

Second-Party Opinion

AXA Sustainability Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the AXA Sustainability Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2018, Green Bond Principles 2018, and Social Bond Principles 2020. This assessment is based on the following:



USE OF PROCEEDS The eligible categories¹ for the use of proceeds are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 7, 8, 9, 11, and 15.



PROJECT EVALUATION / SELECTION The Group's internal process for evaluating and selecting projects is overseen by the Sustainability Bond Committee (SBC) which is expected to meet semi-annually. The Group's Responsible Investment Committee (RIC) chaired by the Group CIO will act as the SBC. The SBC is responsible for evaluating and validating the pool of eligible projects and monitoring the pool of eligible projects during the lifetime of the bonds. Sustainalytics considers this process in line with market practice.



MANAGEMENT OF PROCEEDS AXA's process for management of proceeds is overseen by the Group Investment department (GIA). Proceeds will be tracked and allocated through a tracking system implemented within GIA's investment controlling system. Pending full allocation, the funds will be allocated to temporary investments such as cash, cash equivalent and/or other liquid marketable investments in accordance with the Group's Responsible Investment policy. Sustainalytics considers this process in line with market practice.



REPORTING AXA intends to report on allocation of proceeds on its website on an annual basis until full allocation. The allocation report will provide details such as the aggregate amount of proceeds allocated to eligible projects, the share of financing versus refinancing, aggregate amount of unallocated proceeds, breakdown of total amount of eligible green and social projects per category, and geographical breakdown of eligible green and social projects. In addition, AXA is committed to reporting on relevant output and impact metrics. Sustainalytics views AXA's allocation and impact reporting as aligned with market practice.

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¹ Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Natural Resources / Sustainable Forestry, Access to Essential Services, Affordable Housing, Employment Generation - Micro and small enterprises, Digital Inclusion, Response to Natural Disasters

Introduction

AXA SA (the “Company”) is the holding company of the AXA Group (“AXA” or the “Group”), a worldwide leader in insurance and asset management, which operates primarily in five hubs: France, Europe, Asia, AXA XL and International (including Middle East, Latin America and Africa). By the end of the 2020 financial year, AXA had €1,032 billion in assets under management.²

AXA has developed the AXA Sustainability Bond Framework (the “Framework”), dated March 2021, under which it intends to issue green, social or sustainability bond(s) and use an amount equivalent to the proceeds³ of each issuance to finance and/or refinance, in part or in full, through equity participation or debt instruments, new and/or existing projects that support the transition into a more sustainable economy all the while addressing environmental and/or social issues. The Framework defines eligibility criteria in five green and five social categories.

Green categories:

1. Green Buildings
2. Renewable Energy
3. Clean Transportation
4. Energy Efficiency
5. Natural Resources / Sustainable Forestry

Social categories:

6. Access to Essential Services
7. Affordable Housing
8. Employment Generation through SME Financing
9. Digital Inclusion
10. Response to Natural Disasters

AXA engaged Sustainalytics to review the AXA Sustainability Bond Framework dated March, 2021, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Green Bond Principles 2018 (GBP), Social Bond Principles 2020 (SBP), and Sustainability Bond Guidelines 2018 (SBG).⁴ This Framework has been 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 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, Social Bond Principles 2020, and Sustainability Bond Guidelines 2018, as administered by ICMA;
- 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 1.7.1, 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’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as

² Including €597 billion of General Account assets

³ Defined as the Gross proceeds of each issuance of Green Bonds, Social Bonds or Sustainability Bonds

⁴ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁵ The AXA Sustainability Bond Framework is available on AXA SA’s website at: <https://www.axa.com/en/investor/sustainable-financing>

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.

well as management of proceeds and reporting aspects of the Framework. AXA representatives have confirmed (1) they understand it is the sole responsibility of AXA 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.

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 AXA.

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

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the AXA Sustainability Bond Framework

Sustainalytics is of the opinion that the AXA Sustainability Bond Framework is credible, impactful and aligns with the four core components of the GBP and the SBP, and with the SBG. Sustainalytics highlights the following elements of AXA's Sustainability Bond Framework:

- Use of Proceeds:
 - The eligible environmental and social categories⁷ are aligned with those recognized by the GBP and SBP. Sustainalytics notes that the projects and activities that will be financed under this Framework will be sourced from its General Account and located primarily in Europe, Asia, Middle East, Latin America, North America, and Africa.
 - Within the Green Buildings Category, AXA may finance or refinance construction and acquisition of energy efficient commercial buildings that have fulfilled one of the following requirements:
 - Buildings that have or are expected to have a net primary energy demand that is at least 20% lower than the one resulting from the local Nearly Zero Energy Buildings⁸ (NZEB) requirements. This meets market practice.
 - Buildings that have received at least an Energy Performance Certificate (EPC) "A".
 - Buildings that have received or are expected to obtain one of the following Green Building certifications, including LEED ("Platinum" and above), BREEAM ("Excellent" and above) or HQE ("Excellent" or above), DGNB ("Gold" or above) and Minergie. In any case, Sustainalytics encourages the selection of BREEAM buildings that achieve a minimum score of 70% in the Energy category. Sustainalytics considers the above-mentioned certificates as credible, and levels indicated as impactful. For Sustainalytics' assessment of Green Building certification schemes, please refer to Appendix 1.

