



March 2021

Sustainability Bond Framework

Contents

1. Introduction	1
1.1 AXA’s Purpose	1
1.2 AXA’s Sustainability Strategy	2
1.2.1 <i>Climate change and biodiversity</i>	2
1.2.2 <i>Inclusive Protection</i>	4
1.3 Responsible Investment Strategy and Performance	5
1.3.1 <i>Responsible Investment Strategy</i>	5
1.3.2 <i>ESG Performance</i>	7
1.4 Rationale for a Sustainability Bond Issuance	7
2. Sustainability Bond Framework	8
2.1 Use of Proceeds.....	9
2.2 Process for Project Evaluation and Selection	15
2.3 Management of Proceeds	16
2.4 Reporting.....	17
2.4.1 <i>Allocation reporting</i>	17
2.4.2 <i>Impact reporting</i>	18
3. External Review	20
3.1 Second-Party Opinion.....	20
3.2 External Audit.....	20
4. Disclaimer	21



1. Introduction

AXA SA (the “Company”) is the holding company of the AXA Group (“AXA” or the “Group”), a worldwide leader in insurance and asset management, with 153,000 employees serving 105 million clients in 54 countries and €1,032 billion in assets under management as of December 31, 2020¹.

AXA operates primarily in five hubs: France, Europe, Asia, AXA XL and International (including Middle East, Latin America and Africa). AXA’s main operating activities are Life & Savings, Property & Casualty, Health and Asset Management. In addition, the Group is composed of various companies conducting certain non-operating and banking activities. Its offering covers a broad range of products including motor, household, property and general liability insurance, banking, savings vehicles and other investment-based products for both Personal/Individual and Commercial/Group customers, as well as health, protection and retirement products for individual or professional customers.

AXA’s business is to protect people, goods and assets over the long-term, by better understanding, selecting, quantifying and managing risks.

Operating at the intersection of the economy, finance and society as a whole, AXA’s businesses are vectors of innovation, wealth creation and sustainable growth. Indeed, the protection offered by insurance encourages innovation, risk-taking and borrowing, which contributes not only to growth but also to the stability of economic cycles. In this way, AXA contributes to preserving the global financial system through sound risk management and investment proposals with robust and stable returns. Moreover, the collectivisation and mutualisation of risks and the social protection offered by life insurance and micro insurance generate social cohesion. AXA’s contributions support not only global economic growth, but also social stability in line with its ambition of “Empowering people to live better”. This approach is fundamental to AXA’s business and guides its Sustainability Strategy.

1.1 AXA’s Purpose

AXA’s purpose, “Act for human progress by protecting what matters”, was announced at AXA’s Shareholders’ Meeting in June 2020. The formulation of AXA’s purpose was the result of extensive consultation with employees across AXA’s offices.

Protection has always been at the core of AXA’s business, helping individuals, businesses and societies to thrive. And AXA has always been a leader, an innovator and an entrepreneurial company, fostering progress in all its dimensions. AXA’s purpose also ties back to the Group’s roots. From the outset, AXA has been committed to acting as a force for collective good. From solidarity-based actions with AXA

¹ including €597 billion of General Account assets



Hearts In Action to work on prevention issues with the AXA Research Fund and the fight against climate change, AXA has always been attentive to its social environment and embraced its responsibility as an insurer: taking action upstream in order to better understand risks, with one goal in mind: ensuring better protection.

1.2 AXA's Sustainability Strategy

AXA's Sustainability Strategy is a key driver of employee engagement, customer trust and brand image. It is also a lever for the management of risks and opportunities: it enables AXA to reduce certain operational costs and risks, while providing market opportunities in emerging business segments or driving innovation by taking better account of social and environmental issues.

AXA's Sustainability Strategy is focused on two main themes: (1) climate change and biodiversity, and (2) inclusive protection. Such themes are material to AXA's business, and relate to domains where AXA as an insurer and an investor can have the most positive impact.

To support AXA's Sustainability Strategy, AXA created in May 2020 a new internal management body, the Role In Society Steering Committee ("RISSC") to leverage its business model to respond to societal issues, with a strong focus on climate-related considerations. The RISSC is co-chaired by the Group Chief Risk & Investment Officer and the Group Head of Communication, Brand and Sustainability and reviews all material investment, underwriting, risk, operational and policy issues faced by the Group that relate to AXA's Sustainability Strategy. The authority of the RISSC covers all of the Group's operations. The RISSC members represent a wide range of functions, responsibilities and geographies. The RISSC meets on a quarterly basis and reports back to the Management Committee concerning material decisions taken and issues considered on which Management Committee's guidance or decisions are needed.

