Shareholders' Meeting of April 29, 2021

Answers to the written questions received prior to the Shareholders' Meeting of April 29, 2021

* * *

Article L.225-108 paragraph 4 of the French Commercial Code (*Code de commerce*) allows the Board of Directors to answer the shareholders' written questions without reading them during the Meeting if they are available on the Company's website in a dedicated section.

4 letters containing written questions were received within the context of the Shareholders' Meeting of April 29, 2021.

* * *

I. Written question sent by Forum pour l'Investissement Responsable:

Environment

1. *What CAPEX amounts are planned up to 2025 to be in line with the Paris Agreement? How are these CAPEX amounts allocated across the entire value chain between maintenance CAPEX and growth CAPEX? What is the geographical breakdown?*

Answer of the Board of Directors:

The new European Taxonomy Regulation establishes CAPEX (or OPEX or turnover) publishing requirements for non-financial companies. For insurance companies, pursuant to the EIOPA recommendations, the ratio relevant to our line of business is "green_P&C_GWP/P&C_GWP" ("Proportion of non-life gross written premiums – relative to total non-life gross written premiums – corresponding to insurance activities identified as environmentally sustainable in the EU taxonomy"). We are waiting for the EU delegated acts to implement the disclosure of the relevant data in 2022.

- Regarding commitments to 2025:

We will reduce our portfolio's carbon footprint by 20% and are tracking the "warming potential" indicator to align with the 1.5° trajectory by 2050; the progress made on these targets will be published in our Climate report next June. We also committed to increasing our green investment to reach €24 billion by 2023, a target which we then increased to €25 billion at the start of April following the successful issue of our first green bond.

- Regarding insurance activities, we are currently working with all Group entities to set a green premium target (for the P&C segment). The launch of the NZIA (Net-Zero Insurance Alliance) on April 22 will enable us to work alongside our peers to define a common methodology and metrics in the pursuit of net zero. It should also be noted that in the Life & Savings segment, we are compliant with the SFDR (Sustainable Finance Disclosure Reporting) transparency requirements in force since March 2021, which will eventually incorporate the Taxonomy Regulation.

As such, we are developing a strategy of alignment with the Paris Agreement that is suitable with regard to the specific challenges of our line of business, on both the asset and liability sides of our balance sheet.

2. *How do you limit the impact of biodiversity loss on your future revenues? Please give details on the indicators and means deployed.*

Answer of the Board of Directors:

Biodiversity loss disrupts the functioning of ecosystems (oceans, forests, etc.), which hinders their capacity to generate what we call "ecosystemic services", such as the production of agricultural commodities and other natural raw materials. This threatens both society and the companies that depend on it, as well as the investors and insurers who rely on a healthy economy. It is for this reason that AXA considers the challenge of biodiversity to be a natural extension of its efforts to combat climate change, which exacerbates the destruction of ecosystems. We have launched various initiatives since 2018, including an impact investment fund dedicated to climate and biodiversity, a coalition for the protection of the oceans and a wide-ranging partnership with the WWF. We have also signed up for a number of key commitments such as Act4Nature, Business4Nature and Finance for Biodiversity, and have published a series of recommendations for the G7 including the creation of the TNFD, a biodiversity taskforce along the lines of the TCFD in which we play a very active role.

With regard to impact analysis, alongside various partners, we launched a call for tenders to identify and select the best approach, and have committed to supporting a French organisation, Iceberg DataLab, for a period of three years to enable it to develop its impact analysis model. It is still too early to quantify this *impact, but AXA is supporting and funding the development of methodologies that will allow us to get there.*

3. *How are you preparing for the depletion of certain natural resources and difficulties in the supply of your strategic resources? How does this affect your business models and how do you safeguard your supply chains?*

Answer of the Board of Directors:

Our supply chain – characterised by our financial services activity – is not directly at risk in terms of raw material depletion. However, this subject is one of several taken into account in the environmental risk analysis implemented within our asset management approach, depending on the business sectors concerned.