⁷ Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Natural Resources / Sustainable Forestry, Access to Essential Services, Affordable Housing, Employment Generation - Micro and small enterprises, Digital Inclusion, Response to Health Crisis / Natural Disasters
⁸ European Commission, "Nearly Zero Energy Buildings", (2020), at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

- Projects that relate to building renovation and refurbishment are expected to reach a minimum of 30% of energy efficiency improvement. Sustainalytics positively notes the energy efficiency threshold applied by AXA for building renovations.
- Within the Renewable Energy category, the Company may invest in construction and operation of energy from solar, wind, hydropower and biomass sources. In regards to hydropower, the Company may finance small hydropower projects (<25MW) with lifecycle emissions less than 100gCO₂e/kWh.⁹ For Biomass projects, the feedstock will be procured from waste material. The Company notes that the feedstock will not compete with food sources and deplete carbon pools and provides reasonable assurance that the feedstock is procured from well-managed waste sources and, in the case of municipal solid waste, the removal of any hazardous or recyclable materials.
- Within the category of Clean Transportation, AXA may finance or refinance construction and maintenance of infrastructure for active mobility such as cycling, walking and electric bikes, as well as infrastructure for zero direct emission transport such as electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric highways. Other projects may include investments into zero direct emissions transport such as light rail transit, metro, tram, trolleybus, bus and rail. Furthermore, AXA may invest in transport infrastructure which enables significant reductions in carbon emissions and decarbonization of transport sector. The Company has confirmed that such projects exclude parking facilities, construction of new and existing roads, and construction of assets that facilitate the use of fossil fuels such as fossil fuel filling stations.
- Within the Energy Efficiency category, the Company may finance or refinance manufacturing, installation, maintenance, and repair of energy efficient devices such as smart thermostat systems, automation and control systems for energy and lighting in buildings, and smart meters for heating, cooling and electricity.
- Under the Natural Resources / Sustainable Forestry category, AXA may finance, or refinance projects related to acquisition, maintenance and sustainable management of forests and lands. Projects related to forestry have received or are expected to receive one of the following certifications: Forest Stewardship Council (FSC),¹⁰ or the Programme for the Endorsement of Forest Certification (PEFC).¹¹ Sustainalytics views these certification schemes as robust and credible. For Sustainalytics' assessment of these forestry certification schemes, please refer to Appendix 2. Other projects in this category include forest regeneration projects which have been added to the carbon credit by an internationally recognized certifier.
- Within the category of Access to Essential Services, AXA may finance or refinance construction, refurbishments, maintenance, and operation of public hospitals, clinics, healthcare centers that are expected to provide universal access without any restrictions on affordability or accessibility. The Company intends to provide universal healthcare access to a global population including the most vulnerable. Furthermore, the Company intends to finance the construction, refurbishment, maintenance and operation of housing for students that are pursuing higher education. AXA commits to provide access to all students and ensure that rents above the regional average are excluded. Sustainalytics notes that AXA intends to report on regional rent caps in the annual report and Sustainalytics encourages AXA report on the financed assets and their associated positive social impacts.
- Under the Affordable Housing category, the Company may finance or refinance construction, refurbishment, maintenance, and operation of social housing infrastructure that meets the accredited or registered affordable housing definitions.^{12,13} Sustainalytics positively notes the targeting of low-income populations in France along with evidence of affordability through rent ceiling.

⁹ New hydropower projects require an environmental impact assessment.

¹⁰ FSC, "Forest Management Certification", at: <https://fsc.org/en/forest-management-certification>

¹¹ PEFC, "Standards and Guides", at: <https://pefc.org/standards-implementation/standards-and-guides>

¹² The framework refers to social housing for low-income population in France, where the annual income of tenants at the start of the lease shall not exceed EUR 27,256 for each individual, EUR 43,771 for couples.

¹³ Republique Francaise, "Quelles sont les conditions pour obtenir un logement social ?", (2021), at: <https://www.service-public.fr/particuliers/vosdroits/F869>