1.2.1 Climate change and biodiversity

AXA's climate change and biodiversity strategy is not only to adapt, but also to take advantage of its expertise in providing solutions. In 2020, AXA demonstrated its commitment in this regard by integrating climate change into AXA's new Strategic Plan, Driving Progress 2023, with a commitment to reduce the carbon footprint of AXA's General Account assets (*i.e.*, corporate fixed income; listed equities; real estate assets) by 20% by 2025.²

²AXA, press release dated December 1, 2020, "AXA reveals its 2023 strategy".



As a global insurer, AXA is well equipped to contribute to the understanding of climate change through its risk management expertise, the vast amount of claims data it collects, and the research it funds to address climate-related risks. It also has a duty to disseminate knowledge about new risks.

Through its significant investments, AXA is also well positioned to send the right signals to the investment community and to the companies AXA invests in.

AXA has established itself as a leader on climate change. In 2015, AXA publicly stated that “a +4°C world is not insurable”: runaway climate change will create risks so large that conventional market mechanisms may no longer be suitable. AXA has supported the Taskforce on Climate-related Financial Disclosures (“TCFD”) since its creation and has published Climate Reports following the TCFD recommendations since 2016.

AXA was the first large mainstream investor to divest from coal in early 2015. Coal is by far the most carbon intensive form of energy and phasing it out is key to achieve the goals of the Paris Agreement. In 2017, AXA further pioneered coal and oil sands restrictions in its insurance business, then extended those restrictions to the AXA XL division in 2018.

AXA’s climate & biodiversity strategy, updated in November 2019, features the following developments, supporting the alignment of its business with the Paris Agreement:

- “Warming potential” of AXA’s investments aligned with a +1.5°C trajectory by 2050. This long-term target has been complemented, since December 2020, by a -20% investment-related carbon footprint target between 2019 and 2025;
- a green investment target of Euro 24 billion by 2023;
- the launch of the “Transition Bond” asset class, with two issuances of €100 million each in 2019 and 2020;
- a long-term total exit from the coal industry backed by strict investment and underwriting restrictions, as well as on other carbon-intensive industries;
- a target of contributing to carbon neutrality via AXA’s operations (direct environmental footprint – see below); and
- a commitment to support the creation of the Taskforce on Nature-related Financial Disclosures and other initiatives to address biodiversity loss through investment and underwriting policies.



AXA's environmental targets, over the 2019-2025 period (pending approval from the Science Based Targets initiative³), are as follows:

- 25% reduction in AXA's CO₂ emissions⁴ broken down into the following CO₂ emissions reduction sub-targets:
 - - 20% from AXA's vehicle fleet emissions
 - - 35% from AXA's power consumption linked to buildings and data centers
 - - 18% from AXA's business travel emissions.
- Source 100% of AXA's electricity consumed (office sites and AXA-owned data centers) from renewable energy sources by 2025, in line with its "RE100" commitment.
- Reduce unsorted waste per FTE by 10%.
- Reduce water consumption per FTE by 10%.

1.2.2 Inclusive Protection

As a responsible insurer, AXA strives to make insurance accessible to all. Insurance is a major catalyst for economic development and progress in society. It also plays a key role in the distribution of wealth, the allocation of economic resources and the resilience of individuals in the face of risks. Risk pooling, which is at the heart of insurance, creates a system of mutual support, through which the good fortune of the many benefits the few who encounter difficulties. AXA's aim is to extend the scope of insurance, by innovating to enable populations who have traditionally been less well protected (such as emerging market consumers or women) to access insurance, including through the following initiatives:

- integrating societal issues in AXA's product range through dedicated product labels such as *Assurance Citoyenne* developed by AXA France: AXA France has created the label "Citizen Insurance", which guarantees that all insurance contracts are products with social/societal added value. In 2019, this initiative was adapted and deployed on savings contracts under the label "Citizen savings";
- supporting financial inclusion to better serve the middle class of tomorrow in emerging markets through AXA Emerging Customers: in 2020, the first simple, digital and accessible inclusive insurance program was launched by AXA China and AXA Next Business Innovation Center;

³ The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets.

