



Communication – March 2007

The financial sector and investments in companies producing antipersonnel landmines and cluster bombs

AXA pays attention to the questions concerning its investments in companies which may produce antipersonnel landmines and cluster bombs. AXA manages those investments responsibly and has taken decisions in that direction, pursuing a continuous dialogue with the concerned NGOs. The latest news related to the Oslo conference lead AXA, as a responsible investor, to call for a broad reflection of companies active in the financial services market on the indirect role that the sector could play through certain of its investments.

1. AXA's approach:

- AXA has indeed been alerted by NGOs that certain of its investments are placed in companies which may be producing antipersonnel landmines and cluster bombs. AXA conducted research and a dialogue with these NGOs to further explore this question.
- Taking into consideration the existence of a fundamental consensus on antipersonnel landmines demonstrated by the large ratification of the Ottawa Convention, AXA decided at the beginning of 2006 to extend its application to its own-account investments (assets owned by the insurance companies of the Group) and to all of its companies across the world.
- In 2006 the process of identifying companies which produce antipersonnel mines was established with two well-known SRI (Socially Responsible Investment) research agencies, and the divestment process of thousands of investment lines involved worldwide was set-up. Today the commitment taken by AXA is fully applied.
- Concerning cluster bombs, AXA is currently pursuing the analysis of this issue. The Oslo Conference last week brought together an increasing number of countries (of which Germany, France and the UK) which committed to elaborate an international convention prohibiting the production and use of cluster bombs in the framework of the current International Conference on Conventional weapons. The emergence of a technical and political consensus will certainly allow AXA to identify a reference on which to base a new decision for its own-account investments.
- Concerning third-party customer investments, the common responsibility to financial institutions is to manage them according to their customers' interests. AXA therefore complies in doing so. AXA however commits to improve the communication of its own rules of investment to its customers, knowing that it cannot impose this specific criterion on its own decision.



- Furthermore, AXA offers SRI fund which don't include companies producing controversial weapons to its customers with specific exclusionary requests.

2. Context:

The human consequences of the use of these controversial weapons cannot be ignored. However, companies and institutions are confronted to sometimes divergent stakeholder expectations. It is their responsibility to analyse all of these facts:

- In 1995 a technical and political consensus was established at an international level, which allowed the signature of the Ottawa Convention by a majority of states including France, but excluding the United States, notably. This convention prohibits the production, distribution and use of antipersonnel landmines by signatory countries.

- Cluster bombs are war weapons allowed by the Geneva Convention. This term covers various weapons of which the use and production are not illegal.

- Large companies with armament activities are high-technology companies with multiple activities. They are assembled indifferently by investors in the aerospace & defence sector. The ones which produce controversial weapons generally do so marginally. If no international convention bans weapon production it is because the defence industry is necessary to the support of democracy and to the protection of human rights, as is fighting terrorism for example.

3. AXA and respect for human rights:

AXA supports the Universal Declaration on Human Rights, which it has explicitly recognized by signing the Global Compact and by joining the UNEP FI (United Nations Environment Program Finance Initiative). This is clearly stated in the AXA Group's Compliance and Ethics guide.

Monitoring and managing these commitments is an ongoing process that we take seriously and will be an area of continued focus for us.

As part of AXA's sustainable development strategy, we have decided to gradually integrate sustainable development criteria into our investment policies.

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About the AXA Group

The AXA Group employs 94,000 people worldwide and is a worldwide leader in Financial Protection. AXA's operations are diverse geographically with major operations in Western Europe, North America and Asia Pacific. AXA had Euro 1,315 billion in assets under management as of December 31, 2006.

For full year 2006, IFRS revenues amounted to Euro 79 billion. 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.