

AXA Group
UN Global Compact Communication on Progress 2015

Company Name	AXA Group	Date	February 2016
Address	25 avenue Matignon, 75008 Paris, France.	Membership date	2003
Country	France	Number of employees	116,034 (year end 2014)
Contact name	Liza Garay- de Vaubernier liza.garay@axa.com	Contact Position	Corporate Responsibility

UNGC Statement of support

Mr. Henri de Castries, Chairman of the AXA Group Management Board and Chief Executive Officer, has renewed his support of the Global Compact's 10 principles in the following statement: *"I renew AXA's commitment, undertaken at the time of our 2003 endorsement, to respect the UN Global Compact's 10 principles for the upcoming year"*.

About the AXA Group

AXA Group is a worldwide leader in insurance and asset management, with 116, 034 employees (including exclusive distributors) serving 103 million clients in 59 countries. For 1H13, IFRS revenues amounted to Euro 92 billion and IFRS underlying earnings to Euro 5.1 billion. AXA had Euro 2.9 billion in assets under management as of August, 2015. The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Shares are also quoted on the OTC QX platform under the ticker symbol AXAHY. The Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD, and is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance.

Corporate Responsibility at AXA

AXA place Corporate Responsibility both at the heart of its business as well as its day to day interactions with its stakeholders. It is through adopting a responsible behaviour, as well as through sustainability added-value products and services, that the Group is able to most effectively participate in social, environmental and economic progress.

Since 2009, strong progress has been made on Corporate Responsibility, including:

- the formal integration of CR into local and Group strategic planning processes
- the creation of a senior executive-level network of Chief Corporate Responsibility Officers charged with a broad CR mandate
- the definition of a CR key performance indicator which enables precise tracking of local and Group CR performance, and is included in annual management objectives. This KPI is derived from AXA's CR self-assessment tool, which entities use annually to assess their maturity in the broad field of CR, benchmark their performance and identify appropriate steps to take towards developing an advanced CR strategy that has local relevance while remaining in line with the Group's CR strategy.



- the launch of “Risk Research & Education” as the Group’s “CR flagship” theme, with the creation of a Group partnership with the non-profit CARE, on risk education for disadvantaged populations, to complement the academic risk research supported by the AXA Research Fund. In addition, AXA signed in 2012 a partnership with Junior Achievement, the largest global non-governmental organization dedicated to the financial education of young people for better understand financial risks.

Corporate Responsibility is now fully embedded in the AXA’s strategic plan for the period 2012-2015.

The following selection of diverse initiatives from diverse regions illustrates our commitment to uphold the UN Global Compact’s four themes (human rights, labour standards, environment, anti-corruption). These have been collected throughout Group level and among our local affiliates.

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: make sure that they are not complicit in human rights abuses.

As a financial services company, many of our human rights impacts on society are linked not to our own direct “production” processes or our own workforce, but indirectly through our choice of suppliers or investment policies. In making these choices, we integrate human rights criteria in the selection and management of our suppliers, as well as in our investment policy.

Actions recently implemented

Supply chain screening

GROUP – AXA is a major purchaser of products and services for the purpose of its internal operations as well as services provided to its policyholders. The volume of purchases equalled €12.6 billion in 2015. The buyers are required to sign a specific procurement code of ethics in addition to the Group Compliance & Ethics Guide. AXA also encourages its suppliers to be socially and environmentally responsible and requests from them a formal commitment to uphold International Labor Organisation principles. In addition, the Group applies social and environmental criteria to assess supplier performance. These criteria enable the Group to improve service quality and reduce some supply chain risks.

AXA also encourages its suppliers to be socially and environmentally responsible and requests from them a formal commitment to uphold International Labor Organisation (ILO) principles, through a “CR clause” that was implemented in 2006. The clause has first been included in AXA’s IT and “General Expenses & Professional Services” contracts, and the scope was extended to “Insurance Procurement” contracts (related to customer claims) in 2010.

In 2009, AXA implemented the following process to identify risks: 1/ CR Stakes Matrix updated every 2 years associating all relevant stakeholders (Group and local Procurement, CR teams, internal customers). Last update was in Q3 2014.

Procurement categories are split into high/medium/low stakes representing risks and opportunities (attached file). The objective is to IDENTIFY the stakes; ANALYZE their impacts and BETTER MANAGE them. This matrix is divided into 5 topics (Social, Environmental, End Use impact, Supply Chain, Business integrity). 2/ Mandatory mapping of suppliers’ sustainability risks. Suppliers are prioritized thanks to 2 processes: a) Group: suppliers over 1M€ spend are a Group priority and their evaluation is managed and monitored by Group Procurement (see document “Full Analysis” attached). b) Local:

entities to assess/ monitor 2nd level of supplier mapping. The goal is to assess 80% of the local spend of an entity.

Specific training sessions are regularly organised with buyers to explain the issues involved and support them in the process and action plan follow-up.