⁴ In absolute terms tonnes of CO₂ equivalent

- providing insurance solutions and opportunities for women through AXA “Women In Insurance” initiative: in 2014, AXA developed a special report, SheForShield, which examines women’s attitudes with respect to insurance, as well as their needs and expectations. As a result, AXA developed the “Women in Insurance” initiative to increase women’s access to insurance products and services that meet their needs and expectations. Since 2018, AXA has been a strategic partner of Global Women’s Forum;
- integrating health issues in AXA’s product range, for example, AXA has decided to withdraw and end insurance coverage for the tobacco industry;
- developing parametric insurance solutions to protect vulnerable populations from the effects of climate change through its subsidiary AXA Climate;
- acting as a coalition enabler to contribute to a more inclusive economy and growth through the following commitments:
 - Inclusive Economy Coalition: the “inclusive economy coalition” was launched in 2018 by CEOs of 33 major companies in France, including AXA’s, to promote of a more inclusive economy. This collective commitment is one of the private sector’s responses to the social vulnerabilities in France.
 - Business for Inclusive Growth: at an international scale, AXA continues to be strongly involved in the “Business for Inclusive Growth” coalition. This OECD-led coalition of private companies contributes to fighting social inequalities by working closely with policymakers to advance inclusion at both the global and local levels.

AXA is also committed to socially responsible governance. The Group has introduced a program to achieve gender parity among its top managers by 2023. AXA has also committed to eliminating all unjustified pay gaps, using dedicated budgets if necessary, to reach gender pay parity in every region of the world by 2023 at the latest.

1.3 Responsible Investment Strategy and Performance

1.3.1 Responsible Investment Strategy

Responsible Investment (“RI”) is the integration of environmental, social, and corporate governance (“ESG”) considerations around investment processes and ownership practices, based on the conviction that these may impact both risks and returns.

It is in this context that in 2010, the Group created a Responsible Investment Committee (“RIC”), presided over by the Group Chief Investment Officer. The RIC reports to the Group Investment



Committee, co-chaired by the Group's Chief Financial Officer and Chief Risk and Investment Officer. However, sensitive and/or strategic climate finance related decisions debated in the RIC are ultimately approved by the RISSC. The RIC's mandate is to develop a global approach to responsible investment issues including the inclusion of ESG issues in investment processes, from a performance and risk management perspective.

Among other initiatives, the RIC developed the Group's first comprehensive RI Policy⁵.

This RI Policy, which covers the Group's more than €500 billion General Account assets, sets out AXA's position and principles on RI, and defines the corporate governance practices that its asset managers should apply, including via engagement and voting.

The RI Policy also allows for a better structured development of investment guidelines for sectors that pose particularly acute environmental or ethical challenges, for which separate guidelines have been developed.

AXA's RI strategy is based on the following pillars:

- **ESG Integration.** AXA integrates ESG analysis into investment processes, using KPIs and qualitative research across most of its assets. This includes the implementation of ESG "minimum standards" rules based on ESG and controversy scores to review and potentially exclude underperforming issuers from AXA's portfolios. Moreover, ESG considerations as well as the transparency of the issuers are integrated in the internal credit risk analysis.
- **Climate-related portfolio alignment.** Carbon metrics are integrated into investment decisions. AXA is also developing metrics for measuring the climate-related impact of its investments, in particular the contribution of its investments to the objective of the Paris Agreement to limit global warming.
- **Exclusions and sensitive ESG investments.** Sector-based restrictions apply to sectors or companies that face acute social, human rights, ethical or environmental challenges. These currently include controversial weapons, coal mining and coal-based power generation, tar oil sands and associated pipelines, palm oil, food commodity derivatives, and tobacco.
- **A green investment target** and transition financing to increase the allocation of green assets across various asset classes and to support companies shifting towards less carbon-intensive business models.

⁵ AXA, [AXA Group Responsible Investment Policy](#), available on AXA's website.

- **Impact investments** that create intentional, positive, measurable and sustainable impacts on society while simultaneously delivering financial market returns.
- **Active stewardship** through voting and engagement on a range of ESG or sustainability issues.

1.3.2 ESG Performance

AXA’s leadership in the field of sustainability is best illustrated by its first-class ESG ratings and by its presence in numerous sustainability indices⁶:

 <p>Member of Dow Jones Sustainability Indices <small>Powered by the S&P Global CSA</small></p>	<p>Score: 88/100 Ranking in the sector: 2nd place</p>
	<p>Rating: AAA (since 2015)</p>
	<p>Score 69/100 Ranking in the sector: 1/49</p>
	<p>Score: 86/100 Ranking: 2/278 insurance companies</p>
 <p>FTSE4Good</p>	<p>Present in the index since 2012</p>

AXA supports a large number of international initiatives promoting sustainability. AXA is a signatory of the United National Global Compact, the United Nations Principles for Sustainable Insurance, the United Nations Principles for Responsible Investment, the Net Zero Asset Owner Alliance and the UNEP FI-The United Nations Environment Programme Finance Initiative.

