



## Communication - July 2007

### AXA announces decision to pull out of investments in companies that produce cluster bombs

AXA announces its decision to pull out of investments in companies that produce cluster bombs. This decision reflects an active analysis of the evolution of the international political and technical consensus that is forming around the unlawful nature of certain weapons and expands AXA's existing policy on anti-personal mines. This policy covers investments of the AXA Group's general account insurance assets<sup>1</sup> and does not cover assets that it manages on behalf of third parties.

Going forward, the Group has taken the following decisions:

#### Anti-personal mines (APM)—review:

- The manufacturing and distribution of APMs is banned by the Ottawa Convention, signed by a large number of countries, though with the exception of the USA notably.
- In April 2006 the AXA Group announced that it would no longer hold own account investments in companies that produce or sell APMs and that it would develop a process for identifying these companies.
- The adoption of this policy thus reflected the broad-based consensus on APMs embodied in the Ottawa Convention.
- Today, AXA's policy on APMs has been fully implemented.

#### Cluster bombs:

- This term refers to diverse weapons (generally of the shell type), whose use, production or distribution are allowed under the Geneva Conventions. These bombs are made up of dozens of grenades designed to explode on the ground upon impact. Some of them fail to explode upon impact and thus pose a threat to civilians after hostilities have ceased. Some NGOs consider that this *de facto* failure to discriminate between civilians and combatants is a violation of international humanitarian law and, therefore, argue that cluster bombs should be banned through an international convention like the Ottawa Convention.
- The Oslo Process was launched in February 2007 against this backdrop. Certain difficulties related to the technical definition of cluster bombs were raised at the second conference, which ended in May 2007. Nonetheless, the many governments that took part in this series of conferences promised to devise a treaty prohibiting cluster bombs "that cause unacceptable harm to civilians" between now and 2008.
- While no international convention banning cluster bombs is yet in place, the AXA Group acknowledges that there is an emerging international consensus around the banishment of certain types of cluster bombs.
- **Consequently, the Group has decided to begin the process of disengaging from its investments for own account in companies that produce cluster bombs.**
- **As was the case for anti-personal mines, the Group will call on independent experts to assist it in completing the complex process of identifying the companies involved, and has asked Handicap International and Amnesty International to collaborate.**

<sup>1</sup> The proprietary assets of the Group's insurance subsidiaries which include the invested premiums paid by policyholders.

- The Group is not at liberty to impose its own choices on third-party client investments. **Nevertheless, AXA stands ready to discuss its investment policy with any third party client who desires to understand the underlying rationale of this policy for purposes of making its own fully informed investment decisions.**

#### **AXA Group commitments towards human rights:**

- AXA supports the Universal Declaration on Human Rights, which it has explicitly recognized by signing the Global Compact and by joining UNEP FI (United Nations Environment Program Finance Initiative). This is clearly stated in the AXA Group's Compliance and Ethics guide.
- Our vision of managing our business in a socially responsible manner has driven us to actively manage these commitments on an ongoing basis and this will be an area of continued improvement for us.
- AXA's line of conduct is consistent with respect to all sensitive issues concerning society. AXA seeks to reconcile and meet the expectations of its main stakeholders. However, the Group considers that businesses have neither the expertise nor the legitimacy to take positions on the various ethical issues raised by representatives of civil society, because these are political. International law mirrors the political and technical consensus that governs these situations. When an underlying consensus is expressed, AXA bases its own decisions on this consensus.

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#### **About the AXA Group**

The AXA Group is a worldwide leader in Financial Protection. AXA's operations are diverse geographically, with major operations in Europe, North America and Asia Pacific. AXA had IFRS revenues of 79 billion euros and underlying earnings of 5,140 million euros in 2006. AXA's stock is listed on the Paris Bourse and the NY Stock Exchange, and is included in the FTSE4GOOD and ASPI Euro Zone ethical indices.

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#### Additional information:

Website: <http://www.axa.com/en/responsibility>. See also <http://www.axa.com/en/publications>, under "sustainable development" for our communications on this subject since 2006.

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