- Within the category of Employment Generation through SME Financing, AXA may finance or refinance small, medium and micro-sized enterprises (SMEs)¹⁴ in economically underperforming areas in countries where AXA operates. In France, AXA may finance SME's in regions where the unemployment rate is higher than the national average.¹⁵ In other countries, AXA intends to focus on similar regional targeting and disclose the methodology in reporting.
- Under the Digital Inclusion category, AXA may invest in deployment of fibre optic networks for targeted populations in under connected¹⁶ or underserved¹⁷ areas of France and in other countries. Sustainalytics acknowledges that increased access to improved digital infrastructure can contribute to growth in aggregate employment and average wages in rural communities and encourages the Company to report on the benefits achieved from such financing.
- In the category of Responses to Natural Disasters, AXA may finance or refinance infrastructure that supports the prevention of natural disasters such as floods, droughts, storms, and wildfires. Sustainalytics encourages AXA to conduct vulnerability assessments and/or adaptation plan to support further evidence for such investments.
- AXA will be refinancing eligible green and social projects with a lookback period of a maximum of three calendar years prior to the year of issuance of the relevant green, social or sustainability bonds.
- Sustainalytics notes that the Framework has the following exclusion criteria: coal mining and coal-based energy production, oil sands production and oil sands-related pipelines, tobacco manufacturing, palm oil production, food "soft" commodities derivatives,¹⁸ and controversial weapons manufacturing. In addition, natural gas projects are not eligible under the Framework. Sustainalytics views the exclusionary criteria as strengthening the Framework.
- Project Evaluation and Selection:
 - AXA's internal process for evaluating and selecting projects is overseen by the Sustainability Bond Committee (SBC), which is expected to meet semi-annually. The Group's Responsible Investment Committee (RIC) chaired by the Group CIO will act as the SBC. The SBC is responsible for evaluating and validating the pool of eligible green and social projects; excluding assets from the pool and making decisions on potential changes to the Framework; and monitoring the pool of eligible projects during the lifetime of the bonds issued by managing any shortfall in eligible projects against outstanding amount of proceeds from bond issuances. In addition, a Sustainability Bond Working Group will be established and will be responsible for preparing project information for decisions submitted to the SBC that verifies eligibility of assets and makes the final decision on allocation of proceeds. The Sustainability Bond Working Group may include representatives from Group Treasury, Group Investments, Group Sustainability, Group Risk Management, assets owners represented by GIA / AXA Investment Managers.
 - A four-step process has been defined in which eligible green/social projects are identified by the Sustainability Bond Working Group, reviewed by the SBC and, if the SBC so decides, allocated an amount to be matched to the proceeds of the relevant green, social or sustainability issuance.
 - Based on the formation of the Sustainability Bond Committee responsible for overseeing the project evaluation and selection process and the implementation of a formal process, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - AXA's process for management of proceeds is overseen by Group Investments department (GIA). The proceeds from the Company's green, social or sustainability bonds may be credited to the Company's treasury account and an amount equal to such proceeds will be allocated semi-annually on a nominal equivalence basis to a pool of green projects and/or social projects,

¹⁴ EUR-LEX, "Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (Text with EEA relevance) (notified under document number C(2003) 1422)", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361>

¹⁵ In the third quarter of 2020, the average unemployment rate in France is 9.2%. French unemployment data is expected to change on a quarterly basis. You can find more information here: <https://www.insee.fr/fr/statistiques/1893230#consulter>

¹⁶ Under connected areas are defined as regions where no telecommunication or mobile network exist by any operators. These areas are known as white zones or "zones blanches" as per the definition of Autorité de Régulation des Communications Électroniques et des Postes (ARCEP). Additional information can be found here: <https://www.arcep.fr/la-regulation/grands-dossiers-reseaux-mobiles/la-couverture-mobile-en-metropole/la-couverture-des-zones-peu-denses.html#c22878>

¹⁷ Underserved areas are defined as areas not yet classified as "Zone Fibree" where optical fibre does not been deployed as per definition of Autorité de Régulation des Communications Électroniques et des Postes (ARCEP). Additional information on "Zone Fibree" can be found here: <https://www.arcep.fr/la-regulation/grands-dossiers-reseaux-fixes/la-fibre/zone-fibree.html>

¹⁸ Soft commodities refer to commodities that are grown instead of extracted or mined. An example of this would be agricultural products.

booked, at AXA's discretion, on the Company's or AXA Group entities' balance sheet(s), as the case may be. GIA will implement a tracking system with respect to the proceeds of each Company's bond issuance under the Framework. GIA's investment controlling system will monitor and track the proceeds allocation and ensure that, on full allocation, the aggregate amount allocated to green and/or social projects is equal to the amount of the proceeds of the relevant green, social or sustainability bonds issuance. AXA intends to allocate the proceeds from the issuance of the relevant green, social or sustainability bonds within 36 months following the settlement date of such issuance. Pending full allocation, an amount equivalent to the balance of unallocated proceeds will be allocated to temporary investments such as cash, cash equivalent and/or other liquid marketable investments in accordance with the Group's Responsible Investment policy.