1.4 Rationale for a Sustainability Bond Issuance

AXA is convinced that insurers and asset managers have a major role to play in the transition toward a more sustainable economy in terms of social and environmental issues. AXA is willing to contribute

⁶ AXA’s website, [SRI ratings and ethical indexes](#)

to this transition through the risk management products and services it offers. Sustainable funding provides an opportunity for AXA to finance its Sustainability Strategy. AXA is committed to ensuring that all of its future investments made in accordance with this Framework contribute to a positive social or environmental impact on society.

The Group has been involved in the Sustainability Bond Market for several years. AXA Investment Managers (“AXA IM”), for example, has already positioned itself as a leader in the field of the green bond market. Since 2017, AXA IM has been a member of the Executive Committee of the International Capital Markets Association (“ICMA”) for the Green and Social Bond Principles, and has participated actively in several working groups on green bond-related matters, including green projects eligibility, external reviews and impact reporting.

The issuance of Green, Social or Sustainability Bonds by the Company is the continuation of AXA’s strategy to implement sustainable practices across all its activities.

2. Sustainability Bond Framework

AXA’s Sustainability Bond Framework (the “Framework”) has been designed in accordance with the 2018 Green Bond Principles (“GBP”), the 2020 Social Bond Principles (“SBP”) and the 2018 Sustainability Bond Guidelines (“SBG”) (together, the “ICMA Principles”), which are administered by ICMA⁷.

The Framework aligns with the four common core components of the ICMA Principles:

- use of proceeds;
- process for project evaluation and selection;
- management of proceeds; and
- reporting.

This Framework, as updated from time to time, will apply to the following types of bonds issued by the Company for as long as any series thereof is outstanding:

- “Green Bonds”, *i.e.*, any type of bond instrument where an amount equivalent to the proceeds of the issuance is exclusively applied to finance or refinance, in part or in full, new and/or existing Green Projects (as defined below);

⁷ The ICMA Principles are available on ICMA’s website (www.icmagroup.org, Section “Sustainable Finance”, Sub-Section “The Principles, Guidelines and Handbooks”).



- “Social Bonds”, *i.e.*, any type of bond instrument where an amount equivalent to the proceeds of the issuance is exclusively applied to finance or refinance, in part or in full, new and/or existing Social Projects (as defined below); or
- “Sustainability Bonds” *i.e.*, any type of bond instrument where an amount equivalent to the proceeds of the issuance is exclusively applied to finance or refinance, in part or in full, a combination of both Green Projects and Social Projects.

AXA will identify and assess potential eligible projects and assets from its General Account, track funds internally, and report on the impact of investments for each type of issuance under this Framework via the internal processes and structures described further below.

This Framework may be updated from time to time to ensure compliance with applicable law and continued alignment with voluntary market practices (including the ICMA Principles), emerging standards (including the draft EU Green Bond Standard) and classification systems.

2.1 Use of Proceeds

An amount equivalent to the proceeds⁸ of each issuance of Green Bonds, Social Bonds or Sustainability Bonds under this Framework will be exclusively used to finance or refinance, in part or in full, new and/or existing eligible Green and/or Social Projects, as follows:

- Green Projects: projects/assets in the Eligible Green Categories that meet the relevant Eligibility Criteria and do not fall within the Exclusionary Policies, each as set forth below. All designated Green Projects rely on clear selection criteria and are linked to EU environmental objectives and environmental benefits.
- Social Projects: projects/assets in the Eligible Social Categories that meet the relevant Eligibility Criteria and do not fall within the Exclusionary Policies, each as set forth below. All designated Social Projects directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes especially but not exclusively for an identified target population(s). In accordance with the SBP, the definition of the target population(s) may vary depending on local contexts and, in some cases, such target population(s) may also be served by addressing the general public.

Each Green or Social Project is directly linked to one or more of the United Nations Sustainable Development Goals (“SDGs”) and is aligned with at least one of the eligible Green or Social Project categories set forth in the ICMA Principles.

⁸ Defined as the gross proceeds of each issuance of Green Bonds, Social Bonds or Sustainability Bonds.

Green or Social Projects are financed by AXA via either equity participation or debt instruments (excluding green bonds issued by other issuers). For equity participations, eligible investments also include investments by AXA in private, non-listed companies for which only projects meeting the Eligibility Criteria described below will be retained; the amount allocated under this Framework to such equity investments will not exceed AXA’s pro-rated share of the relevant company/investment vehicle in which AXA has invested.

All or part of the proceeds of each Green, Social or Sustainability Bonds issuance may be used for refinancing of Green and/or Social Projects booked on the Company’s or the Group entities’ balance sheet(s), with a maximum three-calendar year look-back period prior to the issuance year of the relevant Green, Social or Sustainability Bonds, as further described in Section 2.3 (“Management of Proceeds”).