Group Procurement strategy towards Corporate Responsibility is broke down into the following:

1. Ensure Procurement Standard is deployed and applies, especially regarding CR practices.
2. The CR clause is mandatory in all AXA Contracts. The CR clause protects the Group from serious violations of the basic principles defined by the ILO by enabling termination of the contract. CR clause inclusion should go upto 100%. By end of 2014 we reached up to 96%.
3. Enable key suppliers assessment on CR practices. 90% of the key suppliers to be assessed by the end of 2015. We reached up to 69% by end of 2014.
4. Improve the collaboration between CR and Procurement communities. Make sure that at entity level CR and procurement teams are working together when necessary. For this, a CR champion community has been created to improve this collaboration in local Procurement teams.

Responsible investment

Group Responsible Investment strategy

The Group's Responsible Investment Committee (RIC), chaired by the Group Chief Investment Officer, develops and monitors AXA's Responsible Investment strategy. It currently focuses on four main activities:

- ESG integration: AXA is committed to integrate environmental, social & governance (ESG) as well as "carbon" performance metrics and factors into our General Accounts assets through internal asset managers' investment processes and decision-making;
- Voting and engagement: in line with Group Responsible Investment Policy, AXA aims to use its influence as a large asset owner to encourage ESG best practice within the companies in which it invest. This is reflected in our voting and shareholder engagement activities on a range of ESG topics;
- Exclusion of sectors or companies that face acute social, human rights, ethical or environmental challenges (current exclusions: controversial weapons, coal mining and coal-based power generation, palm oil & forestry, soft commodities derivatives);
- Development of "impact investments" delivering positive environmental or social (as well as financial) returns. Two funds have been launched: the AXA Impact Fund, focusing on social issues such as financial inclusion, and the AXA Renewable Energy Fund, focusing on green infrastructures.

Since 2014, AXA also analyzes "carbon asset risks" and has undertaken the following initiatives in 2015:

- Coal divestment: in May 2015, AXA announced its decision to reduce its General Accounts' exposure to Electric utilities and Mining players deriving over 50% of their turnover from coal related activities;
- Green investments: in May 2015, the Group also committed to tripling its green investments aiming to reach over €3bn by 2020 for its General Accounts, originating principally from investments in renewable energy infrastructures, green bonds and private equity;
- Carbon footprinting: AXA analyzed and disclosed (www.axa.com) the carbon intensity of its General Accounts assets (equities, corporate bonds and sovereign debt). This type of analysis will become mandatory for asset owners in France by 2017, but the Group, having signed the "Montreal Carbon Pledge" in 2015, has voluntarily committed to disclose its carbon footprint



earlier. This analysis shows limits to assess “energy transition” risks, which AXA intends to address through more refined analyses and shareholder engagement.

Asset Management

Leveraging AXA IM’s multi-expert model, AXA IM embeds global Environmental, Social and Governance (ESG) research across all asset classes and provides investors the opportunity to select the level of ESG integration that best fits their needs and objectives. To do so, AXA IM has a dedicated Responsible Investment (RI) research team as well as a global ESG research capacity through its platform, RI Search©. This tool covers more than 5 000 companies, 100% of the MSCI World index and 150 countries with ESG research from many sources. RI Search© provides an ESG score for each security and assesses these scores against peers, thus enabling the portfolio managers to take ESG risks into account in their decision-making process.

AXA IM’s proxy voting coverage includes the voting on all listed companies on a global basis and leads strategic engagement efforts on specific themes and companies. Finally, the RI team conducts thematic research in order to investigate material ESG issues, such as RI & “smart beta” investing, research on the skills shortage in the Oil & Gas sector, board diversity in the largest European companies, and ESG integration in equity and sovereign debt asset classes. Further information can be found at www.axa-im.com/en/responsible-investment. AXA IM is a UN-backed Principles for Responsible Investment (UN PRI) signatory since 2007. AXA signed the UN PRI in 2011 and the AXA Group in 2012.

Results or outcomes

For case study-specific data, please refer to above texts.

GRI3, Financial Services Sector Supplement correspondence key:

HR2, “Percentage of significant suppliers that have undergone screening on human rights”

Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

AXA strives to be a responsible employer, placing employee engagement at the heart of its business strategy. Achieving this means creating a workplace built on AXA’s Values that fosters diversity and equal opportunities for all, promotes employee participation, encourages professional development, and supports employee well-being.

Actions recently implemented

Workforce size

GROUP - AXA’s overall salaried workforce on December 31, 2014, was 116,034 employees (open-ended and fixed-term contracts), which represents an increase of 2.8% compared to 2013.

The majority of this increase is due to the acquisition of 51% of Colpatria’s insurance operations in Colombia (81.4% as a proportion on total increase).

The footprint of AXA's salaried workforce in 2014 was: 62.6% in Europe (vs. 65.1% in 2013), 20.1% in Asia-Pacific (vs. 20.0% in 2013), 13.7% in the Americas (vs. 11.4% in 2013) and 3.6% in Africa (vs. 3.5% in 2013). AXA continued to recruit in 2014 and hired more than 17,000 employees on open-ended contracts (excluding entries due to mergers and acquisitions), of which 4,200 were sales employees. Out of that total number of hires, more than 450 persons were re-hires into the Company

Employee relations and collective bargaining

GROUP - Effective labor-management communications and social dialogue pave the way for the stability which is needed to implement the Group's business development strategy.

Each AXA Group entity therefore engages with staff or their representatives for communications on a regular basis.