- Based on tracking system and allocation timeline, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - AXA has committed to report on the allocation of proceeds on its website on an annual basis one year after bond issuance, until full allocation of proceeds, and as necessary in the event of material development. The allocation report will provide details such as the aggregate amount of proceeds allocated to eligible green and social projects, the split of proceeds allocated to financing versus refinancing, aggregate amount of unallocated proceeds at the end of reporting period, breakdown of total amount of eligible green and social projects per category, and geographical breakdown of eligible green and social projects. In addition, AXA is committed to annually reporting on metrics mentioned in Appendix 3. AXA intends to have the annual allocation and impact reports verified by the SBC with assurance by an external independent auditor. The audit report will be publicly accessible on AXA's website.
 - Based on publicly accessible annual allocation and impact reports subject to verification by an external independent auditor, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018

Sustainalytics has determined that the AXA Sustainability Bond Framework aligns with the four core components of the GBP and SBP, and with the SBG. For detailed information please refer to Appendix 3: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Strategy of AXA

Contribution of Framework to AXA's sustainability strategy

Sustainalytics is of the opinion that AXA demonstrates a strong commitment to sustainability by committing to align its investment activities with the Paris Agreement to keep global temperature rise below 1.5 °C.¹⁹ AXA targets to contain the "warming potential" of its investments under 1.5°C by 2050, thereby committing to significantly decreasing its current 2.8°C investment "warming potential". To align with the long-term transition goal, AXA implemented its Strategic Plan, Driving Progress 2023, with an overarching target to reduce the carbon footprint of AXA's General Account assets²⁰ by 20% by 2025.

Within AXA's commitment to the 1.5°C warming potential, AXA aims to significantly increase its green investment target, and double the current green investment objective to reach EUR 24 billion by 2023. AXA has significantly scaled up its green investments in the last 4 years, after reaching its first green investment target of EUR 3 billion in 2017. Realizing the importance of sectors that have started the process of decarbonization, however, are not considered green, in 2019 AXA invested in a first EUR 100 million transition bond to support companies that are on the path of decarbonization in the areas of electricity production, marine transportation, and industrial resources efficiency, contributing to long-term sustainability. In 2020, AXA invested in a second EUR 100 million transition bond to contribute to the financing of energy transition assets²¹. AXA has been divesting from coal since 2015 with continuously strengthened coal policies,

¹⁹ AXA, "Investing in a 1.5°C world: aligning business with the Paris Agreement", at: <https://www.axa.com/en/magazine/aligning-business-with-the-paris-agreement>

²⁰ i.e., corporate fixed income; listed equities; real estate assets

²¹ Natixis, "AXA Press release", (2020), at: <https://pressroom-en.natixis.com/news/bpce-issues-eur100-million-of-transition-bonds-invested-by-axa-im-to-finance-natixis-assets-contributing-to-the-energy-transition-62e7-8e037.html>

restricting investments²² and underwriting²³ companies with significant exposure to coal.²⁴ By the continued reinforcement of the Group's coal policy, AXA aims to reach 0% turnover from coal-related investments or underwriting by 2040, eliminating exposure to the thermal coal industry by 2030 in the EU and OECD countries and the rest of the world by 2040.²⁴

In terms of social impact, AXA focuses on investments that have a positive impact on society, and therefore, has dedicated investments in the areas of affordable housing, student housing, digital inclusion, education, and healthcare. Moreover, AXA has a dedicated research fund that contributes to scientific research in the areas of environment, health, socio-economics and new technologies.²⁵

Sustainalytics is of the opinion that the AXA Sustainability Bond Framework is aligned with the Group's overall sustainability strategy and initiatives and will further the Group's action on its key environmental and social 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 by the Green Bond Principles (2018) and Social Bond Principles (2020) to have positive environmental and social impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include occupational health and safety, community relations/stakeholder participation, land use and biodiversity issues associated with large-scale infrastructure development, emissions, effluents, and waste generated in construction.

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

- AXA is a member of many international organizations that promote the sustainable development agenda.²⁶ AXA has been a signatory to the UN Global Compact Principles since 2003, indicating AXA's commitment to environmental and social responsibility, and respect for human rights.²⁷ Moreover, since 2012, the AXA Group has been a signatory to the UN Principles for Responsible Investment, demonstrating AXA's commitment to integrating ESG considerations into its investment processes.²⁸
- AXA has a dedicated Responsible Investment Committee that is responsible for overseeing and developing the Group's responsible investment policies, which cover AXA's more-than EUR 500 billion general account assets. AXA integrates ESG consideration into its investment activities by conducting ongoing research across its assets. As part of this ESG analysis, AXA has defined minimum ESG standards based on ESG and controversy scores and refrains from and excludes investments in underperforming issuers. Furthermore, AXA's internal credit risk analysis takes ESG factors and the transparency of the issuers into consideration. To further avoid potential ESG risks connected to AXA's investment activities, AXA applies exclusionary criteria to its investments and implements sector-based restrictions to companies and sectors that face significant social, human rights, ethical or environmental challenges.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that AXA 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

All ten use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has focused on the two below where the impact is specifically relevant in the local context.

²² AXA restricts investments in electric utilities that have a coal-based energy mix of over 30% and/or coal power expansion plans producing more than 300MW and /or over 10GW of coal-based power installed capacity, and mining companies where coal accounts for more than 30% of revenue and/or that extract over 20MT of coal annually and/or developing new coal mines, and certain coal industry partners, defined as manufacturers and infrastructure players developing significant new coal assets: <https://www.axa.com/en/press/publications/2020-climate-report>.

