



Communication release- July 2006

AXA's position on its investments in firms manufacturing controversial weapons, In response to Amnesty International's open letter

In an open letter dated June 27, Amnesty International asked AXA about its investment holdings in firms that produce anti-personnel mines and cluster bombs. AXA was questioned also about being a responsible corporation means being responsible for its stakeholders.

The issues raised are very significant because of their impact on people, they are also extremely complex.

As a public company and investor on behalf of its customers, AXA must pay attention to the sometime divergent expectations of its stakeholders around the world.

It is important, at the outset, to bear in mind that AXA does not deliberately invest in this or that manufacturer of anti-personnel mines or cluster bombs, irrespective of a company's performance. We often select our investment based on sector considerations, either in a "passive" manner, by mirroring benchmark indexes, or through an "active" process, by selecting particularly attractive corporations. These include aerospace and defense firms, which are usually active in several high-technology lines of business. It should be kept in mind – and there lies one of the problems – that some of their activities can generate innovations that benefit humanity.

Nevertheless, we have come to the realization that some of the companies selected by us on the basis of their overall performance were also producers of anti-personnel mines. Consistent with our concept of corporate responsibility, our business strategy and our international commitments, we accordingly resolved to no longer invest the funds of AXA insurance entities in those corporations. Given the international consensus reached at the Ottawa Convention, we have decided to apply this rule to all AXA Group's general account assets, existing and future. Existing holdings have been disposed of.

A corporation is certainly responsible for the impact its business can have *in regards to* its stakeholders. It can explain its decisions and must take responsibility for them. On the other hand, a corporation's responsibility *for* its stakeholders does not extend beyond the legal, contractual ties that bind it to them. With regard to the third-party accounts, these hold the funds of our customers, who are for the most part institutions and who assume all of the risks involved. They are accordingly treated separately in our financial statements. Our fiduciary responsibility to our customers does not permit us to exclude in principle certain types of investments, unless the customers themselves expressly request it. Whenever they do, we of course comply with their instructions.

On the other hand, notably in the case of our AXA Investment Managers subsidiary, we intend to inform third-party customers, whether institutions or individuals, about the rules governing our own investments

in landmines producers, so as to bring this issue to their attention. As you may know, AXA is already informing the public about its commitments in this regard (on www.axa.com).

As far as firms manufacturing controversial weapons other than anti-personnel mines are concerned, we will be prepared to exclude them from our investment activity only if there is a consensus on this issue evidenced by an international treaty. The reason we have been able to rule out investments in companies making anti-personnel mines is that there was a consensus on this issue sufficient to produce an international convention, which has now been ratified by most governments. We do not have the expertise required to take investment policy positions on all issues raised by various stakeholders. In our opinion, in a democratic system, these issues are of a political nature and must be decided by elected government officials.

AXA and respect for human rights:

AXA's culture identifies human rights as a core concern. At AXA, we intend to do business responsibly, which means that wherever we do business, our behavior must be guided by the same set of commitments to our key stakeholders—clients, employees, shareholders, suppliers, the environment and the community.

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.

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 90,000 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 1,064 billion in assets under management as of December 31, 2005. For full year 2005, IFRS revenues amounted to Euro 72 billion and IFRS underlying earnings amounted to Euro 3,258 million. The AXA ordinary share is listed and trades under the symbol AXA on the Paris Stock Exchange. 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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For additional information:

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