EUROPE – AXA has also set up a European Works Council (EWC), whose extensive role goes beyond regulatory requirements. The EWC is made up of staff representatives from AXA's largest European entities, who meet in order to receive and exchange information on the social, strategic and economic issues that concern the Group and maintain an ongoing dialogue between employees and management. In June 2009, a Group EWC agreement (available at www.axa.com) was concluded in order to guarantee a high level of social dialogue. AXA holds two EWC plenary meetings a year as well as monthly sessions, held by 12 members of the EWC, to stay abreast of labor and economic developments in each country.

The majority of the Group's employees are covered by the EWC's framework agreement. Other affiliates outside the scope of the EWC have also developed social dialogue agreements, but these are not monitored at Group level. More generally beyond Europe, the Group strives to ensure that employees are fairly represented in all major countries where it is present. In addition to the work of the EWC, numerous collective bargaining agreements are signed on a local basis.

Headcount adjustments, mobility and related measures

THE CONDUCT OF RESTRUCTURING

EUROPE - The aforementioned Group EWC agreement commits the Group to a certain number of measures in favor of employees when major organizational changes impact their jobs. AXA maintains the following principles with a view to guiding its various European business units in local management practices:

- when organizational changes affect jobs, AXA pledges to supply relevant information and, as appropriate in light of local cultures and rules, to consult with employees and their representatives;
- in connection with an information-gathering and consultative process, AXA would provide data and information about possible alternative solutions, where relevant;
- factoring in its employees', customers' and shareholders' interests, AXA undertakes to maximize opportunities for internal and external redeployment, when applicable, for all AXA employees affected by possible employment issues;
- AXA will do its utmost to prevent compulsory redundancies and other collective transfers, by pursuing other approaches whenever possible;
- when geographic mobility is necessary, it must be offered as a matter of priority to employees who volunteer to move, with the process managed with a view to enabling their integration into a new environment under the best possible conditions;
- AXA pledges to acknowledge certain individuals as staff representatives and uphold their liberty, rights and purpose, in line with national legislation and, where relevant, agreements in force in local business units;



- aware that training represents a major investment both for the Group and for its employees, AXA commits to embrace a continuous-learning culture;
- AXA condemns discrimination of any kind on the basis of gender, race, color, ethnic origin, genetic form of difference, disability, sexual orientation, language, religion, personal conviction, union membership or political opinion.

In addition, AXA, UNI Europe Finance and all French trade unions signed a major European agreement on anticipating change. The agreement, negotiated within the European Works Council, sets out an approach for social dialogue with the purpose of anticipating change in the sector in order to adapt employee skills to future needs and thus preserve jobs. According to the EWC, this agreement is unique in the insurance sector. It offers significant means to secure employment in Europe

Child labor / forced labor

The main risks associated with child or forced labor in the financial services sector are located in our supply chain. As a consequence, see Principle 2 above (“complicit” human rights abuses).

Diversity & Inclusion

GROUP – AXA promotes diversity & inclusion (D&I) by creating a working environment where all employees are treated with dignity and respect and where individual differences are valued. In all aspects of the working environment, AXA offers equal opportunities to all employees. AXA opposes all forms of unfair or unlawful discrimination and does not tolerate discrimination based on age, race, nationality, ethnic origin, gender, sexual orientation, gender identity, religion, marital status or disability. In order to increase awareness of cross-cultural diversity and unconscious bias, an online e-learning module was rolled out globally in 2013. As of December 2014, more than 26,000 AXA’s employees have completed the e-learning course.

As AXA strives to be the most inclusive company in the financial services industry, “sexual orientation” has been made another key focus area in 2014. A total of 11 sexual orientation awareness workshops were conducted in six countries.

Moreover, to foster a culture of inclusion within AXA for our LGBT (Lesbian, Gay, Bi-sexual and Transgender) employees and their allies/friends, the Company launched a global Employee Resource Group on sexual orientation called “Allies@ AXA Pride”. The objectives of this employee network are to encourage socialization through virtual platforms, education on LGBT work-life issues and to make AXA the employer of choice for LGBT individuals.

AXA also continued to further encourage and support the integration of employees with disabilities. In France, the number of employees with disabilities was 857 in 2014.

Gender equality in the workplace

GROUP – Gender equality was one of AXA’s early priorities, dating back to the establishment of the AXA Group D&I office. AXA conducted an in-depth analysis of gender issues across the Group, resulting in several actions, such as sponsorships, mentoring and developing a framework for flex work and for women successfully to return to work. Gender equality remained a key topic for AXA in 2014. To fast track the career progression of women, AXA put in place “Sponsorship Tandems”, leveraging senior managers to act as advocates and use their influence to help strengthen the development of female talent. In 2014, 17 Sponsorship Tandems were formed with the Group’s Executive Committee members. In addition, AXA held a women’s conference for a second consecutive year, aiming to foster networking among senior executive men and women and 2014’s

focus being on the topic “Insurance for Women” which was led in partnership with the International Finance Corporation (IFC).

In total for 2014, AXA’s global gender balance is 52.6% women and 47.4% men.

MISC. AFFILIATES – At AXA MedLA we have always made our diversity one of our key strengths. Everything starts and ends with people.