²³ AXA bans underwriting new and existing property and construction businesses with any coal-related projects

²⁴ AXA, "Emergency exit: committing to coal phase-out", at: <https://www.axa.com/en/magazine/emergency-exit-committing-to-coal-phase-out>

²⁵ AXA, "Research", (2020), at: <https://www.axa-research.org/en>

²⁶ AXA, "Commitments", at: <https://www.axa.com/en/about-us/commitments>

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

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

Importance of Green Buildings in the EU

The building sector is one of the most resource-consuming sectors in the EU accounting for 40% of the EU's primary energy consumption and 36% of CO₂ emissions.²⁹ 85% of the EU's building stock was built before 2001 and 85-95% of buildings of the current building stock will still be standing in 2050.³⁰ As part of the Climate Target Plan 2030, the EU set a 55% greenhouse gas reduction target by 2030 compared to 1990 levels.³⁰ Energy efficiency is a key component of that target and given that 75% of the EU's current building stock is energy inefficient, the building sector is closely linked to achieving the 2030 interim target and carbon neutrality by 2050.²⁹ More specifically, greenhouse gas 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% to meet the 55% emissions reduction target by 2030.³⁰

Building renovation has a key role to play in the greening of the EU's building sector. Annually, 11% of the EU's building stock goes under renovation. However, the energy renovation rate is only 1% each year.³⁰ Building renovations have the potential to reduce energy consumption by 5-6% and CO₂ emissions by 5%, highlighting the significance of accelerating the current energy renovation rate of buildings.²⁹ Doubling the annual renovation rate of commercial and residential building and fostering deep energy renovations would mean that almost 35 million building units are renovated, aiding the EU in achieving its climate objectives.³⁰

The construction of energy-efficient and green buildings, as well as the renovation of the current building stock, has a key role in driving the decarbonization of the EU's building stock and overall building sector. Sustainalytics is of the opinion that by financing such activities, AXA will have a positive environmental impact and contribute to the EU's wider goal of achieving climate neutrality by 2050.

Importance of Broadband Connectivity in the EU and France

Access to fast and reliable broadband connection is a necessity today for everyday life as well as economic progress and growth.³¹ Without the existence of broadband, the benefits provided by modern technology connected to health, education, business, and administration cannot be utilized. Investment in the broadband penetration provides significant socio-economic impacts, with a 1% increase in GDP for 10% increase in penetration rate and a 0.3% of GDP growth for a doubled broadband speed. In terms of employment, for every 1.000 new people accessing and using broadband, 80 new jobs are created.³¹ Despite the importance of broadband infrastructure, rural areas in Europe still lack access to fast or ultra-fast broadband. More specifically 50% of rural homes in the EU do not have access to fast or ultra-fast broadband.³¹ Given that rural regions are home to around 27% of the EU's population or almost 143 million people, the number of EU citizens who are not well connected is significant.³²

France ranks 18th among the EU Member States with an overall connectivity score of 49.8, which is somewhat under the EU average of 50.1.³³ Regarding fixed broadband take-up, France is at 71%, 7% below the EU average of 78%.³² To increase access to the internet or high-speed internet, France is committed to cover its entire territory with broadband infrastructure by 2022 and as part of the national broadband plan, called 'plan France Très Haut Débit' extend optical fiber networks throughout the country by 2025.³⁴ Based on estimations by the French government, to achieve its broadband targets, over EUR 20 billion investment is needed from the private and public sectors.³⁴ Since the introduction of the national broadband plan in 2013, fiber deployment in France reached 90% for very densely populated areas, 60% for less densely populated areas, and only 15% for rural areas, highlighting the need for accelerating the deployment of fiber optic networks in France's rural areas.³³

In light of the Covid-19 pandemic, the EU has called on its Member States to boost connectivity for a healthy EU recovery, realizing the impact connectivity has on society in emergency as well as non-emergency times.³⁵ Altogether, better connectivity creates jobs, enables access to digital services, digital education, allowing people to improve their digital skills to fully participate in society, and enables the creation of innovative business models with improved efficiency and operations.³⁵

²⁹ European Commission, "In focus: Energy efficiency in buildings", at: https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

³⁰ European Commission, "A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives", at: https://eur-lex.europa.eu/resource.html?uri=cellar:0638aa1d-0f02-11eb-bc07-01aa75ed71a1.0003.02/DOC_1&format=PDF

³¹ European Commission, "The Broadband Handbook: 'Facing the challenges of broadband deployment in rural and remote areas'", at: <https://ec.europa.eu/digital-single-market/en/news/broadband-handbook-facing-challenges-broadband-deployment-rural-and-remote-areas>

³² European Parliament, "Urban-rural divide: Blame it all on my roots", at: [https://www.europarl.europa.eu/RegData/etudes/ATAG/2018/614753/EPRS_ATA\(2018\)614753_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2018/614753/EPRS_ATA(2018)614753_EN.pdf)