Social

4 *To minimise the adverse impacts of the current crisis, solidarity among economic operators, whether small and large businesses, seems to be necessary. How is your group adapting its buying or selling practices, at national and international levels, to support suppliers or customers impacted by the crisis? Do you have differentiated policies for SMEs? Has the crisis prompted you to structurally change your policies in this area?*

Answer of the Board of Directors:

As the world's largest commercial insurance provider, AXA is a key partner of micro-businesses and SMEs in all the countries in which we operate. We have been fully committed to protecting our corporate customers through compensation since the start of the crisis. In order to support all our policyholders that have been impacted by the crisis, the Group entities have also taken numerous extra-contractual measures. For example, in France, AXA has frozen or reimbursed contributions, maintained policy cover in the event of payment difficulties, and was one of the first contributors to the Government's Solidarity Fund. We have also adapted our procurement policy and expedited invoice payments to support our suppliers' cash flow. Finally, we have made capital investments in micro-businesses and SMEs, which will play a leading role in the economic recovery.

5. *At group level, how are you managing the social impacts of the surge in remote working since the beginning of the pandemic? In particular in terms of managing psychosocial risks, coverage of certain costs, employee satisfaction surveys, reversal of employee choices, percentage of employees working from home, etc.*

Answer of the Board of Directors:

The systematic use of remote working since the beginning of the crisis has allowed us to protect our employees and ensure business continuity for our policyholders. We have paid particular attention to our employees' working conditions, distributing IT equipment and contributing to their equipment expenses.

Amid the extraordinary circumstances of the pandemic, we have adapted management methods and ensured that a proper work/life balance is maintained. In addition, we have accelerated the roll-out of a global programme focused on the health and well-being of our employees, which includes offering them a mental health support service which they can contact at any time. We have also created training modules for our managers which enable them to spot mental health issues among their staff and help them engage in conversations on the subject.

In July 2020, 90% of Group employees said they were satisfied with their experience of remote working and wanted to work remotely more regularly in future. In this regard, at the start of the year the Group announced the expansion of its "smart working" strategy to all entities, adopting a hybrid model which will permanently combine remote and on-site work.

6. *Do you have a definition of "living wage" which is not limited to the local statutory minimum wage? If so, what is it? How does your company ensure that its employees and those of its suppliers earn a respectable wage?*

Answer of the Board of Directors:

AXA ensures that payment of employees in all Group entities is in line with market practices and levels and complies with regulatory requirements. Each year, AXA carries out remuneration surveys with the help of specialist firms in order to ensure that individual remuneration is competitive, consistent and in line with remuneration for similar positions.

Moreover, in 2020 AXA launched a global program aimed at improving the well-being of its 121,000 employees by increasing access to care and the prevention of major health risks. This program is completely free for employees and has been rolled out in 57 countries. This initiative marks a new phase in the implementation of AXA's strategy targeting closer alignment of the benefits offered to its employees around the world.

7. *Do the terms of your employee profit-sharing agreements in France take environmental and social criteria into account? If so:*
   - *What are these criteria? Have they changed since April 1, 2020?*
   - *What proportion of these criteria are included in the profit-sharing calculation? Has it changed in the last year?*
   - *What percentage of employees are concerned?*

Answer of the Board of Directors:

The majority of the profit-sharing agreements already include environmental and social criteria (e.g. participation in training/eco-responsible behaviour, reduced consumption of paper/unsorted waste, participation in solidarity initiatives, rate of co-parenting leave taken, proportion of employees working remotely). Depending on the agreement, the relative weighting of the CSR criteria ranges between 5% and 20%.

There are plans to review criteria selection and relative weighting upon the renewal of each agreement, seeking to align performance measurement with the guidelines of the Group's "Driving Progress 2023" strategic plan. We also intend to increase the weighting of CSR criteria in order to maintain our leading position on climate issues and embody our company purpose, "Act for human progress by protecting what matters".

8. *Which of your employee savings funds are covered by a responsibility label (CIES, Finansol, Greenfin, ISR)? For each fund offered, what is the name of the label(s), what percentage of the employee savings amount is certified by a label, what percentage of employees are entitled to invest in the employee savings fund? What percentage of group employees, in France and abroad, also has access to other savings plans taken out by the company, particularly for retirement? What proportion of the assets of this savings plan are managed in a socially responsible manner and have "quality indicators"? Which indicators?*

Answer of the Board of Directors:

34% of all AXA employee savings are invested in funds recognised as sustainable (excluding share ownership funds invested in AXA securities). These funds (AXA Horizon ISR, AXA Diversifié Solidaire and AXA ISR Europe Actions) are all subject to the Group's sustainable investment policy and are SRI-certified (Socially Responsible Investment). Investment in these three certified funds is offered to Group employees in France, who make up around 23% of the Group's workforce.