We are committed to valuing diverse backgrounds and a strong entrepreneurial mindset, to continue bringing innovative products and impeccable quality of service that customers expect from AXA, everywhere.

Meanwhile to support our mature entities facing economic turmoil, we have accelerated the implementation of new managerial practices which contribute to strengthen operational efficiency while encouraging a collaborative and innovative culture. This initiative increased the performance and engagement of the teams in the challenging environment. Equally important is our commitment to progress towards a more flexible and agile organization. In 2013, we have spread out our Extended Team models across the various professional communities, breaking silos and building up new transversal innovations.

Transferring knowledge and expertise from one country to another, in particular through international assignments within the Region and across the AXA Group, is a key pillar of our Talent Management approach.

Over the last four years, we have had continuously more than 150 employees from of our talent pool benefiting from an international experience, providing attractive learning and careers opportunities for those people having a pioneer and entrepreneurial spirit.

Identifying, attracting and developing talents in our international context have been instrumental to support business growth particularly in the emerging entities.

Preparing the future and creating a new Employee experience

More than before, the role of HR is evolving within our organizations: HR professionals are also now expected to support the digital transformation of the business and to use digital abilities in managing people and up-skill current employees as businesses undergo rapid transformation in structure and processes. It is not only turning HR practices to “e-HR”, but is also about re-considering the role of HR all along the value chain in order to build a meaningful and distinctive working experience for each and every one that will strengthen the engagement of our teams and the AXA Brand..

Hiring and integrating the disabled

MISC. AFFILIATES – AXA entities also promote the integration of employees with disabilities. In the French perimeter (where it is legal to report this figure), the number of employees with disabilities went from 746 in 2011 to 857 in 2014. Local initiatives in this area include for example, AXA Global Direct Spain, which signed an agreement in order to facilitate the integration of employees with disabilities into the Company and help staff and families to know more about legal benefits for people with disabilities. AXA Germany signed a specific agreement with its Works Council, whereby specific facilities accessible for the people with disabilities are provided, such as adapted elevators, even floors and doorsteps, special rest room facilities and ramps. The workspace is modified if an employee needs special arrangements due to a personal handicap. AXA France’s “Mission Handicap” enables hundreds of employees to benefit from adapted working schedules, transportation and real estate services. These efforts also apply to the parents of children with disabilities. AXA Thailand was awarded as the “Organization that provided contribution for People with disabilities”. This award was presented to the local Chief Executive Officer by the Deputy Minister of the Ministry of Social Development and Human Security.

Results or outcomes

For case study-specific data, please refer to above texts.



Employee representation:

2014: The majority of the Group's employees are covered by the European Works Council's framework agreement. Other affiliates outside the scope of the European Works Council have also developed social dialogue agreements, but these are not monitored at Group level.

Diversity & equal opportunities - proportion of women in workforce per category (Headcount of non sales force - open-ended contract only):

- Executives : 27,3%
- Managers: 41,2%
- Experts & Staff : 57,2%
- Overall average: 52,6%

GRI V3, Financial Services Sector Supplement correspondence key:

- Employee representation : LA4, LA5
- Diversity & equal opportunities : LA13

AXA Group social data reporting 2014:

- https://www-axa-com.cdn.axa-contento-128566.eu/www-axa-com%2F2bca88fd-61b8-43bc-b263-b18f36e90805_axa_social_data_2014.pdf

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

AXA is committed to reducing its direct impact on the environment by actively managing its energy, paper and water consumption, as well as carbon emissions and waste. AXA is also conscious of the role it can play in promoting environmental protection awareness amongst its stakeholders, contributing to improve the understanding of global and local environmental risks, and committing to address climate change.

Actions recently implemented

Group commitments

The AXA Group and local entities signed or joined the various initiatives in the area of environmental protection (and/or CR more generally). In 2015, AXA became a vice-chair of the FSB Task Force on Climate-related Financial Disclosures, signed the Montreal Pledge (which commits investors to measuring and publishing details of the carbon footprint of their investment portfolio) and, in the run-up to the UN Climate talks in Paris last year, signed the "French Business Climate Pledge", which committed 39 of France's leading companies to fight climate change through new industrial projects and R&D devoted to renewable energy, energy efficiency and other low carbon technologies. The Group also signed up to various initiatives including the World Business Council for Sustainable Development (WBCSD) manifesto for Energy Efficiency in buildings, the "Kyoto Statement" (Geneva Association), "Caring for Climate" (WBCSD/UNEP FI/UN Global Compact), the CDP (Carbon Disclosure Project), the "Sustainable Development Charter" (Fédération Française des Sociétés d'Assurances) and the Investor Statement on Climate Change (International Investor Group on Climate Change). AXA also supports 2° Investing Initiative, a climate think tank.

AXA signed the UNISDR Private Sector Commitment for Disaster Risk Reduction and is represented in their Advisory Board Group. These principles cover 5 key areas around the role that the private sector can take to further encourage Disaster Prevention, Resilience and Risk Reduction (e.g. increase public private partnership, share risk management expertise, etc.). AXA is also part of the African Risk Capacity, a regional pooling mechanism providing coverage to African governments in the event of natural disasters or extreme weather events.

