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AXA GROUP POLICY ON INVESTMENTS IN COAL MINING AND COAL-BASED ENERGY

Our position on Responsible Investment

The AXA Group has a commitment to responsible investment (RI), embodied in its Group Responsible Investment Policy. This commitment is a key element of AXA's broader Corporate Responsibility strategy. We define RI as the integration of environmental, social and corporate governance (ESG) considerations into our investment processes and ownership practices. AXA believes that ESG factors, including climate-related, have the potential to impact investment portfolios across companies, sectors, regions and asset classes over time. ESG issues can therefore impact risk and returns and as such require monitoring. Business links with certain activities or products may also endanger AXA's reputation.

This policy on investments in businesses related to coal mining and coal-based energy production is complementary to the AXA Global RI Policy.

Coal mining and coal-based energy production: background

According to the Intergovernmental Panel on Climate Change (IPCC), +2°C is considered to be the maximum temperature rise before triggering significant risks to society. Staying below this threshold requires significantly limiting carbon emissions, and notably burning only 1/3 of existing fossil fuel reserves by 2050 according to the International Energy Agency. Enforcing this carbon constraint through market, societal and regulatory pressures could result in significant loss of value ("stranded assets") for the most carbon intensive businesses. If "carbon" is considered to be a risk, asset owners such as AXA ought to attempt to measure and design mitigation strategies on behalf of their beneficiaries.

Coal is often a low-cost form of energy, and is widely available to a large proportion of the world's population. However, coal is also the most carbon-intensive energy source. While AXA does not fully support a broad version of the "stranded assets" hypothesis encompassing the entire fossil fuel value chain, we believe coal both poses the biggest threat to the climate and its business is the most likely to be constrained.

As a result, we have decided to divest from companies most exposed to coal-related activities (investment principles detailed below) in the belief that 1) sending such a signal to markets and regulators generates a positive influence, 2) this contributes to de-risking our portfolios, 3) it is consistent with our ESG integration process, and 4) contributing to an energy transition curve which is aligned with a "+ 2°C" scenario is consistent 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 (essentially AXA's General Account assets).

Governance

The AXA RI Committee ("RIC") is responsible for the development, implementation and monitoring of this policy. The RIC reports to the Group Investment Committee and is chaired by AXA's Group CIO.

This policy has been formulated by reference to existing standards of global best practice. AXA recognises that responsible investing best practice may evolve. The RIC is responsible for reviewing, and if necessary updating, this policy position on a regular basis.

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Compliance with certain investment principles detailed below is based on specialist ad hoc research and external databases.

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Investment Principles

AXA divested and will stop investing in the following types of businesses:

- **Mining companies and electric utilities deriving over 50% of their turnover from coal.**

This policy extends to these businesses' holding companies, but not to other non-coal affiliates. It does not include other carbon-intensive industries or to other types of coal-related businesses for which exposure data is insufficiently reliable.