Pursuant to the AXA Group's policy, employees are eligible for supplementary defined-contribution pension plans in accordance with the local regulatory framework. For these types of occupational pension schemes, the employees decide in which of the vehicles offered the contributions are invested. The Group implements the AXA Corporate Responsibility strategy by offering sustainable investment solutions. Furthermore, the Group offers three SRI-certified funds for employees who opt for self-management: AXA Pension Future, AXA WF Framlington Evolving Trends and AXA WF Framlington Women Empowerment. 90% of these funds' assets are managed in accordance with SRI standards.

Governance

9. *Do you apply the public tax reporting standard GRI 207?*
If so, does this reporting cover all elements specified in this standard and, if not, what elements have you chosen not to publish and why?
If you do not apply this standard, what are the reasons for not doing so and do you plan to apply it in the near future (1 to 2 years)?
What other steps have you taken or do you plan to take to meet your stakeholders' growing demand for tax transparency?

Answer of the Board of Directors:

Communication related to the AXA Group's tax transparency does not refer directly to the GRI 207 standard published at the end of 2019. However, our communication is based on the guiding principles set out by the various initiatives in this regard (such as GRI or B-Team).

The Group has continually strengthened its qualitative and quantitative communication on tax-related matters over a number of years and will continue to do so. In particular, it has been publishing its tax policy in the annual report since 2015 and a tax transparency report on the AXA website since 2019. This covers the major principles of the Group's tax policy in terms of both the relationship with the tax authorities and the ethical principles that all tax departments around the world must apply. It also sets out the Group's commitments in the area of tax transparency, which for the most part are in line with the GRI principles. In this report, the Group publishes tax indicators for its principal countries (representing over 90% of revenue), thereby going beyond current regulatory requirements (French, European and international).

Finally, AXA is an active stakeholder in the various discussions relating to changes in tax transparency requirements.

10. *What scope is taken into account for the equity ratios that you publish? What is your analysis of the trend in these ratios? Has this analysis prompted you to adjust your compensation policies? If so, how?*

Answer of the Board of Directors:

In accordance with the regulations in force and the AFEP guidelines, pay ratios were published for the Group's parent company (AXA SA) and, on a voluntary basis, for the Group's French entities. They cover a workforce spread across multiple entities (around 15,000 employees for the Group's French entities). The calculation of these ratios on the basis of global average employee remuneration is being considered for the 2021 performance year.

The Group also relies on other indicators (Gender Pay Gap, Equal Pay Gap) to inform its employment policy in the area of equality. By monitoring these indicators, the Group is able to implement structural and/or compensation-related levers while taking into account local market conditions. Equal pay is one of the key principles of the Group's Standards*/Compensation Policy (applicable to all Group entities) and a robust procedure for monitoring and reducing unjustified pay gaps has been in place since 2019.*

11. *Regarding the implementation of your group's gender equality policy, could you give us information about the following:*
    - *(i) The timeframe and targets – already met or to be met – on matters relevant to this policy (career, training, compensation, work-life balance, etc.) at all levels of responsibility.*
    - *(ii) Whether this equality policy is applied in all companies of the group, in France and abroad. If not, why not?*
    - *(iii) If so, what are the specific means employed to promote gender equality in the countries where you do business and where it is difficult for this concept to gain recognition?*

Answer of the Board of Directors:

We aim to achieve gender balance at all levels of the company throughout the world.

We have also committed to achieving gender balance amongst our top 300 by 2023 (Global Leadership network = all executive committees of our entities worldwide) and are currently at 34% (compared to 32% last year).

Our top 50 (Group Partners) has also made progress in the area of diversity with a 27% female representation today (compared to 17% in 2018).

Finally, 30% of the Chief Executive Officers of our subsidiaries worldwide are women, which represents a significant improvement (compared to 21% last year). It should be noted that 55% of the Chief Executive Officers who took up their position in 2020 were women, reflecting the acceleration of our appointments through quality succession planning.