The Green and Social Projects that will be financed under this Framework will be located in Europe, Asia, Middle East, Latin America, North America and Africa.

Eligible Green Categories and Eligibility Criteria

Eligible Green Categories			
Description		EU Environmental Objectives / Environmental Benefits	SDGs
Green Buildings	<p>Investments/financing dedicated to the construction and acquisition of energy-efficient buildings which either:</p> <ul style="list-style-type: none"> • Have a primary energy demand at least 20% lower than the one resulting from the local NZEB⁹ • Have reached at least EPC A level, • Obtained at least LEED Platinum, BREEAM Excellent (or better) or HQE Excellent (or better) certifications (or any equivalent local certification, DNGB (Gold or above), Minergie etc.) <p>Investments/financing dedicated to the renovation of buildings reaching at least 30% of energy efficiency improvement.</p>	<p>Climate Change Mitigation</p> <p>---</p> <p>Energy Savings</p>	 

⁹ Nearly Zero-Energy Buildings

<p>Renewable Energy</p>	<p>Investments/financing dedicated to the construction and operation of electricity generation facilities supporting a transition to a net zero emissions economy:</p> <ul style="list-style-type: none"> • Solar and wind facilities • Other low-carbon energy sources with lifecycle emissions lower than 100gCO₂e/kWh, including small-scale hydropower projects (<25 MW) and biomass from waste sources with feedstock not derived from sources that compete with food sources nor deplete carbon pools. 	<p>Climate Change Mitigation --- GHG emissions reduction</p>	  
<p>Clean Transportation</p>	<p>Investments/financing dedicated to the construction and maintenance of infrastructure dedicated to low carbon transport:</p> <p>Public transport:</p> <ul style="list-style-type: none"> • Zero direct emissions transport activities (e.g. light rail transit, metro, tram, trolleybus, bus and rail) <p>Infrastructure for low carbon transport:</p> <ul style="list-style-type: none"> • Infrastructure required for zero direct emissions transport (e.g. electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric highways) • Infrastructure and equipment for active mobility (walking, cycling, e-bikes, etc.) • Transport infrastructure which enables significant reductions in carbon emissions and contributes meaningfully to decarbonisation of transport emissions 	<p>Climate Change Mitigation --- GHG emissions reduction</p>	  
<p>Energy Efficiency</p>	<p>Investments/financing dedicated to the manufacturing, installation, maintenance and repair of energy efficiency devices such as:</p> <ul style="list-style-type: none"> • Smart thermostats systems • Building automation and control systems for energy and lighting • Smart meters for heat, cool and electricity 	<p>Climate Change Mitigation --- GHG emissions reduction</p>	  

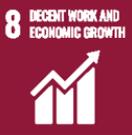
<p>Natural Resources / Sustainable Forestry</p>	<p>Investments/financing dedicated to the acquisition, maintenance and sustainable management of forests and lands:</p> <ul style="list-style-type: none"> • Certified forests (FSC¹⁰, PEFC¹¹ or equivalent) • Forest regeneration projects which have been awarded carbon credit (e.g. VER) by an internationally recognised certifier 	<p>Climate Change Mitigation --- Protection and restoration of biodiversity and ecosystems --- CO₂ sequestration --- Reduction of air pollution</p>	 
--	---	--	--

Eligible Social Categories and Eligibility Criteria

Eligible Social Categories			
	Description	Social Objectives	SDGs
<p>Access to Essential Services</p>	<p>Hospitals/Healthcare: Investments/financing of the construction, refurbishment, maintenance and operation of public hospitals, clinics, healthcare centers, or other healthcare facilities providing universal access as a public service (no restrictions based on specific groups or on affordability)</p> <p><u>Target Population:</u> population including the most vulnerable</p> <p>Student Housing: Investments/financing for the construction, refurbishment, maintenance and operation of housing for students that are pursuing higher education and provide access to accommodations without any restrictions to specific groups of students or based on income; however, rents above the regional average are excluded.</p> <p><u>Target Population:</u> student population</p>	<p>Improve access to Healthcare</p> <p>Improve access to Healthcare</p>	 

