Responsible Property Investing

AXA REIM’S ACTIONS UNDERTAKEN IN FRANCE
UNEP FI Property Working Group 29/30th JUNE 2006
AXA REIM - background

- Founded in 1999, a wholly-owned subsidiary of AXA Investment Managers
- Core business is real estate fund and asset management
- AXA REIM's growth has been organic
- € 29 billion in assets under management as at 31st December 2005 across all property types

Top Ten European Real Estate Asset Managers

1) Source: Europroperty / INREV fund managers survey –Published May 2006 - Data as at 31st December 2005
Pan-European property expertise across all sectors and property types

Breakdown by Property Type

- Offices: 45.5%
- Retail: 26.4%
- Industrial: 3.4%
- Residential: 3.9%
- Hotel / Leisure: 7.9%
- Development / Land: 8.4%
- Others: 2.6%

Breakdown by Location

- UK: 38.3%
- Germany: 34.5%
- France: 12.6%
- Spain: 6.6%
- Portugal: 0.5%
- Netherlands: 0.4%
- Italy: 1.7%
- Austria: 1.9%
- Belgium: 0.1%
- Central Europe: 6.6%
- Others: 3.2%

Significant investment expertise

1) Data as at 31st December 2005. These figures do not yet reflect net new money as of today. Amounts exclude committed but not yet invested equity. 2) Cash deriving from open-ended retail funds.
Highly developed local infrastructure: a real competitive advantage

- Local offices in 9 European countries facilitate true local market involvement
- Currently active in 12 European countries\(^1\)

Dedicated team of 420\(^2\) professionals worldwide

\(^1\) These include the 9 countries in which we have local offices, as well as Poland, Slovakia and Sweden.
\(^2\) Data as at 31st March 2006
**AXA REIM commitment** to the concept of sustainable development: case of France

- stakes
  - a progressive process initiated some years ago
  - new buildings and renovation

- **A project leading to an action plan**

- **An example of social practice entering RPI strategy**

- Appendix: What is HQE (High Environmental Quality)
In this slide, the AXA REIM commitment to the concept of sustainable development is highlighted, focusing on their case study in France. The slide outlines the staked goals of the company, which include:

- Anticipating and meeting clients’ expectations by:
  - Satisfying the growing number of requirements of building occupants (particularly in the service industry) regarding air quality, lighting, comfort, etc.
  - Enabling building occupants to improve their company rating, regarding sustainable development.

- Striving for excellence in designing quality buildings and sharing this goal with partners: developers and property managers.

- Strengthening their leadership position in terms of anticipating and monitoring the increasingly complex and numerous regulations that control the position of proprietor/owner (Safety, Environment, etc...).

- Continuously improving their risk management policy regarding the prevention of environmental and safety risks.
AXA REIM commitment to the concept of sustainable development: case of France

- A progressive process initiated some years ago
  - implementation of a professional Code of Ethics regarding our customers
  - deployment of a Safety Management System covering the areas of HSE (Health, Safety and Environment)
  - compliance with regulatory standards
  - managing and preventing risks through a pro-active policy in terms of the safety of existing buildings.

- These actions have been done in partnership with our property managers who have integrated these requirements in order to achieve the ISO 9000 Quality Certification.
Concerning **new buildings and renovation projects** our commitment has been expressed by various initiatives such as:

- the disposal of asbestos waste,
- the consideration of soil pollution,
- the selection of cleaner and more effective energies...

The current renovation of the **Opus 12 tower** in Paris La Défense area is a good example of such an action. Though designed in 2000, the project already incorporated a set of techniques compliant with the French “High Environmental Quality” (HQE) label (see appendix):

- quest for maximal flexibility in terms of space, acoustic and lighting comfort,
- air and water quality, ensuring a high level of sanitary safety addressing bacteriological risks,
- implementation of a friendly environmental maintenance management.
A project has been launched in 2003 and enabled us to:

- recognise the value of existing achievements and measure that our recent real estate developments were practically already compliant with HQE norms though in a disparate manner,
- determine that the extra cost of our Environmental Quality (EQ) endeavour was economically viable and would enable us to create value in the long term, thus embodying a competitive advantage in terms of our product positioning,
- acknowledge that regulations in this area, at both national and European level, were gaining speed.
A project leading to an action plan

In December 2004, a plan has been agreed around the following principles:

- adopt Sustainable Development Guidelines and Environmental Quality (EQ) Charter,
- enforce a systematic and preliminary analysis of any development project in order to define from the outset its targets in terms of EQ,
- rework the environmental reporting scorecard used to monitor AXA Group facilities and adapt it to our investment properties.
Social practice currently employed with Saint Denis Shopping Mall

Shopping Mall in Saint Denis North suburbs of Paris:
- low attractiveness, need for refurbishment
- underprivileged area, frequent conflicts with violent population

Issue:
- misunderstanding of the population needs
- difficult access to employment
- discrimination, exclusion feeling

Social intégration project:
- meetings with young people initiated by the property manager
- organisation of professional actors/young people discussion
- hiring and internships offer

RPI strategy matching social issue and investor goal
What is HQE?
A 14-step procedure –

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<td>Harmonious integration of the buildings with their immediate environment</td>
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<td>Well-integrated construction procedures and materials</td>
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<td>Construction sites that cause few environmental nuisances</td>
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<td>Sanitary conditions of the living/work areas</td>
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