In order to achieve our goals, we rely on numerous initiatives managed on a cross-functional and/or local basis, such as succession planning, sponsorship programs and mentoring.

For more information: https://www.axa.com/en/careers/diversity-inclusion#tab=gender-balance

Our Group ambition is supported by local efforts. Our aim of having 40% female representation amongst our management (top 3,000) is thus driven by each entity, which sets its own local target and implements initiatives and policies aligned with these local and global targets.

To strengthen empowerment, diversity within the teams, in particular gender balance, is now a shared objective for all Chief Executive Officers of AXA entities.

AXA is also committed to eliminating all unjustified pay gaps: the Group implements a global equal pay policy, (i) ensuring that all Group employees receive fair pay, without discrimination on the basis of gender, and (ii) voluntarily publishing the gender pay gap on an annual basis. All Group entities monitor their pay gaps on an annual basis and address any issues through dedicated budgets where necessary, in order to achieve equal pay in all regions of the world by 2023 at the latest. Standards and procedures (recruitment and promotions) have also been strengthened to ensure that no pay gap is created in future.

12. *How do you formalise your lobbying practices and how do they fit in with your group's CSR strategy? Could you describe your company's chain of responsibility on matters related to lobbying and institutional relations? In which cases can or should the group controlling body (Board of Directors, Supervisory Board) be involved? For each of your international markets, what information do you publish regarding your lobbying practices (public stances, budgets allocated, etc.)?*

Answer of the Board of Directors:

AXA has been publishing a Public Affairs Charter on its website since 2015, which describes the work and structure of the Group's Public Affairs team. This Charter also sets out the measures taken to ensure transparency in its exchanges with public authorities.

In particular, AXA is committed to making the positions it takes on the key regulatory issues impacting the Group public, and to providing public officials with information that is always accurate, verifiable and up-to-date.

In this spirit of transparency, the Charter also provides a list of the think tanks, organisations and professional associations of which the AXA Group is a member, as well as a link to AXA's registration on Government lobbying registers.

The Board is also regularly informed of the key regulatory initiatives.

13. *In practical terms, do you involve the social partners, at group and local level, in the engagement of your company in a fair transition? Do you intend to publish their views on your vigilance plan? Do you intend to publish their views on your non-financial performance document?*

Answer of the Board of Directors:

Our sustainability strategy and its action plan are presented at least twice a year to the social partners, at the level of both the European Works Council and the Group Works Council in France. Ad hoc presentations were given on the duty of vigilance (devoir de vigilance). The firm Syndex is also commissioned each year, for the key elements of our non-financial reporting, by the social partners who submit their opinions on the basis of the analysis carried out by the team of auditors.

***

II. Written question sent by IPAC

What is the amount represented by risks relating to insurance policies taken out with our Group in respect of business interruptions related to the pandemic and contested by our Group, in France and worldwide?

Answer of the Board of Directors:

A number of AXA Group entities based in different jurisdictions are involved in litigations relating to COVID-19 exposure under policies covering business interruption losses. The legal basis for these lawsuits is specific in each jurisdiction.

A large part of these litigations is located in France. They are related to COVID-19 exposure under standard multi-risk policies with non-damage business interruption extensions incurred following mandatory closures of activities. To date, the French courts have delivered in first instance inconsistent judgments in these cases, which are subject to appeals.

The number of judicial proceedings is not stabilized as various governmental lockdown measures and other impacts of the COVID-19 pandemic are still ongoing. The amount represented by risks relating to these disputed contacts was taken into account at the end of the 2020 fiscal year and will be reassessed for the 2021 half year and full year financial statements.

***

III. Written questions sent by Les Amis de la Terre

Question 1

End insurance cover for new oil and gas development projects

As a member of the Net-Zero Asset Owner Alliance and the Net-Zero Underwriting Alliance, and now as leader of the Net-Zero Insurance Alliance, AXA is part of all coalitions committed to achieving carbon neutrality and aligning their financial services with a 1.5°C scenario. But committing to phasing out coal is not enough: we need to take action on all fossil fuels. The IPCC Special Report published in 2018 states that staying on this trajectory requires unprecedented efforts and "urgent and systemic transformations" in all sectors, including oil and gas. The United Nations Production Gap report puts the pace at 4% and 3% per year respectively for oil and gas production.