Other engagements are detailed online: <https://www.axa.com/en/about-us/environmental-commitments>

Direct environmental footprint: target setting, reporting and certification

GROUP AXA Group's Corporate Responsibility and operational teams (e.g. procurement, IT, marketing, HR) worked closely to set ambitious 2020 targets which will steer AXA to a more sophisticated and embedded environmental strategy. As a result, AXA set a new Global Key Performance Indicator (KPI) target for the 2012-2020 period:

- -25% carbon emissions per FTE

This target is broken-down into the following targets:

- -35% power consumption (kwh/FTE);
- -15% business travel: vehicle fleet (km/FTE);
- -5% business travel: air and train (km/FTE);
- -45% office paper (kg/FTE); and
- -50% marketing and distribution paper consumption (kg/client).

In addition, the Group has also set two environmental targets that are unrelated to carbon emissions:

- 95% of paper must originate from recycled or sustainable sources; and
- -15% water consumption.

Environmental reporting

To measure its environmental footprint, the Group Corporate Responsibility team coordinates a network of around 300 dedicated environmental managers and employees in local entities. This network monitors annual progress on its reduction targets through the internal reporting tool, which helps local entities evaluate their own action plans and targets. These managers then analyse indicators, identify performance targets and promote best practice sharing. To accompany these action plans, entities have put in place a wide variety of activities to raise awareness and train employees on environmental issues and risks (e.g. lunch and learn conferences, etc.). At Group level, AXA organizes a yearly event on Corporate Responsibility, the "CR Week" which is rolled out by all local entities. Environmental awareness is one of the key topics addressed during this event.

In addition, an annual transport survey available in 41 countries and in 22 languages is used to help estimating the amount of CO₂ emissions related to home-work commuting and help raise employee awareness on alternative modes of transportation.

Certification and evaluation

PricewaterhouseCoopers Audit, one of AXA SA's Statutory Auditors, reviewed the environmental reporting process (Environmental Protocol, reporting tool, organization), as well as the data

collection processes of eight significant European, Asian and American countries. The auditors' report is included in the Annual Financial Report.

Direct environmental footprint management

Power consumption: IT and Energy Efficiency

GROUP – AXA's power consumption per FTE decreased by 11% in 2014 compared to 2013. AXA entities made significant steps forward on reducing their energy footprint. For example:

MISC. AFFILIATES –

- AXA Technology Services has further pursued its Green IT program based on servers refreshes, data center consolidation and virtualization, PC refreshes and power management. For example, data centers in Germany and Switzerland have reduced their annual energy consumption by 20%;
- some entities have been recognized by their efforts on energy efficiency. For instance, AXA Hong Kong has been awarded with LEED Gold Certification, AXA France's Energi'Com tool was rewarded and AXA Sigorta earned the "Green Office" with the support of WWF organization;
- some entities have selected more energy efficient buildings in cases of location transfers (e.g. AXA Assicurazioni, AXA Germany). AXA Switzerland moved to a new building heated using only incineration heat with a CO₂-emission factor 7-times lower than oil. In addition, 3 of their buildings have installed a photovoltaic system producing about 175,000 kWh per year.

AXA's premises use electricity (78% of floor space), gas (14% of floor space), fuel/steam (6% of floor space) and chilled water (2% of floor space). Of note, the proportion of renewable energy consumed by AXA's premises is 37%.

CO₂ emissions: transportation and energy

GROUP – AXA's CO₂ emissions per FTE related to energy, paper and business travel (air, rail and car fleet) decreased by 3% between 2013 and 2014. 55% of Group CO₂ emissions are related to energy consumption, 24% from business travel (air and train), 14% from AXA's vehicle fleet and 7% from paper.

AXA Tech actively continued the roll-out of its "AXA Presence" advanced teleconferencing system which enables multi-region teams to conduct meetings that retain the feeling of face to face meetings while avoiding the significant carbon emissions and travel time associated with air travel. To encourage employees to reduce travel, the Group has installed 50 video-conferencing rooms since 2008. These have saved 20,920 trips and 21,531 tons of CO₂ in 2014.

Furthermore, employee commuting-related CO₂ emissions per FTE decreased by 25% compared to 2013 to achieve 0.67 T eq. CO₂ per FTE.

GROUP & MISC. AFFILIATES – While multiple local entities have developed greenhouse gas emissions standards for their business travels (air, train, vehicle fleets) over the years, the Group defined common environmental travel guidelines in 2010, which were rolled out across the Group in 2011. These will be updated periodically. These guidelines define carbon emissions limits for AXA's executive and commercial vehicle fleet and encourages a tax "reward & penalty" ("bonus-malus") approach for car allowances, which are required to feature local CO₂ taxes in their Total Cost of Ownership calculations. The Guidelines also feature vehicle security standards and promote employee access to "safe and green driving" courses. Regarding business travel, train and economy travel is encouraged (rail is to be chosen over air for short distances when available, and business class flights, which have a larger CO₂ footprint may be used only for longhaul flights). Self booking tools are also required when possible to integrate CO₂ emissions information and offer alternatives

(e.g. videoconferencing), as well as propose the compensation of CO2 emissions. Finally, employees are to be provided with easy access to video conferencing facilities and online conference tools to the extent possible.

