



Communication – December 2008

AXA's divestment of companies that produce or sell cluster bombs has been completed

AXA's divestment of its holdings in companies that produce or sell cluster bombs, decided and announced in July 2007, has been completed in full. This initiative follows the 2006 divestment from companies that produce or sell anti-personnel landmines. Both of these divestment initiatives cover holdings among the AXA Group's general account insurance assets. In doing so, AXA substantiates its commitment to undertake tangible actions in line with new international guidelines.

Our rationale: AXA's line of conduct

As expressed in previous Group communications, AXA believes that private sector business enterprises have neither the expertise nor the legitimacy to take positions on political and/or ethical issues raised by representatives of civil society. The Group, however, has monitored very closely the evolving consensus in international conventions and law with respect to anti-personnel landmines and cluster bombs. In this context, AXA's decision to divest was taken after a clear international consensus emerged with respect to these types of weapons:

- Anti-personnel landmines are outlawed by the Ottawa Convention (signed 1997)
- Cluster bombs are similarly covered by the "Oslo process", a political negotiation process initiated and supported by numerous governments in 2007, to be closed in December 2008 with a formal treaty prohibiting cluster bombs "that cause unacceptable harm to civilians".

Divestment perimeter

The divestment policy covers investments of the AXA Group's general account insurance assets¹.

Regarding assets that the Group manages on behalf of third parties, from a legal and fiduciary point of view AXA is not at liberty to impose its own choices on third-party clients. Nevertheless, AXA Investment Managers, AXA's wholly-owned asset management subsidiary, has itself taken the decision to divest holdings in companies that produce or sell cluster bombs from the retail mutual funds (non-index based) that it manages.

Divestment process

Following the July 2007 announcement of AXA's decision to divest cluster bombs manufacturers, the following main steps were taken:

- Definition of "cluster bombs": involving external technical experts as well as an analysis of the legal definition of such weapons within the context of the "Oslo process" negotiations as well as other fora such as the Convention on Certain Conventional Weapons.
- Identification of cluster bombs manufacturers: a list was developed by AXA building on research from external technical experts as well as certain NGOs in order to identify relevant product types and related manufacturers.
- Launch of internal divestment process for effective implementation by portfolio managers.

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

An issue for all investors

AXA believes the issue of investments in manufacturers of such weapons is a concern for all investors, extending beyond AXA as a single actor. In this context, AXA seeks to encourage sector-based initiatives to share best practices and discuss technical findings on a voluntary basis.

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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 the Asia/Pacific area. For full year 2007, IFRS revenues amounted to Euro 93.6 billion and IFRS adjusted earnings to Euro 6.1 billion. The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISIN FR0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). The American Depository Share is also listed on the NYSE under the ticker symbol AXA. AXA is included in the DJSI, FTSE4GOOD and ASPI EUROZONE “Socially Responsible Investment” indexes.

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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.

Contact: sustainability@axa.com