In view of this scientific reality, and given the carbon budget still available to meet the Paris Agreement objectives, we need to stop exploring and opening up new fossil fuel reserves now. We also need to stop building the transport and processing infrastructure behind continuous and increased extraction. In addition, because avoiding expansion will not be enough, there is an urgent need to plan to phase out oil and gas in the medium term. Realistic use of industrial and natural CO2 capture and storage technologies requires a shift away from oil and gas by 2040 in OECD countries, and by 2050 globally. The gradual and total shutdown of existing assets needs to be planned, including assistance and support for workers and communities.

Of course, we will not be able to exit oil and gas overnight, but we cannot afford to make the problem any worse. The longer we wait, the greater the transition costs will be. As one of the leading international insurers, you are well placed to understand this.

In view of this climate emergency, do you plan to reclaim your past leadership by committing to stopping all insurance cover for new oil and gas production projects?

Clearly, we need to avoid the climate bomb contained in shale oil and gas across the Atlantic: can you commit a soon as this year to following the example of BNP Paribas and no longer granting insurance coverage to new projects in this sector and throughout the value chain, including North American export terminals?

Question 2

Discontinue support for companies working on unconventional oil and gas projects

We previously noted that any expansion of the oil and gas sector is incompatible with the objective of keeping global warming below 1.5°C. This makes it especially urgent to act on all unconventional oil and gas sub-segments. These segments combine all ESG risks with financial and economic risks. They are linked to serious human rights violations and/or threats to the environment and biodiversity. Moreover, they are seen providing most of the projected growth in global oil and gas production in the coming years: with only 9 years left to act profoundly to limit global warming to 1.5°C, these segments are as much a threat as an opportunity for effective action.

This climate, social and environmental necessity is also high on the political agenda. In October 2020, Bruno Le Maire called on Paris financial market players to adopt strategies for exiting "unconventional" oil and gas. Getting out of these segments means stopping all financial services going towards the development of shale oil and gas, oil sands and heavy oil, Arctic and ultra-deepwater drilling, from extraction to transport, processing and storage infrastructure.

Stopping this expansion involves action on two fronts: first, it is obviously out of the question to insure new projects. On that point, AXA has taken the first steps, but only on oil sands and Arctic drilling. Second, it is also vital to stop supporting the expansion of companies in these segments. On that point, AXA's policies do not respond to either the climate emergency or the Minister's appeal.

For example, AXA can still invest in and insure a company like Total, which is working on several projects in the Arctic. Overall, we estimate that AXA has invested $313 million in the 30 companies most active in Arctic drilling.

Another example is that AXA remains strongly invested in shale oil and gas. In 2020, our survey[3] revealed that AXA is among the top 10 European investors in this segment. Its investment portfolio included companies forecasting the highest production of shale oil and gas from unopened wells by 2050. In 2020, AXA had a total of $2.3 billion in investments and bonds of the 100 companies most exposed to shale oil and gas.
In 2015, and again in 2017, AXA seized political opportunities and twice announced landmark policies ahead of COP21 and at the One Planet Summit. As COP26 approaches, AXA has every interest in once again setting an example, this time on unconventional oil and gas. In 2017, you said "no new coal". To mark COP 26, it is time to say "no new unconventional oil and gas".
Do you plan to publish an exit policy for unconventional oil and gas? More specifically:

- ***Will you commit to ensuring that your policy applies to "expansionist" companies investing in unconventional oil and gas?***
- ***Will you commit to making new investments and insurance cover conditional on your clients stopping the development of new projects in the exploration, exploitation, transport, storage and processing of shale oil and gas, liquefied natural gas (LNG), oil sands, Arctic drilling and ultra-deepwater drilling?***
- ***Will you commit to a clear timetable for the withdrawal from these segments, ensuring a full exit by 2030?***

Answer of the Board of Directors to questions 1 and 2:

Your first two questions concern oil and gas expansion projects and unconventional oil.
For several years, we have been committed to phasing out our involvement with coal, both as an investor and an insurer.
Most climate scenarios provide a place for oil and gas, albeit a declining one, but not for coal. Coal is much more carbon intensive and there are clear alternatives for producing energy. Our economies still heavily rely on oil, especially for transport, while gas – when used in highly efficient gas-fired power stations – is sometimes referred to as a "transitional" energy, despite being a fossil fuel.
However, AXA has taken a stance in the Oil & Gas sector by halting investment and underwriting in oil sands (producers and associated pipelines) and oil drilling in the Arctic, both relatively controversial and carbon intensive forms of unconventional oil.
Furthermore, we are seeking to make collective progress on the issue of energy transition:

- As part of our support to the Net-Zero Asset Owner Alliance, we have committed to a long-term "climate-neutrality" target for our investments and have also unveiled an interim target aiming to reduce the carbon footprint of our investments by 20% between 2019 and 2025.
- We are also working with some of our peers to launch a Net Zero Insurance Alliance, which we will chair.

It is within the collective framework of these two alliances that we will further analyse the Oil and Gas sector and its contribution to the achievement or non-achievement of the Paris Agreement objectives.

Question 3

Adopt a more appropriate definition of the Arctic zone

AXA has adopted an Arctic policy. However, your definition of the Arctic does not correspond to precise international or geo-meteorological rules, and covers only a very limited number of projects: 172 of the 408 identified in the Arctic zone as defined by the Arctic Monitoring and Assessment Programme (AMAP). The AMAP is an Arctic Council working group, and has defined the boundaries of the Arctic based on parameters related to oceanography, but also to sea ice and permafrost. It covers a wider area, including the marginal ice zone, which is home to valuable and very fragile ecosystems.

In view of the AXA Foundation's commitment to preserving the Arctic, and AXA's desire to make biodiversity a priority, it would be appropriate for the Group to adopt a different definition to ensure that AXA does not support projects that threaten the area's ecosystems.

Will you commit to adopting the definition of the Arctic Council's Arctic Monitoring and Assessment Programme?

Answer of the Board of Directors:

Our policy of restricting insurance on Arctic oil exploration defines the Arctic as any marine area north of 70°N latitude. This area extends to the Arctic National Wildlife Refuge in Alaska, but excludes the Norwegian and Barents Seas. It appeared to us that this boundary ruled out most controversial projects, but did not cover activities outside the Arctic ice pack, which is our primary concern. However, we will analyse the definition you suggest, as it was not brought to our attention in 2018 when we developed this policy.

Question 4

Vote against Total's climatic(ide) strategy

*Chris Hohn, founder of the hedge fund TCI and the CIFF Foundation, which initiated the Say On Climate, recently stated publicly: "**It's obvious that shareholders should vote against Shell's and Total's proposed transition plans** and against directors. It's important that the world calls out those investors that don't do so, both through shame and removing business from them. […] Without near-term targets, we're not going to get anywhere, we'll have vague commitments that don't do anything. Targets and a plan to back them up are fundamental to the change we need. […] It's absolute greenwashing and hypocrisy to say we're supporting all this great stuff on climate and then support plans that don't lead to any reductions."*

Chris Hohn's message is for the shareholders of Oil and Gas major Total, and that includes you. On May 18, 2021, you will have the opportunity to take part in a consultative vote for or against the company's climate strategy, based on the Say on Climate principle. You may welcome Total's decision to organise a consultation, but the purpose of this consultative vote should not just be to acknowledge that Total is making progress, albeit insufficiently, but rather to assess the credibility of the group's climate strategy in the light of climate imperatives.

As it stands, Total's climate strategy is neither credible nor compatible with the objective of stabilising global warming at 1.5°C, which requires a swift reduction in the use of oil and gas:

- *Total has no plans to reduce its fossil fuel production capacity. Rather, it aims to increase its gas production by 30% while maintaining oil production or reducing it very slightly. In 2019, the* Carbon Tracker Initiative *calculated that Total would need to reduce its fossil fuel production by at least 35% by 2040 simply to be in line with the International Energy Agency's "Beyond 2 Degrees" scenario, which is not enough to meet your target as a member of the Net-Zero Asset Owner Alliance.*