¹⁰ Forest Stewardship Council

¹¹ Programme for the Endorsement of Forest Certification

<p>Affordable Housing</p>	<p>Investments/financing for the construction, refurbishment, maintenance and operation of social housing infrastructure, meeting the statutory definition and relevant eligibility criteria as set out in the applicable local regulation¹.</p> <p><i>Target Population:</i> low-income population</p> <p>¹ E.g. under French law: <i>as per income criteria defined in the July 29th 1987 Decree relating to the ceiling of resources of low-income housing beneficiaries</i> https://www.service-public.fr/particuliers/vosdroits/F869</p>	<p>Support access to housing supply</p>	 
<p>Employment Generation through SME Financing</p>	<p>Investments that support local economic development and job creation/retention via the financing of small, medium and micro-sized (SMEs)¹ in economically underperforming areas of countries where AXA operates.</p> <p><i>Target Population:</i> SMEs in economically underperforming areas²</p> <p>¹ SMEs according to the EU Recommendation 2003/361 https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361</p> <p>² In France, AXA will focus on the “employment areas” (“zones d’emploi”) as per methodology set by INSEE (unemployment rate higher than the national average in 2019: https://www.insee.fr/fr/statistiques/1893230). In other countries, AXA will focus on similar regions and will disclose the methodology in its reporting.</p>	<p>Support job creation / retention</p>	
<p>Digital Inclusion</p>	<p>Investments in projects or activities that allow for the deployment of fiber optic network for populations located in unconnected or underserved areas.</p> <p><i>Target Population:</i> population in underserved and unconnected areas</p> <p>¹ <i>Unconnected areas: areas where no services exist (fixed or mobile) by any operators. Also called white zones</i></p>	<p>Support digital inclusion via deployment of fiber optic</p>	

	<p>(“zones blanches”) as per the ARCEP’s (Autorité de Régulation des Communications Électroniques et des Postes) definition. In other countries, AXA will focus on similar areas and will disclose the methodology in its reporting.</p> <p>2 Underserved areas: areas not yet classified as “Zone Fibree” where the FttH has been deployed as per ARCEP definition (https://www.arcep.fr/la-regulation/grands-dossiers-reseaux-fixes/la-fibre/zone-fibree.html). In other countries, AXA will focus on similar areas and will disclose the methodology in its reporting.</p>		
<p>Response to Natural Disasters</p>	<p>Investment and/or financing for the prevention of natural disasters such as floods, droughts and storms or wildfires.</p> <p><u>Target Population:</u> population affected by natural disaster</p>	<p>Support the resilience of the population affected</p>	 

Any amendment to the Eligibility Criteria set forth above will only apply to Green Bonds, Social Bonds or Sustainability Bonds issued after the publication date of the amended Framework.

Exclusionary Policies:

All projects and assets financed under this Framework will undergo AXA’s overall investment review process¹².

In accordance with its RI Policy, AXA will not use the proceeds of any Green, Social or Sustainability Bonds issuance to knowingly finance (1) companies listed in AXA’s exclusion list or (2) projects, assets or businesses involved in the following types of activities:

- coal mining and coal-based energy production;
- oil sands production and oil sands-related pipelines;

¹² This review process includes a broader assessment of potential risk factors, such as financial, legal, regulatory and governance risks.

- tobacco manufacturing;
- palm oil production;
- food (“soft”) commodities derivatives;
- controversial weapons manufacturing.

2.2 Process for Project Evaluation and Selection

As from the inaugural issuance of Green, Social or Sustainability Bonds, AXA will set up a dedicated Sustainability Bond Committee (“SBC”), which will meet semi-annually to oversee the governance of this Framework. The Group’s RIC chaired by the Group CIO will act as the SBC and will undertake the following missions:

1. evaluate and validate the pool of Green and Social Projects in accordance with AXA’s internal ESG policies and guidelines (in particular, AXA’s RI Policy, available on AXA’s website), and take decisions regarding any exclusions of assets from the pool and potential changes to the Framework;
2. monitor the pool of Green and Social Projects during the lifetime of the Green, Social or Sustainability Bonds issued, including by replacing projects/assets that no longer satisfy the relevant Eligibility Criteria (*i.e.*, through divestment, cancellation or ineligibility), and manage/escalate any shortfall in eligible projects/assets versus the outstanding amount of the proceeds from the relevant Green/Social/Sustainability Bond issuances;
3. draft, review and approve the allocation/impact reports; and
4. monitor the evolution of the green, social, sustainability bond markets with the goal of aligning this Framework with best market practices.

A dedicated Sustainability Bond Working Group (the “SBWG”) will be implemented. The SBWG will be responsible for preparing information regarding potential eligible Green and Social projects and submitting proposals for allocation decisions to the SBC.

With respect to each Green, Social or Sustainability Bonds issuance, the process for Project Evaluation and Selection will be as follows:

- the SBWG pre-selects potential eligible Green/Social Projects, as detailed in the Use of Proceeds section of the relevant offering document;
- the potential eligible Green/Social Projects are submitted by the SBWG to the SBC;
- the SBC verifies the alignment of the pre-selected assets with the Eligibility Criteria and selects the Green/Social Projects; and



- under the supervision of the Group Investment department (“GIA”), the eligible Green/Social Projects are clearly identified within GIA’s investment controlling system (see Section 2.3 (“Management of Proceeds”). The SBC makes the final decision on the allocation of designated Green/Social Projects to be matched to the issuance proceeds (or any portion thereof) (see Section 2.3 (“Management of Proceeds”).