³³ European Commission, "Digital Economy and Society Index 2020 in France", at: https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=66914

³⁴ European Commission, "Country information - France", at: <https://ec.europa.eu/digital-single-market/en/country-information-france>

³⁵ European Commission, "Boosting connectivity to support EU recovery", at: <https://ec.europa.eu/digital-single-market/en/news/boosting-connectivity-support-eu-recovery>

Fiber broadband has an important role in accelerating access to the internet as it is the cleanest and fastest broadband technology available today.³⁶ By financing the deployment of fiber optic networks in France's underserved or under-connected areas, AXA will contribute to France's goal of increasingly connecting households to networks with a speed of 30 Mbps or above before 2025, and the EU's objective of providing access to connectivity at the speed of at least 100 Mbps for all European households by 2025.³⁷

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 bond(s) issued under the AXA Sustainability Bond Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.c Support least developed, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Clean Transportation	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
Energy Efficiency	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
Natural Resources / Sustainable Forestry	15. Life on Land	15.a Increase financial resources to conserve and sustainably use ecosystem and biodiversity
Access to Essential Services	3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Employment Generation - Micro and small enterprises	8. Decent work and economic growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium sized enterprises, including through access to financial services.

³⁶ Forbes, "The role of fiber optic networks for the future of 5G", at: <https://www.forbes.com/sites/forbestechcouncil/2018/04/18/the-future-of-fiber/?sh=2b9596712bc9>

³⁷ European Commission, "Connectivity for a European Gigabit Society", at <https://ec.europa.eu/digital-single-market/en/connectivity-european-gigabit-society>

Digital Inclusion	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
Response to Natural Disasters	3. Good Health and Well-being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Conclusion

AXA has developed the AXA Sustainability Bond Framework under which it may elect to issue green, social or sustainability bonds and use the proceeds to finance and/or refinance projects, that amongst others, support the development of green buildings, the conservation of natural resources, infrastructure that improves access to information, and affordable housing. Sustainalytics considers that the projects funded by the green, social or sustainability bond proceeds will deliver positive environmental and social impacts.

The AXA Sustainability Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed. It also includes commitments for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that AXA Sustainability Bond Framework is aligned with the overall sustainability strategy of the Company and that the eligible green and social categories will contribute to the advancement of the UN Sustainable Development Goals 3, 7, 8, 9, 11, and 15, as applicable. Additionally, Sustainalytics is of the opinion that AXA has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects to which the proceeds can be allocated.

Based on the above, Sustainalytics is confident that the Company is well-positioned to issue green, social or sustainability bonds and that AXA Sustainability Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020), and with the Sustainability Bond Guidelines (2018).

Appendices

Appendix 1: Assessments of Green Building Certification

	HQE	BREEAM	LEED	Minergie	DGNB
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. Based in the UK. 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.	Minergie is a Swiss building standard for new and modernized buildings. The brand is shared by industry, the cantons and the federal government and is protected against misuse.	DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.
Certification levels	Pass Good Very good Excellent Exceptional	Pass Good Very Good Excellent Outstanding	Certified Silver Gold Platinum	Minergie Minergie-P Minergie-A Minergia-ECO	<ul style="list-style-type: none"> ● Bronze ● 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.	The planners choose the appropriate Minergie standard together with the clients and develop a corresponding preliminary project.	<ul style="list-style-type: none"> ● Environment ● Economic ● Sociocultural and functional aspects ● Technology Processes & Site
Areas of Assessment: Environmental Performance of the Building	<ul style="list-style-type: none"> ● 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	Energy source Energy demand Energy monitoring Heating/Cooling Airtightness E-Mobility	<p>Percentage-based performance index.</p> <p>The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment.</p>

<p>Requirements</p>	<p>Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing</p> <p>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.</p> <p>Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>	<p>Prerequisites depending on the levels of certification + Credits with associated points</p> <p>This number of points is then weighted by item³⁸ 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.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>Prerequisites (independent of level of certification) + Credits with associated points</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>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).</p>	<p>The applicant submits the application to the responsible Minergie certification body</p> <p>The Minergie certification body reviews. Once all requirements have been met, the provisional certificate will be issued. It serves for planning security and can be used for advertising purposes: The project may now be called a Minergie building. When the building is being created. If desired, the</p>	<p>Depending on the total performance index, a DGNB award will be given to the project, starting from Silver. Bronze is awarded for existing buildings and is conferred as the lowest rank.</p>
<p>Performance display</p>					
<p>Accreditation</p>	<p>HQE Construction Certification Referent HQE Operations Certification Advisor</p>	<p>BREEAM International Assessor BREEAM AP BREEAM In Use Assessor</p>	<p>LEED AP BD+C LEED AP O+M</p>	<p>Minergie certification body</p>	<p>DGNB Certification body</p>
<p>Qualitative considerations</p>	<p>HQE certification has the most number of targets concerning individuals. The "Comfort" and "Health" related themes are the most developed in this scheme. The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).</p>	<p>Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus. BREEAM certification is less strict (less minimum thresholds) than HQE and LEED certifications.</p>	<p>Widely recognised internationally, and strong assurance of overall quality.</p>	<p>Local certification used in Switzerland and meets a strong assurance on environmental performance.</p>	<p>DGNB certification is based on current European Union standards</p>