- *By continuing to devote 80% of its capital expenditure to oil and gas in 2030, Total is failing to align its capex with a 1.5°C scenario, a major demand of the CA100+, to which you belong. The Net-Zero Benchmark, which is the assessment of the climate performance of companies engaged through the CA100+, has concluded that 58% of Total's oil and gas capex could become stranded assets.*
- *Not only are many of Total's projects incompatible with the carbon budget available in a 1.5°C or "well below 2°C" scenario, but some of them also pose very serious risks for biodiversity, human rights and, ultimately, the investors and insurers behind Total: this is the case for the EACOP oil megapipeline, associated with the proposal to open up new reserves as part of the Tilenga Project in the Great Lakes region, or for five drilling projects in the Arctic region.*

Total's commitments are in reality limited to:

- *Too small a reduction in the carbon intensity of its activities: between -15% and -20% by 2030, whereas Carbone 4 estimates that carbon intensity will need to be reduced by 75% in a 2°C scenario and by 90% in a 1.5°C scenario.*
- *A 40% reduction by 2030 of its scope 1+2 emissions, which represent only 10% of its total emissions.*
- *An unquantified commitment that its scope 3 emissions will be lower in 2030 than in 2015. The absence of a precise target and fossil fuel development forecasts imply that it could be just a very small net reduction, as Total is counting on the use of industrial and natural CO2 capture and storage technologies from 2030.*

Total pins its projects on scenarios that rely on unrealistic assumptions about carbon capture and storage, and carbon offsets. However, although Total intends to use them to achieve its scope 1+2+3 objectives, it does not specify the proportion of those objectives or how it intends to develop them. Gambles of this nature, coupled with Total's lack of transparency on key indicators, creates additional risks for the company's investors and insurers.

Last year, you opted to support Total by voting against the climate resolution submitted by a group of shareholders in a bid to push Total to change course. This year, you can avoid making the same mistake. Encouraging an annual Say on Climate and at the same time voting against Total's climate strategy is the only responsible way to encourage the company to lift its climate targets. With Total planning 5 new projects in the Arctic and having operations in other unconventional oil and gas segments, you will also be in a position to respond favourably to Bruno Le Maire's appeal. By contrast, a vote of support for Total's strategy would illustrate the insincerity of your commitment to aligning your investment portfolio with a 1.5°C scenario. It would come across as a mere communication stunt, and could be classified as greenwashing.

Do you intend to vote against Total's climate strategy, which will be put to the vote of the group's shareholders at the general meeting on May 28, and which is incompatible with a global warming scenario of just 1.5°C?

<u>Answer of the Board of Directors</u>:

We do not wish to comment on the Total case in particular, its Shareholders' Meeting being set to take place in several weeks. However, we feel it would be useful to clarify our analysis of the Oil and Gas sector and the capacity of its players to support the energy transition:

- We significantly reduced our investments in the oil sector as a whole.
- In particular, we severely restricted investments in companies that are failing to make the transition in the Upstream, Services and Downstream sub-segments, as well as in most Midstream players. In view of the undiversified nature of their core businesses, we believe that these companies are part of the oil value chain that will be difficult to shift.

- For Integrated Oil companies (including Total), we take a very selective approach to all new investments: only a few companies remain eligible to new investment, but with specific debt maturity limits. We pay close attention to their transition strategy, which must include a clear long-term goal backed up by credible interim targets, as well as sufficient financial capacity to fuel significant investment in low-carbon activities.
- As regards the Say on Climate: we are particularly attentive to ensuring that climate commitments (including indirect emissions, known as Scope 3) are in line with the Paris Agreement objectives, that capex are consistent with international transition commitments over the long term, and that regular reporting is in place.

Question 5

Divest from Fortum given its pro-coal lobbying practices

AXA has committed to exiting coal by 2030 in the OECD countries and by 2040 in the rest of the world, and has set exclusion thresholds that apply immediately for companies in the sector. Early in 2021, you made the right decision to stop insuring RWE because it does not plan to exit coal in the OECD countries by 2030.