In particular, if a project no longer meets the Eligibility Criteria set forth in this Framework, the SBWG will recommend to the SBC that such project be removed from the pool of Green and Social Projects, and be replaced as soon as one or more Green or Social Projects have been identified as substitutes (see Section 2.3 (“Management of Proceeds”).

Working Group sessions will be held on a semi-annual basis. The SBWG will include representatives from AXA’s:

- Group Treasury;
- Group Investments;
- Group Sustainability;
- Group Risk Management; and
- Assets owners represented by GIA / AXA IM.

2.3 Management of Proceeds

In accordance with the Green or Social Project selection process set forth above, the proceeds from the Company’s Green, Social or Sustainability Bonds issuances will be credited to the Company’s treasury account and an amount equal to such proceeds will be allocated semi-annually on a nominal equivalence basis to a pool of Green Projects and/or Social Projects, booked, at AXA’s discretion, on the Company’s or Group entities’ balance sheet(s), as the case may be.

GIA will implement a tracking system with respect to the proceeds of each of the Company’s bond issuance under this Framework. GIA’s investment controlling system will monitor and track the proceeds allocation and ensure that, upon full allocation, the aggregate amount allocated to Green and/or Social Projects is equal to the amount of the proceeds of the relevant Green, Social or Sustainability Bonds issuance.

AXA intends to allocate the proceeds from the issuance of each Green, Social or Sustainability Bonds under this Framework within 36 months from the settlement date of such issuance, on a best efforts basis.

So long as any Green, Social or Sustainability Bonds issued under this Framework are outstanding, if any Green or Social Project that has been funded with the proceeds (or any part thereof) of a Green, Social or Sustainability Bonds issuance and such Green or Social Project either (1) matures or is sold; or (2) no longer complies with this Framework, AXA will in each case, on a best efforts basis, seek to reallocate the equivalent amount of proceeds to eligible Green and/or Social Projects under this Framework.

Pending full allocation, an amount equivalent to the balance of unallocated proceeds will be allocated to temporary investments such as cash, cash equivalent and/or other liquid marketable investments in accordance with the RI Policy (including the Exclusionary Policies referred to in Section 2.1 (“Use of Proceeds”)).

2.4 Reporting

AXA commits to publish an allocation and impact report: (1) one year after each issuance of Green, Social or Sustainability Bonds under this Framework; (2) on each anniversary date thereafter until the proceeds of any issuance of Green, Social or Sustainability Bonds that remain outstanding are fully allocated to Green and/or Social Projects, as applicable; and (3) on a timely basis in the event of any material developments affecting AXA’s portfolio of Green and/or Social Projects. Each report will be reviewed and approved by the SBC with assurance by an external independent auditor, as discussed in Section **Erreur ! Source du renvoi introuvable.** (“External Audit”).

Information about the allocation and impact of projects and assets financed by the proceeds from issuances of Green, Social or Sustainability Bonds that remain outstanding may be presented on an aggregated portfolio basis due to confidentiality obligations applicable to the Group and the large number of projects and assets funded by each issuance. Reports will include specific examples of eligible projects/assets to the extent possible.

All reports will be made publicly available on AXA’s website (<https://www.axa.com/en/investor/sustainable-financing>).

2.4.1 Allocation reporting

The allocation report will include, without limitation, the following information:

- aggregate amount of proceeds allocated to eligible Green and Social Projects;
- split of proceeds respectively allocated to financing and refinancing;
- aggregate amount of unallocated proceeds (and breakdown per issuance) at the end of the applicable reporting period (if any);

- breakdown of total amount of proceeds allocated to eligible Green and Social Projects per category; and
- geographical breakdown of eligible Green and Social Projects on at least a country level.

