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AXA GROUP POLICY ON THE TOBACCO INDUSTRY

Context

As one of the world's largest health insurers, AXA has a vested interest in ensuring that its customers -- and society more generally -- adopt healthy behaviours and lifestyles.

The incidence of long term non-communicable diseases (NCDs), including cancer, heart disease and chronic respiratory illnesses, is sharply rising, and these diseases are currently responsible for most deaths worldwide. For cancer alone, unhealthy lifestyle choices contribute to half of all cases.

Tobacco consumption is the major cause of long term NCDs. According to the World Health Organization, it kills 6 million people per year, a figure that is expected to rise to 8 million by 2030. The damage to health from tobacco products is more costly to society than that caused by alcohol or unhealthy diets, and, unlike the former, from a health perspective, there is no safe level of exposure to tobacco. These costs largely outweigh the revenues generated by taxes on the sale of cigarettes, and governments globally are beginning to act.

In 2005 the World Health Assembly adopted the World Health Organization Framework Convention on Tobacco Control (WHO FCTC), one of the most successful global treaties in history, with 180 countries signing. This convention led to broad changes in tobacco control measures, and guidelines have been published providing recommendations to implement the Convention's principles, such as the recommendation related to article 5.3 of the Convention inviting the parties to limit interactions with the tobacco industry.

Our position

The rise of NCDs as well as connected technology changes AXA's role as a health insurer: prevention is becoming more important. In this context we believe that supporting the tobacco industry either directly through our investments or indirectly via insurance is not compatible with our stated objectives to promote health and prevent the risk of disease.

As a result, AXA has decided to disengage from the tobacco manufacturing industry in the belief that:

- Sending such a signal to markets and regulators reinforces the development of tobacco controls, which ultimately contribute to improving our customers' health.
- It is consistent with our role as a prevention partner and health carrier.
- It is aligned with our broader Corporate Responsibility strategy to promote a stronger and safer society.

Scope

The scope of this policy is based on AXA's Global Responsible Investment Policy's scope and applies to all AXA's General Account assets.

The Group has also decided that the disengagement should be applied – to the extent possible—to AXA's insurance operations.

Governance

AXA's RI Committee ("RIC") is responsible for the development, implementation and monitoring of this policy's investment dimensions. Compliance, Corporate Responsibility and AXA's Global Business Lines are also involved in the implementation and monitoring of this policy's insurance dimensions.



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Investment Principles

AXA will divest and stop investing as follows:

- Equity holdings are divested immediately
- New investments in corporate fixed income / debt are prohibited and existing bond holdings are to be run off.

Insurance Principles

Since insurance business contracts cover specific business activities, the following approach applies:

- Corporate insurance covering the tobacco manufacturers' products, assets and liabilities¹ is to be gradually run off and not renewed.
- No new corporate business covering tobacco manufacturers is to be undertaken.

This policy applies to global tobacco manufacturers. It does not extend to other parts of the tobacco value chain, such as retailers, nor does it target smokers.

ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 166,000 employees serving 103 million clients in 64 countries. In 2015, IFRS revenues amounted to Euro 99.0 billion and IFRS underlying earnings to Euro 5.6 billion. AXA had Euro 1,363 billion assets under management as of December 31, 2015.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment.

More information about AXA's responsible investment policy: <https://www.axa.com/en/about-us/responsible-investment>

¹ Employee benefits insurance does not fall under the scope of this policy.