MISC. AFFILIATES – For instance, AXA Germany, is among the first company in Germany to have implemented a “flexible driving” program offering an innovative and environment-friendly way of mobility. Employees are free to use the car-sharing vehicles for their business and private rides, which helps reduce their fleet. Various entities, including AXA MPS and AXA Assicurazioni in Italy, regularly compensate the CO2 emissions of internal and external events. Since 2010 Transport Survey, the Group gives the opportunity to the entity with the highest participation rate to win a Group donation to support an environmental project.

Water consumption

GROUP – AXA’s water consumption per FTE is stable (-0.1%) between 2013 and 2014. Since 2008, AXA entities have achieved a better level of management maturity and reporting quality regarding their water consumption patterns.

MISC. AFFILIATES – Related recent initiatives include the installation of water sensors in bathroom facilities for AXA MPS and water-saving faucets at various entities (e.g. AXA Philippines, AXA China). AXA Business Services India installed water level controllers for the overhead tanks, so that there is no water overflow and resulting wastage. The entity also recycles rainwater.

Paper consumption

GROUP – AXA’s office paper consumption per FTE decreased by 4% between 2013 and 2014. A significant number of entities have implemented a printing policy to help decrease office paper consumption which includes reducing the number of printers, and installing an employee badging system to collect all printed documents. In 2014, AXA’s marketing and distribution paper consumption per customer increased by 12% compared to 2013 mainly explained by regulatory changes (requiring increased use of paper), business growth and a more accurate measurement process in some entities.

MISC. AFFILIATES – For marketing and distribution paper, AXA Equitable put in place a programme to increase the use of online rather than printed financial documents delivered to customers. Many entities are also working on improving their document management by encouraging online customer information exchanges and reducing the volume and length of commercial documentation and customer policies. For example, AXA Seguros Spain reduced the length of its policies by over 40%. AXA is also working on increasing the volume of paper originating from recycled sources or sustainably managed forests. In 2014, AXA used 61% of office paper and 60% of marketing and distribution paper from recycled sources. To promote this type of paper, since 2011 the Group requires environmentally-friendly office paper as a minimum standard for the main group entities. Certain entities, such as AXA Switzerland, France, Mexico, already source 100% of their paper from recycled or sustainably managed sources.

Waste management

GROUP & MISC. AFFILIATES – AXA’s unsorted waste volume has decreased by 2% compared to 2013 while sorted paper for recycling decreased by 27% due to better measurement process and the decrease of paper consumption for some entities (e.g. AXA Insurance UK, AXA Switzerland, AXA Seguros Mexico). Concerning the recycling of ink cartridges and toners, AXA has a positive trend increasing from 61% to 63% in 2014. Indeed, AXA’s IT business unit, AXA Technology Services, for which electronic waste is of particular relevance, strives to ensure compliance with the Waste Electronic and Electrical Equipment (WEEE) Directive.



Business-related environmental impacts: “green” insurance and “responsible investment”

GROUP – In addition to reducing its operational environmental footprint, the Group seeks to minimize its “indirect” impact on the environment by offering insurance and investment solutions that promote environmentally-friendly behaviour.

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Numerous offers with environmental added-value have been developed by various AXA entities in the Property & Casualty business segment:

- In the retail product line: initiatives include motor insurance policies/ products encouraging low CO2 emission vehicles (e.g. promoting electric, hybrid and low emitting), home insurance policies encouraging energy efficiency (e.g. environmental appliances upgrades), renewable energy installations (e.g. wind, solar power, etc.), and environmental claims strategies (e.g. repair rather than replace auto spare parts). In addition, prevention devices (such as smartphone applications) to help raise customer and general public awareness are also being developed.
- In the commercial product line, AXA entities strive to encourage “green” buildings or car fleets. They also promote environmental risk prevention or the development of renewable energies via adapted policies covering the equipment and the revenues derived from electric energy sales, etc. AXA also created a reinsurance pool to develop infrastructures producing renewable energy.

More examples of business-related environmental initiatives are disclosed on <https://www.axa.com/en/about-us/environment-climate-change>.

MISC. AFFILIATES – the Asset Management business, AXA IM has developed a significant Responsible Investment (RI) expertise and tools since 2001. AXA IM developed “RI Search”, a responsible investment research, analysis and environmental, social and governance (ESG) performance evaluation tool. RI Search enables AXA IM fund managers across all areas of expertise, to easily take into account ESG criteria and carbon emissions, when managing their funds and making investment decisions. It also allows fund managers to: Assess the extra-financial risk of an investment or a portfolio of more than 600 companies; Measure a portfolio’s carbon footprint or pick companies according to their carbon intensity; Integrate new factors of performance and stock picking into investment process; Enrich client reporting and better respond to new client requirements; Have access to AXA IM’s RI team’s research.

AXA IM also pursues a “RI mainstreaming” strategy across asset classes, together with specific RI products and shareholder engagement services integrating ESG risks and opportunities. Since 2010, RI Search integrates information provided by Trucost, a carbon performance information provider. AXA IM is now able to measure accurately the carbon footprint of its different portfolios, to benchmark them and to integrate this data into portfolio management. Low-carbon portfolios can also be developed for clients.

