <https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer>

³⁵ IEA, "Net Zero by 2050: A Roadmap for the Global Energy Sector", (2021), at: https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

³⁶ Ibid.

³⁷ Ibid.

The EU energy sector accounts for 75% of the bloc's total GHG emissions and 6.2% of the global power sector emissions.^{38,39} As part of its goal to achieve climate neutrality by 2050, the European Commission committed to reducing GHG emissions by 55% by 2030 relative to 1990 levels.⁴⁰ In May 2022, the European Commission released its REPowerEU Plan,⁴¹ which proposes to increase the share of renewable energy in the EU's final energy consumption from 40% to 45% by 2030 and aims to install new solar PV systems with a total capacity of more than 320 GW by 2025 and almost 600 GW by 2030.⁴² The plan also includes targets for the EU to have an installed capacity of more than 60 GW of offshore wind by 2030 and 300 GW by 2050,⁴³ which would lead to a 58-60% emissions reduction below 1990 levels.⁴⁴

Sustainalytics is of the opinion that ALEM's investments in renewable energy projects are expected to play a positive role in reducing the bloc's energy transition and contribute to climate goals in the EU.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the AXA Logistics Europe Master S.C.A. Green Finance Framework are expected to help advance 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

ALEM has developed the AXA Logistics Europe Master S.C.A. Green Finance Framework under which it may issue green bonds and loans and use the proceeds to finance projects expected to improve the energy and environmental performance of the logistics building stock in Europe. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

³⁸ European Council and Council of the European Union, "5 facts about the EU's goal of climate neutrality", (2023), at:

<https://www.consilium.europa.eu/en/5-facts-eu-climate-neutrality/#:~:text=Energy%20production%20and%20use%20is,of%20EU%20greenhouse%20gas%20emissions.>

³⁹ Ember, "European Union", (2023), at: <https://ember-climate.org/countries-and-regions/regions/european-union/>

⁴⁰ European Commission, "2030 climate & energy framework", at: https://ec.europa.eu/clima/policies/strategies/2030_en

⁴¹ European Commission, "REPowerEU: affordable, secure and sustainable energy for Europe", at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en

⁴² Ibid.

⁴³ European Commission, "Offshore renewable energy", at: https://energy.ec.europa.eu/topics/renewable-energy/offshore-renewable-energy_en

⁴⁴ Climate Action Tracker, "EU", (2022), at: <https://climateactiontracker.org/countries/eu/>

The Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Framework is aligned with the overall sustainability strategy of ALEM and that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goals 7, 9, 11 and 12. Additionally, Sustainalytics is of the opinion that ALEM has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that AXA Logistics Europe Master S.C.A. is well positioned to issue green bonds and that the AXA Logistics Europe Master S.C.A. Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

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