³⁸ BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

Appendix 2: Assessment of forestry certification schemes

	Programme for the Endorsement of Forest Certification (PEFC)³⁹	Forest Stewardship Council (FSC)⁴⁰
Background	Founded in 1999, the Programme for the Endorsement of Forest Certification (PEFC) is a non-profit organization that promotes sustainable forest management through independent third-party certification, this includes assessments, endorsements and recognition of national forest certification systems. PEFC was created in response to the specific requirements of small- and family forest owners as an international umbrella organization.	The Forest Stewardship (FSC) is a non-profit organization established in 1993 that aims to promote sustainable forest management practice by evaluating forest management planning and practices independently against FSC's standards.
Basic Principles	<ul style="list-style-type: none"> ● Maintenance and appropriate enhancement of forest resources and their contribution to the global carbon cycle ● Maintenance and enhancement of forest ecosystem health and vitality ● Maintenance and encouragement of productive functions of forests (wood and no-wood) ● Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems ● Maintenance and appropriate enhancement of protective functions in forest management (notably soil and water) ● Maintenance of socioeconomic functions and conditions ● Compliance with legal requirements 	<ul style="list-style-type: none"> ● Compliance with laws and FSC principles ● Tenure and use rights and responsibilities ● Indigenous peoples' rights ● Community relations and workers' rights ● Benefits from the forests ● Environmental impact ● Management plans ● Monitoring and assessment ● Special sites – high conservation value forests (HCVF) ● Plantations
Types of standards/benchmarks	<ul style="list-style-type: none"> ● Sustainable Forest Management benchmark – international requirements for sustainable forest management. National forest management standards must meet these requirements in order to obtain PEFC endorsement. ● Group Forest Management Certification – outlines the requirements for national forest certification systems who have group forest management certification. ● Standard Setting – covers the processes that must be adhered to during the development, review and revision of national forest management standards. ● Chain of Custody – outlines the conditions for obtaining CoC certification for forest-based products. ● PEFC logo Usage Rules – outlines the requirements entities must abide by when using the PEFC logo. ● Endorsement of National Systems – outlines the process that national systems must go through to achieve PEFC endorsement 	<ul style="list-style-type: none"> ● Forest Management certification (for single/multiple applicant(s) – industrial or private forest owners, forest license holders, community forests, and government-managed forests) ● Small and Low Intensity Management Forests (SLIMFs) program (for small forests and forests that are managed at low intensity would be eligible) ● Chain of Custody (CoC) certification (for supply chain companies' planning, practices and products – all operations that want to produce or make claims related to FSC-certified products must possess this certificate) ● Controlled Wood verification (for assurance that 100% virgin fiber mixed with FSC-certified and recycled fiber originates from a verified and approved source)
Governance	PEFC's governance structure is formed by the General Assembly (GA) which is the highest authority and decision-making body. It is made up of all PEFC members, including national and international stakeholders. In general, PEFC's governance structure is more representative of industry and government	The General Assembly is comprised of all FSC members and constitutes the highest decision-making body. Members can apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers. Each chamber

³⁹ PEFC, Standards and Implementation: <https://www.pefc.org/standards-implementation>

⁴⁰ Forest Stewardship Council, FSC Principles and Criteria for Forest Stewardship: https://ca.fsc.org/preview_principles-criteria-v5_a-1112.pdf

	<p>stakeholders than of social or environmental groups. Members vote on key decisions including endorsements, international standards, new members, statutes and budgets. All national members have between one and seven votes, depending on membership fees, while international stakeholder members have one vote each.</p>	<p>maintains 33.3% of the weight in votes, and votes are weighted so that the North and South hold an equal portion of authority in each chamber, to ensure influence is shared equitably between interest groups and countries with different levels of economic development.</p>
Scope	<p>Multi-stakeholder participation is required in the governance of national schemes as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The PEFC Standard Setting standard is based on ISO/IEC Code for good practice for standardization (Guide 59)⁴¹ and the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>	<p>FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>
Chain-of-Custody	<ul style="list-style-type: none"> ● Quality or environmental management systems (ISO 9001:2008 or ISO 14001:2004 respectively) may be used to implement the minimum requirements for chain-of-custody management systems required by PEFC ● Only accredited certification bodies can undertake certification ● CoC requirements include specifications for physical separation of wood and percentage-based methods for products with mixed content. ● The CoC standard includes specifications for tracking and collecting and maintaining documentation about the origin of the materials ● The CoC standard includes specifications for the physical separation of certified and non-certified wood ● The CoC standard includes specifications about procedures for dealing with complains related to participant's chain of custody 	<ul style="list-style-type: none"> ● The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by FSC and compliant with international standards ● CoC standard includes procedures for tracking wood origin ● CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products ● CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC
Non-certified wood sources	<p>The PEFC's Due Diligence System requires participants to establish systems to minimize the risk of sourcing raw materials from:</p> <ol style="list-style-type: none"> a. forest management activities that do not comply with local, national or international laws related to: <ul style="list-style-type: none"> - operations and harvesting, including land use conversion, - management of areas with designated high environmental and cultural values, - protected and endangered species, including CITES species, - health and labour issues, - indigenous peoples' property, tenure and use rights, - payment of royalties and taxes. b. genetically modified organisms, c. forest conversion, including conversion of primary forests to forest plantations. 	<p>FSC's Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including:</p> <ol style="list-style-type: none"> a. Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others, b. Wood harvested in violation of traditional and civil rights, c. Wood harvested in forests where high conservation values are threatened by management activities, d. Wood harvested in forests being converted from forests and other wooded ecosystems to plantations or non-forest uses, e. Wood from management units in which genetically modified trees are planted.