In 2010-2011, AXA IM engaged in an external verification process by an independent expert, Deloitte, with regard to the compliance of its RI funds in line with the Principles of Responsible Investment. This initiative meets a growing investor demand and reinforces the transparency of the investment and management processes of AXA IM’s RI funds. Deloitte experts analysed the principles used to manage portfolio construction as well as the procedures and mechanisms related to the investment process. Subsequently, the consultants verified the construction of the portfolio and the transactions

carried out over the course of the previous year for each fund. Given the lack of globally recognised and shared RI standards, with this initiative AXA IM aims to reinforce the internal rules that govern the investment choices of its RI managers and ensure that these rules are abided by. By making these rules public, AXA IM is demonstrating to investors that the construction and management of its RI funds are in line with both their expectations and their convictions.

AXA Real Estate, an AXA IM business, continues to apply environmental criteria to its real estate investment portfolio, within the framework of its Responsible Property Investing strategy. AXA Real Estate is a founding member of the Green Rating Alliance, a major industry partnership for monitoring and improving the sustainability of existing buildings. AXA Real Estate reviews environmental performance and potential through Green Rating audits, performed on a systematic basis as part of its acquisition due diligence process and focusing on six tangible indicators (energy, water, waste, well-being, transports and carbon). AXA Real Estate has also developed a proprietary “Sustainability Toolbox” for its asset managers, comprising of a focused set of efficient sustainability tools such as Automated Meter Reading, Green Leases and Green Ratings which are mutually supportive and can be applied systematically. As of 2011, 49 Green Ratings have been performed on properties under management, over 450 properties equipped with smart meters, 39 Green Leases signed in France and Germany, and a network of 19 sustainability correspondents across 9 European countries has been created. Both AXA IM and AXA Private Equity are UN Principles for Responsible Investment (UN PRI) signatories since 2007 and 2008 respectively. AllianceBernstein also signed up to the UN PRI in 2011.

AXA’s position regarding Climate Change

AXA’s position regarding climate change is not only to adapt, but to take advantage of its privileged position to provide solutions (see above sections). Indeed insurers are well equipped to address climate-related risks. They can fund and promote risk research and education. They possess claims loss data, as well as models and tools to analyse and project this data. They have a duty to disseminate knowledge about such new risks, including previously poorly known threats to society. Insurers, through their significant investments, are also well positioned to send the right signals to the investment community and to the specific companies they invest in. This strategy addresses both the “mitigation” and the “adaptation” dimensions of climate change. They are not solely self-interested or commercially driven, but they need to be global and collective to be effective.

The Group is aware of the key role of the insurance sector in the climate debate. AXA’s work focuses on three main areas:

- enhancing knowledge on climate risk;
- reinforcing climate risk prevention services to help people better anticipate and adapt to the changing climate; and
- developing insurance products and investment policies that promote mitigation and adaptation.

AXA was an active supporter of the COP21 UN climate talks, which took place in Paris in December 2015. In the run-up to COP21, AXA stressed the importance of both climate resilience and of the private sector’s involvement in helping combat climate change and voiced its support for the introduction of a meaningful carbon price and the need for financial rules and regulations that encourage and support quality, long-term investment.

AXA believes it can also inform public policies on the importance of tackling and adapting to climate change. Recent examples of this approach include:

- AXA was named Vice-Chair of the FSB Task Force on Climate-related Financial Disclosures. The TCFD will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The



Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries. The work and recommendations of the Task Force will help firms understand what financial markets want from disclosure in order to measure and respond to climate change risks, and encourage firms to align their disclosures with investors' needs.

- AXA has strengthened its cooperation with the UN Office for Disaster Risk Reduction (UNISDR), particularly in supporting the implementation of the March 2015 Sendai Framework and is working closely on issues of climate change with both the UN Principles for Sustainable Insurance and the UN Principles for Responsible Investment.

The Group is also committed to promoting research and education to better understand and protect against climate risk: the AXA Research Fund will dedicate €35 million to climate risk research by 2018. In addition, AXA works on climate issues through its partnership with the humanitarian organization CARE; this partnership is focused in part on disaster risk reduction efforts among vulnerable populations in both Africa and Asia.

More examples of business-related environmental initiatives are disclosed on

<https://www.axa.com/en/about-us/environment-climate-change>

Maximizing opportunities: the key role of research

GROUP – In a constantly changing world, societies cannot only rely on the past to explain the future, nor on mere incremental adaptation of existing models. The AXA Research Fund (www.axa-research.org) therefore supports independent academic research to challenge local or historical consensus on risks related to:

- environment (Climate change, Weather hazards, Volcanic and seismic risks, Biodiversity risks, Socioeconomic consequences);
- human life (Longevity, Healthy Lifestyle, Infectious and non-infectious diseases, Mental Health and Addictions, Health Policies);
- society and economy (Decision making, Finance and Systemic Risks, Sociopolitical Risks, Macroeconomic Risks, Mathematics).

The AXA Research Fund, the science philanthropy initiative of the insurance leader AXA, supports global fundamental research to understand and better prevent environmental, human life and socio-economic risks.

Since 2007, €131 million (1) have been committed to 449 research projects in 32 countries. AXA Research Fund both undertakes long-term partnerships with top-tier academia and helps them share their discoveries to enrich public debate. Searching today will help better protect tomorrow.

