



AXA's partnership with the Carbon Disclosure Project



AXA has taken part in the CDP surveys since their launching in 2002. AXA also co-funded the SBF 120 and FT500 surveys and, since 2005, co-hosts the presentation of CDP findings in its Paris headquarters. As a major actor in the financial protection sector, AXA seeks to share its convictions as widely as possible, particularly with businesses and the financial community as a whole.

As a long-term investor in the financial markets, AXA is convinced that emerging constraints on carbon emissions do impact company performance. AXA thus calls for standardized analytical tools to measure the "carbon performance" of its holdings. As an expert on risk management, AXA is committed to its role of "watchman", by promoting the research aimed at understanding and preventing major risks - such as those linked to climate change - and by alerting policy makers and the general public. Through its innovating products, services and consultancy, AXA is equally committed to its role as an initiator within the industry.

AXA's response to Climate Change-related risks and opportunities

AXA is committed to protecting the environment by enabling its clients to benefit from its environmental risk prevention research and expertise ; developing responsible investment solutions ; and improving its own environmental record. The CDP's analysis encompasses all of these approaches.

Central research

Improving environmental risk assessment by developing specialist risk management research and structures

- Extensive research and modelling performed by AXA's Group Risk Management Team
- Key exposure findings include damage linked to high winds, storm surges and flooding.
- Creation of specific structures :
 - AXA Task Force (Climate Core Group) interacting with Cat Actuaries, Reinsurance Climate Team and worldwide industry practice leaders to focus research on the leading climate change assumptions.
 - Emerging Risks Working Group on Climate Change to assess risks and identify & propose business solutions
 - AXA Research Fund with resources earmarked for climate change issues

Business response

Reducing the environmental footprint of insured clients and invested companies by influencing their behavior.

- Creation of new insurance products with added environmental value
- Promotion of environmental risk prevention measures
- Enhanced assessment of exposure to climate-related risks ; cover pricing adaptation
- Encouraging environmentally responsible behavior by businesses and governments through the development and/or promotion of specialized funds for our retail and institutional clients.
- Promotion of industry-level initiatives (Carbon Disclosure Project, CRO Forum, UNEP FI Insurance Working Group co-chair, European Insurance Federation, etc). AXA Insurance UK CEO is Group focus point for climate change.

Corporate response

Improving our own environmental reporting and footprint.

- Environmental management system roll-out, including :
 - Energy consumption : 5% reduction by 2009 period (kWh/FTE)
 - CO2 emissions : 5% reduction by 2009 period (T eq, CO2/FTE)
- These targets cover the 2007-2009 period, with the 2005 baseline year.

AXA's Sustainable Development Strategy: <http://www.axa.com/en/responsibility>

International commitments and collaborative initiatives linked to environmental protection

UNEP FI Statement of Environmental Commitment signatory - Co-Chair of UNEP FI Insurance Working Group - UNEP FI Climate Change Working Group member - CRO Forum Emerging Risks and Climate Change committees member - Carbon Disclosure Project partner - UNEP FI Real Estate Working Group member - Principles for Responsible Investment signatory (AXA IM) - Enhanced Analysis Initiative supporter (AXA IM) - ABI Climate Change Commission Chair (AXA Insurance UK) - Geneva Association Chairmanship - Risk Foundation co-founder - UN Global Compact signatory - EpE, ORSE member

AXA's response to Climate Change as a major P&C insurer and world-class investor

Climate change presents commercial opportunities for AXA. The Group has developed a range of specific products and services exploring new opportunities created by the gradual shift to a low-carbon economy.

GENERAL INSURANCE

Motor insurance

Limited mileage policies / « Pay As You Drive »

Several AXA subsidiaries offer limited mileage policies. Such packages effectively encourage customers to use their vehicles less, which directly translates into significant reduction in greenhouse gas emissions. AXA Group examples include:

- Premium discounts for corporate fleets using new GPS-enabled tracking system (France).
- Low mileage discounts (Canada, UK, Switzerland...)
- Italy: "Pay as you drive" product with an innovative service dedicated to young drivers and their parents, in order to monitor the driving style of young insured drivers. Driving style is rated every month and differentiated between daytime and night-time driving. A discount is offered upon contract renewal if the driver collects enough "points" by avoiding accidents.

Insuring "clean" vehicles

Through discounted insurance policies, motor insurers can actively encourage drivers to move towards low-consumption or hybrid vehicles. AXA Group examples include:

- Discounts for hybrid, LPG, electric, biofuels or low-consumption vehicles (Canada, Switzerland, UK, France, Thailand, Ireland...).
- Spain: electric scooters premium discounts, through an agreement with electric scooters manufacturer recommending AXA as a preferred insurance company, while applying a competitive premiums to these vehicles.

Home Insurance

The promotion of energy efficient homes through home insurance premium discounts influences customers in enhancing insulation, modernise heating equipment and appliances, promoting newer builds, using renewable energy sources, comply with low energy standards and certificates, etc. AXA entities also provide advice to reduce energy consumption. Similar initiatives are undertaken for office premises. AXA Group examples include Canada, Switzerland, the UK, Spain...

Renewable energy production insurance

Insurers can facilitate the development of new sustainable technologies by correctly pricing premiums to reassure investors. Insuring wind farms infrastructures is consistent with this approach. AXA plays a major role in the development of these markets in Germany, and is extending this expertise in Europe, including offshore wind farms.

Offsetting CO2 emissions

AXA offers insurance policies via the "Climatesure" portal. The system estimates the CO2 produced by the insured vehicle or the air travel involved in the insured trip then enables customers to purchase travel or motor insurance products effectively compensating for (offsetting) the related CO2 emissions, without any price premiums.

Small and medium-sized businesses

UK: flooding risk prevention for SMEs

AXA Insurance UK focuses on flooding in certain regions, largely as a consequence of climate change. A wide range of initiatives and services have been developed in this vein: dedicated research on the threat posed by climate change to UK small businesses; various guides (SME protection from flooding risks, carbon calculator for SMEs, climate change information on the SME internet site), tailored consulting and insurance product offering (including premium discounts for offsetting).

ASSET MANAGEMENT - RESPONSIBLE INVESTMENT

AXA Investment Managers was one of the early movers on Socially Responsible Investment and Corporate Governance research, the precursors to today's Responsible Investment (RI) work. The more general integration of Environmental, Social and Governance (ESG) factors in investment decisions improves the longer-term performance of the Group's assets. AXA Investment Managers' RI team's main mission is to analyze human capital, reputation, environmental litigation, corporate governance, health & safety and other extra financial factors at stake in selected sectors, then help mainstream investment professionals within AXA IM integrate this knowledge into their investment decisions. AXA IM Responsible Investment products and services include:

- Funds: *AXA UK Ethical Fund* monitors the social, environmental and ethical performance of companies; *AXA Euro Valeurs Responsables* identifies companies that have strong corporate responsibility or sustainable development policies and practice.
- ETF ASPI Eurozone: an exchange traded fund tracking the Advanced Sustainable Performance Index which is based on Vigeo data (CSR rating agency).
- AXA Real Estate Investment Managers has drawn up an environmental charter representing an environmental frame of reference for all of AXA REIM's assets that are under construction or redevelopment. Every new AXA offices must obtain the highest local standards regarding environment protection (HQE, BREAM...)
- Active and transparent voting policy on ESG themes: AXA's asset management subsidiaries are in constant contact with the boards of companies in which they invest to ensure that long-term environmental, social and governance issues increasingly feature on the voting agenda.