2.4.2 Impact reporting

The impact report will provide, to the extent feasible, relevant output and impact metrics at the level of each eligible project category, as shown in the tables below:

Eligible Green Categories

Eligible categories	Examples of output indicators	Example of impact indicators
Green Buildings	<ul style="list-style-type: none"> • Number of dwellings/ assets built/ renovated • Number of dwellings/ assets by type of certification 	<ul style="list-style-type: none"> • Estimated ex-ante annual energy savings (in MWh/year)
Renewable Energy	<ul style="list-style-type: none"> • Installed Capacity (MW) 	<ul style="list-style-type: none"> • Expected annual renewable energy generation (MWh/year) • Estimated annual GHG emissions avoided (tCO₂e/year)
Clean Transportation	<ul style="list-style-type: none"> • Length of rail construction • Number of electric vehicle charging points installed 	<ul style="list-style-type: none"> • Estimated annual GHG emissions avoided (tCO₂e/year)
Energy Efficiency	<ul style="list-style-type: none"> • Number of installed smart meters 	<ul style="list-style-type: none"> • Estimated ex-ante annual energy savings (in MWh/year) • Estimated annual GHG emissions avoided (tCO₂e/year)
Natural Resources / Sustainable Forestry	<ul style="list-style-type: none"> • Surface of FSC and/or PEFC certified forests (in ha) 	<ul style="list-style-type: none"> • Estimated CO₂ sequestered (in tCO₂e/year)

Eligible Social Categories

Eligible categories	Example of output indicators	Example of impact indicators
Access to Essential Services	<ul style="list-style-type: none"> • Number of hospitals served • Number of new beds provided • Number of beneficiaries • Number of beneficiaries (students) • Number of dwellings per university 	<ul style="list-style-type: none"> • Territorial impact data, if applicable
Affordable Housing	<ul style="list-style-type: none"> • Number of new / refurbished dwellings • Number of beneficiaries 	
Employment Generation through SME Financing	<ul style="list-style-type: none"> • Number of SMEs financed (per regions) • Number of jobs created • Number of jobs retained 	
Digital Inclusion	<ul style="list-style-type: none"> • Number of beneficiaries 	
Response to Natural Disasters	<ul style="list-style-type: none"> • Number of beneficiaries • Number of public institutions helped 	



3. External Review

3.1 Second-Party Opinion

AXA has appointed a Second-Party Opinion provider to provide a Second-Party Opinion on this Framework in order to confirm its alignment with the ICMA Principles. The Second-Party Opinion is available on AXA's website (<https://www.axa.com/en/investor/sustainable-financing>).

3.2 External Audit

AXA will appoint an external independent auditor, in charge of issuing a report on AXA's management of the proceeds of the issuances of Green, Social and/or Sustainability Bonds that remain outstanding, within one year of issuance and annually thereafter until full allocation of the relevant issuance's proceeds. The external independent auditor will examine the annual allocation and impact report, to determine in particular whether the proceeds of the Green, Social and/or Sustainability Bonds issuances have been allocated to eligible Green and/or Social Projects in accordance with this Framework and the ICMA Principles. The audit report will be made publicly available on AXA's website (<https://www.axa.com/en/investor/sustainable-financing>).

4. Disclaimer

This document may include statements with respect to future events, trends, plans, expectations or objectives and other forward-looking statements relating to the Group's future business, financial condition, results of operations, performance, and strategy. Forward-looking statements are not statements of historical fact and may contain the terms "may", "will", "should", "continue", "aims", "estimates", "projects", "believes", "intends", "expects", "plans", "seeks" or "anticipates", or words of similar meaning. Such statements are based on Management's current views and assumptions and, by nature, involve known and unknown risks and uncertainties; therefore, undue reliance should not be placed on them. Actual financial condition, results of operations, performance or events may differ materially from those expressed or implied in such forward-looking statements, due to a number of factors including, without limitation, general economic and political conditions and competitive situation; future financial market performance and conditions, including fluctuations in exchange and interest rates; frequency and severity of insured loss events, and increases in loss expenses; mortality and morbidity levels and trends; persistency levels; changes in laws, regulations and standards; the impact of acquisitions and disposal, including related integration issues, and reorganization measures; and general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of catastrophic events, including weather-related catastrophic events, or terrorist-related incidents. Please refer to Part 5 – "Risk factors and risk management" of AXA's Universal Registration Document for the year ended December 31, 2020 for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations, particularly in respect of the COVID-19 crisis. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

The statements made herein are current only as of the date hereof, *i.e.*, March 2021. The Group reserves the right to update this Framework at any time in its sole discretion, and without notice.

This document is for informational purposes only. This document may contain or incorporate by reference public information not separately reviewed, approved or endorsed by AXA and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by AXA as to the fairness, accuracy, reasonableness or completeness of such information.

This document is not intended to constitute, and should not be construed as, individual investment, financial or legal advice, or as an offer or an invitation, or as a solicitation of any such offer, to purchase, subscribe or sell any securities or any other financial instruments in any jurisdiction or to enter into any other transaction with respect thereto. This Framework is not intended for distribution



to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to applicable law. Persons into whose possession this Framework may come must inform themselves about, and comply with, any applicable restrictions on distribution.