⁴¹ ISO, ISO/IEC Guide 59:2019: <https://www.iso.org/standard/23390.html>

<p>Accreditation/verification</p>	<p>Accreditation is carried out by an accreditation body (AB). In the same way that a certification body checks that a company meets the PEFC standard, the accreditation body checks that a certification body meets specific PEFC and ISO requirements. Through the accreditation process, PEFC has assurance that certification bodies are independent and impartial, that they follow PEFC certification procedures.</p> <p>PEFC does not have their own accreditation body. Like with the majority of ISO based certifications, PEFC relies on national ABs under the umbrella of the International Accreditation Forum (IAF). National ABs need to be a member of the IAF, which means they must follow IAF's rules and regulations.</p>	<p>FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.</p>
<p>Qualitative considerations</p>	<p>Sustainalytics views both FSC and PEFC as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. Both schemes have received praise for their contribution to sustainable forest management practices⁴² and both have also faced criticism from civil society actors.^{43,44} In certain instances, these standards go above and beyond national regulation and are capable of providing a high level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are similar or equal to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by either scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.</p>	

⁴² FESPA, FSC, PEFC and ISO 38200: <https://www.fespa.com/en/news-media/blog/fsc-pefc-and-iso-38200>

⁴³ Yale Environment 360, Greenwashed Timber: How Sustainable Forest Certification Has Failed: <https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed>

⁴⁴ EIA, PEFC: A Fig Leaf for Stolen Timber: <https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber>

Appendix 3: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	AXA SA
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	AXA Sustainability Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 24, 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, SBP and SBG:

- | | |
|--|--|
| <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 environmental and social categories for the use of proceeds Green Buildings, Renewable Energy, Clean Transportation, Energy Efficiency, Natural Resources / Sustainable Forestry, Access to Essential Services, Affordable Housing, Employment Generation - Micro and small enterprises, Digital Inclusion, Response to Natural Disasters are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 7, 8, 9, 11, and 15.

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 checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" 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 GBPs | <input type="checkbox"/> Other (please specify): |

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

Use of proceeds categories as per SBP:

- | | |
|---|--|
| <input type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

AXA's internal process for evaluating and selecting projects is overseen by the Sustainability Bond Committee (SBC), which is expected to meet semi-annually. The Group's Responsible Investment Committee (RIC) chaired by the Group CIO will act as the SBC which is responsible for evaluating and validating the pool of eligible projects and monitoring the pool of eligible projects during the lifetime of the bonds. Sustainalytics considers this process in line with market practice.

Evaluation and selection

- | | |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green 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 Sustainability Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

AXA's process for management of proceeds is overseen by Group Investments department (GIA). Proceeds will be tracked and allocated through a tracking system implemented within GIA's investment controlling system. The proceeds from the Company's bond issuance may be credited to the Company's treasury account and allocated within 36 months following bond issuance. Pending full allocation, an amount equal to the balance of unallocated proceeds will be allocated to temporary investments such as cash, cash equivalent and/or other liquid marketable investments in accordance with the Group's Responsible Investment policy. Sustainalytics considers this process in line with market practice.

Tracking of proceeds:

- Sustainability 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 type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

AXA intends to report on allocation of proceeds on its website on an annual basis until full allocation. The allocation report will provide details such as the aggregate amount of proceeds allocated to eligible projects, the share of financing versus refinancing, amount of unallocated proceeds, breakdown of total amount of eligible green and social projects per category, and geographical breakdown of eligible green and social projects. In addition, AXA is committed to reporting on relevant impact metrics. Sustainalytics views AXA's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" 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"/> Sustainability Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): share of financing versus refinancing, amount of unallocated proceeds, and geographical breakdown of eligible green and social projects | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

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

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

Review provider(s):

Date of publication:

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

- i. **Second-Party Opinion:** An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability 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 GBP, SBP and SBG. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social 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 sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially 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 Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability 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, Social and Sustainability Bond Scoring/Rating:** An issuer can have its Sustainability Bond, associated Sustainability 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 and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

Disclaimer

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