



**AXA Group
Progress Report Principles for Sustainable Insurance**

Company Name	AXA Group	Date	June 2013
Address	25, avenue Matignon, 75008 Paris, France.	Membership date	2012
Country	France	Number of employees	113,422 (year end 2012)
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PSI support

On 19 June 2012 in Rio de Janeiro, just before the Rio +20 United Nations Conference on Sustainable Development, the AXA Group and 26 insurance companies from all around the world sign the Principles for Sustainable Insurance (PSI).

The signing is the culmination of a project launched in 2006 among insurance industry leaders and coordinated by the United Nations Environment Programme (UNEP). The AXA Group has since the beginning been strongly involved in the design of these principles with the UNEP FI, and was notably Chair of the working group from 2006 until 2010.

The four main principles (see below) describe how corporate responsibility should be incorporated by insurers in their business. By signing the PSI, the AXA Group is committing to address environmental, social and governance (ESG) issues in the way it conducts its business as an insurer and in its relations with all of the industry's stakeholders, including customers, suppliers and government agencies.

Principle #1

We will embed in our decision-making environmental, social and governance issues, relevant to our insurance business.

Company strategy

Establish a company strategy at the Board and executive management levels to identify, assess, manage and monitor ESG issues in business operations

- Environmental, Social and Governance (ESG) issues monitored through regular reporting by Group Corporate Responsibility department to the senior management (Executive Committee, Board of Directors, Group Corporate Responsibility Committee). [Activity & Corporate Responsibility Report – 2013 \(Page 92 - 95\)](#)
- Corporate Responsibility Self-assessment / related strategy framework enabling identification of ESG strengths and weaknesses. [Activity & Corporate Responsibility Report – 2012 \(Page 91\)](#)
- Local Corporate Responsibility strategic plans integrated in Group Strategic Planning process. [Activity & Corporate Responsibility Report – 2012 \(Page 91\)](#)
- Chief Corporate Responsibility Officer network coordinating local ESG initiatives at executive level. [Activity & Corporate Responsibility Report – 2012 \(Page 88\)](#)



<p>Dialogue with company owners on the relevance of ESG issues to company strategy</p>	<ul style="list-style-type: none"> ▪ Annual presentation of CR strategy progress to Board of Directors ▪ Ongoing meetings with SRI analysts ▪ SRI roadshows ▪ ESG information included in Annual General Meeting Annual General Meeting (Page 25-26)
<p>Integrate ESG issues into recruitment, training and employee engagement programmes</p>	<ul style="list-style-type: none"> ▪ AXA University Induction program for new hires ▪ Progressive roll-out of AXA University training modules incorporating elements of CR for the different professional families. Registration document – Annual Report 2012 (Page 377) ▪ E-learning for compliance & ethical conduct training developed at Group level. AXA.com – Corporate Responsibility in action

Risk management and underwriting	
<p>Establish processes to identify and assess ESG issues inherent in the portfolio and be aware of potential ESG-related consequences of the company's transactions</p>	<ul style="list-style-type: none"> ▪ Group Risk and Compliance Committee identification of ESG-related reputation risks & mitigation (controversial / sensitive business sectors with impact on investment and insurance business). Registration document – Annual Report 2012 (Page 334) ▪ Controversial weapons exclusion policy (corporate business). Registration document – Annual Report 2012 (Page 389) / AXA.com – Responsible Investment ▪ AXA has also decided to join the United Nations. Principles for Responsible Investment / AXA.com – Commitments ▪ AXA Group created a Responsible Investment Committee (RIC), presided by the Group Chief Investment Officer. AXA.com – Responsible Investment
<p>Integrate ESG issues into risk management, underwriting and capital adequacy decision-making processes, including research, models, analytics, tools and metrics</p>	<ul style="list-style-type: none"> ▪ ESG issues integrated in P&C Commercial underwriting guidelines. Registration document – Annual Report 2012 (Page 389) ▪ Several ESG issues (climate change, nanotech, etc.) integrated into Group Risk Management modeling tools and emerging risks “radar”. AXA.com – ESG Risks ▪ Group tools (e.g., PERILS to analyze climate-related risks). Registration document – Annual Report 2012 (Page 385)

Product and service development	
<p>Develop products and services which reduce risk, have a positive impact on ESG issues and encourage better risk management</p>	<ul style="list-style-type: none"> ▪ Green commercial offers. AXA.com – Corporate Responsibility in action ▪ Microinsurance toolkit. Activity & Corporate Responsibility Report – 2012 (Page 99) ▪ AXA.com – Customers & Products



<p>Develop or support literacy programmes on risk, insurance and ESG issues</p>	<p>“Risk Research and Education” program:</p> <ul style="list-style-type: none"> ▪ CARE program (including “Where the Rain Falls” research paper). AXA.com – Risk Research & Education / Activity & Corporate Responsibility Report – 2012 (Page 98) / Registration document – Annual Report 2012 (Page 385) ▪ AXA Research Fund: climate change research. AXA.com – Risk Research & Education ▪ AXA Paper on Climate Risks. AXA.com – Climate Change ▪ Junior Achievement partnership. AXA.com – Risk Research & Education / AXA Press Release – Junior Achievement
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Claims management	
<p>Respond to clients quickly, fairly, sensitively and transparently at all times and make sure claims processes are clearly explained and understood</p>	<ul style="list-style-type: none"> ▪ For an insurer, respect for the client includes the quality of transparent and accurate information provided, as well as a duty to provide sound advice and guarantee confidentiality at all times, fair treatment for all, and honest advertising messages. AXA.com – Treating customers fairly
<p>Integrate ESG issues into repairs, replacements and other claims services</p>	