Results or outcomes

- For case study-specific quantitative data, targets, awards, etc, please refer to above texts.
- Environmental reporting, 2014 Group data: see below.



AXA Group environmental indicators (a)	Unit	2013	2014
Number of employees on site, Full-Time Equivalent (FTEs)	FTE	103,554	105,767
Net internal area (sites)	m2	1,767,558	1,750,357
POWER (SITES)			
Power consumption (b)	Mwh	453,709	412,137
KPI: Power consumption per person	Kwh/FTE	4,381	3,897
Evolution compared to 2013 -11%			
TRANSPORTATION			
Business travel: airplane and train (c)	Thousands of km	266,095	310,787
Business travel: AXA vehicle fleet	Thousands of km	271,172	248,795
Home/workplace commute (round trip) (d)	Thousands of km	1,098,634	817,055
CO2 EMISSIONS (e)			
CO2 emissions: onsite power consumption	T. eq CO2	133,520	126,435
CO2 emissions: business travel: airplane and train	T. eq CO2	47,972	56,177
CO2 emissions: business travel: AXA vehicle fleet (f)	T. eq CO2	35,255	31,640
CO2 emissions: paper	T. eq CO2	15,061	16,466
KPI: CO2 emissions resulting from onsite power consumption, paper and business travel (airplane, train, AXA vehicle fleet) per person	T. eq CO2/FTE	2.24	2.18
Evolution compared to 2013 -3%			
CO2 emissions: home/workplace commute (g)	T. eq CO2	93,667	71,342
WATER			
Water consumption (h)	m3	998,509	1,019,028
KPI: Water consumption per person	m3/FTE	9.64	9.63
Evolution compared to 2013 -0%			
PAPER (I)			
Office paper consumption	T	2,523	2,463
KPI: Office paper consumption per person	kg/FTE	24	23
Evolution compared to 2013 -4%			
Paper recycled and/or guaranteeing sustainable management: office	%	70	61
Marketing and distribution paper consumption	T	13,248	14,779
KPI: Marketing and distribution paper consumption per customer (j)	Kg/customer	0,13	0,14
Evolution compared to 2013 12%			
Paper recycled and/or guaranteeing sustainable management: marketing & distribution	%	60	60
WASTE			
Unsorted waste (k)	T	5,633	5,509
Sorted paper for recycling	T	5,595	4,091
Cartridge and/or toners for recycling	%	61	63



redefining / standards

Stable reporting perimeter compared to 2013, representing the 41 most significant countries where the AXA Group is present. Key Performance Indicators (KPIs) highlighted in bold.

(a) In 2014, environmental indicators were collected for sites representing 90,988 FTEs (unless otherwise indicated in these footnotes) and were then extrapolated,

continent by continent, to cover all 105,767 salaried FTEs working at the AXA Group as of 31/12/2014. In 2013, this process took place on the basis of data collected from 89,830 FTEs, extrapolated to 103,554 FTEs.

(b) Includes electricity, natural gas, heating oil, steam and covers 90,988 FTEs.

(c) This data has been collected from 88,638 FTEs.

(d) Home/workplace commute estimations are based on an annual online transportation survey, issued to every AXA salaried employee. This data has been collected from 23,220 FTEs and then extrapolated. Sites whose response rate was below 5% have been excluded from the data consolidation process.

(e) The emissions factors specific to each country used for energy, train and air were revised in 2013. Source: the International Energy Agency (IEA) and Ademe. In 2014,

the emission factor for heating oil has been revised for 2013.

(f) The AXA vehicle fleet covers 90,376 FTEs.

(g) Does not include company cars, to avoid double counting with the AXA vehicle fleet data.

(h) This data has been collected from 84,015 FTEs. Some sites in Asia and America are not equipped with water meters, which prevents accurate measurement and excludes them from the reporting scope before extrapolation. However, entities are starting to better track their water consumption with the installation of water meters

(e.g. data centers, AXA Ireland).

(i) Paper indicators covers 90,988 FTEs.

(j) The Group had 103 millions customers in 2014.

(k) Unsorted wasted covers 71,596 FTEs, which is low as many entities are currently unable to monitor this waste flow.



Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

AXA's responsibility towards our shareholders includes ensuring the long-term viability of the company through sound and transparent corporate governance and a culture of business ethics, supported by AXA's Standards and Code of Ethics.

Actions recently implemented

GROUP - AXA's Group Compliance and Ethics Guide ("the Guide") seeks to establish Group-wide guidelines and rules to ensure that AXA Group companies and employees have a common understanding of applicable ethical standards, participate in the fight against corruption and conduct business accordingly. The Guide covers a variety of matters, including specific rules concerning conflicts of interest, transactions involving AXA securities and those of its listed entities, confidentiality and control of sensitive information as well as record keeping and retention. The Guide also seeks to reflect AXA's values. Most of AXA's principal operating entities have developed ethical guidelines that comply with local regulatory and statutory requirements. The Guide is available on the Group's website (www.axa.com).

In 2013, AXA became a member of the non-profit Transparency International France and, therefore, supports TI's vision, values and founding principles disclosed in their so-called "Charter".

More information about these commitments: www.transparency-france.org/