Sales and marketing	
<p>Educate sales and marketing staff on ESG issues relevant to products and services and integrate key messages responsibly into strategies and campaigns</p>	<ul style="list-style-type: none"> ▪ P&C product blueprints for commercial lines (e.g., environmental pollution)
<p>Make sure product and service coverage, benefits and costs are relevant and clearly explained and understood</p>	<ul style="list-style-type: none"> ▪ Group Marketing Clear Communications program Activity & Corporate Responsibility Report – 2012 (Page 100-101)

Investment management	
<p>Integrate ESG issues into investment decision-making and ownership practices (e.g. by implementing the Principles for Responsible Investment)</p>	<ul style="list-style-type: none"> ▪ AXA has decided to join in 2012 the United Nations Principles for Responsible Investment / AXA.com – Commitments ▪ AXA Group created a Responsible Investment Committee (RIC), presided by the Group Chief Investment Officer. AXA.com – Responsible Investment



Principle #2

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions

Clients and suppliers

<p>“Dialogue with suppliers on the benefits of proper management of ESG issues”</p>	<ul style="list-style-type: none"> Group procurement CR strategy and implementation of tools enabling advanced screening of suppliers on environmental and social performance. AXA.com - Suppliers / Activity & Corporate Responsibility Report – 2012 (Page 103-105) / Registration document – Annual Report 2012 (Page 388)
<p>“Provide suppliers with information and tools that help them manage ESG issues”</p>	<ul style="list-style-type: none"> Group procurement CR strategy & tools (e.g., integration of 3rd party supplier assessment in RFP process). AXA.com - Suppliers / Activity & Corporate Responsibility Report – 2012 (Page 103-105) / Registration document – Annual Report 2012 (Page 388)
<p>“Integrate ESG issues into tender and selection processes for suppliers”</p>	<ul style="list-style-type: none"> Group procurement CR strategy and tools. AXA.com - Suppliers / Activity & Corporate Responsibility Report – 2012 (Page 103-105) / Registration document – Annual Report 2012 (Page 388)
<p>“Encourage suppliers to disclose ESG issues and to use relevant disclosure frameworks”</p>	<ul style="list-style-type: none"> Ecovadis supplier assessments and associated remedial actions. AXA.com - Suppliers / Activity & Corporate Responsibility Report – 2012 (Page 103-105) / Registration document – Annual Report 2012 (Page 388)

Insurers, reinsurers and intermediaries

<p>Promote the adoption of the Principles</p>	<ul style="list-style-type: none"> UNEP-FI Insurance Commission (chair until 2011). AXA.com – Commitments AXA Group partners already supporting the PSI initiative (Allianz, Munich Re, Swiss Re, etc). AXA.com – Commitments
<p>Support the inclusion of ESG issues in professional education and ethical standards in the insurance industry</p>	<ul style="list-style-type: none"> Ongoing “roadshow” by AXA and partners to promote PSI within local and international trade organizations. AXA.com - PSI Participation in numerous industry working groups on ESG / CSR where ability to highlight PSI framework is frequent. AXA.com – Commitments



Principle #3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Governments, regulators and other policymakers

Support prudential policy, regulatory and legal frameworks that enable risk reduction, innovation and better management of ESG issues

- Promoting such frameworks through active membership in UNEP-FI Insurance Commission (PSI). [AXA.com – Commitments](#)

Dialogue with governments and regulators to develop integrated risk management approaches and risk transfer solutions

- AXA supports and collaborates with the OECD High Level Risk Forum to advise governments on how best to improve cross-border risk management.

Other key stakeholders

Dialogue with intergovernmental and non-governmental organisations to support sustainable development by providing risk management and risk transfer expertise

- Dialogue with NGOs on RI Exclusion policies (eg controversial weapons) and other sensitive business issues [Registration document – Annual Report 2012 \(Page 389\)](#) / [AXA.com – Responsible Investment](#)

Dialogue with business and industry associations to better understand and manage ESG issues across industries and geographies

- AXA is an active member of several structures bringing together businesses to address ESG issues:
 - ORSE working group on sensitive sectors
 - CSR Europe
 - UNEP-FI Insurance Commission
 - PERILS (storm-related data sharing)
 - CRO Forum: ERI working group, Sensitive business risks working group
 - [AXA.com – Commitments](#)



<p>Dialogue with academia and the scientific community to foster research and educational programmes on ESG issues in the context of the insurance business</p>	<ul style="list-style-type: none"> ▪ AXA Research Fund supporting academic research on risks (including Chair on Natural Hazards in Southeast Asia). AXA.com – Risk Research & Education
<p>Dialogue with media to promote public awareness of ESG issues and good risk management</p>	<ul style="list-style-type: none"> ▪ 2012 Group communication plan on climate risks. AXA.com – Climate Risks campaign

Principle #4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Governments, regulators and other policymakers

<p>Assess, measure and monitor the company’s progress in managing ESG issues and proactively and regularly disclose this information publicly</p>	<ul style="list-style-type: none"> ▪ Registration document – Annual Report 2012 ▪ Activity & Corporate Responsibility Report – 2012 ▪ AXA Hearts in Action Report ▪ www.axa.com/en/responsibility ▪ SRI rating agencies/analysts: SAM, Vigeo; FTSE 4Good, Oekom, Carbon Disclosure Project...
<p>Participate in relevant disclosure or reporting frameworks</p>	<ul style="list-style-type: none"> ▪ Activity and CR Report correspondence table (GRI, NRE, ISO26000, UNGC) Activity & Corporate Responsibility Report – 2012 (Page 115)
<p>Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles</p>	<ul style="list-style-type: none"> ▪ UNEP-FI Insurance Commission (PSI): 7 regional stake-holder conferences