But there are still some grey areas. One of the companies still in AXA's investment portfolio is Fortum, the majority shareholder of Uniper, which is still heavily involved in coal. In 2020, Uniper made a name for itself by starting up a new power plant in Germany, Datteln IV, despite the government's plan to phase out coal. Recently, Uniper challenged the Netherlands in the Dutch courts and before the Investor-State Dispute Settlement Tribunal on its decision to phase out coal by 2030. In every respect, Fortum/Uniper's policy is incompatible with AXA's coal exit policy *adopted at the end of 2019[5]. In addition to strict exclusion criteria, you undertake to "encourage companies to develop and disclose an exit or closure plan by 2021 for their coal infrastructure, where possible. A case-by-case analysis of company feedback will be used to inform investment decisions going forward."*

You are well aware of this incompatibility: in early 2020, we welcomed a letter from several investors, including AXA, to Fortum's Board of Directors. The letter criticised the commissioning of a new coal-fired power plant (Datteln IV) and called on the company to stop lobbying against the Paris Agreement and to commit to phasing out coal.

The lack of progress towards a coal phase-out plan and the recent initiation of legal proceedings against the Netherlands highlight the fact that Fortum/Uniper have not heeded your demands, and have instead decided to block government efforts to phase out coal in time to limit global warming to 1.5°C.

You have repeatedly shown us that you are prepared to stop providing services to companies that are fuelling the coal crisis.

Given that Fortum/Uniper has no plans to withdraw from coal by 2030 and is instead intensifying its outrageous practices to slow down the exit from coal in Europe, do you intend to divest from Fortum by the end of 2021?

Answer of the Board of Directors:

Our coal policy does not take into account lobbying activities and other sometimes multi-factor developments, but is based on four objective and quantified thresholds (as investor and insurer we exclude companies that exceed any of the following thresholds: 30% of revenue derived from coal, coal representing 30% of the energy mix, 300MW of new coal capacity, 20MT of coal produced per year, 10GW of installed coal capacity (investments only)), and the prospect of a full exit by 2030 (EU/OECD) and 2040 (rest of world). We use the publicly accessible Global Coal Exit List database to check these thresholds. We allow ourselves some flexibility for cases very close to our thresholds with an encouraging trajectory.

As such, RWE is excluded in 2021, not because of its lack of commitment to exiting coal by 2030, but because it produces three times more coal than our maximum threshold of 20MT of coal per year.
Uniper has not crossed any of our thresholds, and Fortum is slightly above only one of them. As such, neither of these companies has been excluded at this time. Naturally, if these two companies are still active in coal – even for just a few percentage points – by 2030, we will exclude them. But we will not take a decision of that nature before the deadline, because that is the whole point of our policy: announce a quantified and predictable commitment over time to encourage companies to change the way they operate.

Question 6

Adopt an exclusion policy on deforestation linked to imported soybeans
If tropical deforestation were a country, it would be the third-largest emitter of greenhouse gases in the world, just after China and the United States. Unfortunately, despite their climate commitments, financial institutions such as AXA are conspicuously absent on the issue.
Worse, they are complicit in allowing the deforestation associated with the cultivation of soybean in South America to feed cattle in Europe and North America. This includes the case of the Cerrado: the boom in demand for soybean has made it one of the most vulnerable ecosystems on the planet. 50% of its original area has already been destroyed. Its disappearance would be a disaster for the climate and biodiversity, given that it stores the equivalent of 13.7 billion tonnes of carbon dioxide (CO2) and is home to 5% of the world's biodiversity.
The destruction of the Cerrado is not inevitable, provided that the adoption and implementation of "zero deforestation" measures by traders such as ADM, Bunge, Cargill and Louis Dreyfus, who alone are behind 56% of soybean exports worldwide, is imposed. In 2020, 4 French investors held nearly all the equity and bond investments of French financial actors in these 4 companies. AXA is one of them.
At the end of 2019, AXA committed to making biodiversity a priority through its Act4Nature plan. One of its aims was to fine-tune the exclusion lists to limit the impact of AXA's investments on deforestation. At the end of 2020, when questioned on the subject, AXA replied to NGOs that the fight against deforestation was a priority. To date, however, AXA has not made any tangible commitments to combat deforestation linked to imported soy – for example by suspending financial services to traders that have not revised their contracts with soy producers to explicitly state that any soy from land deforested or converted from natural ecosystems after 1 January 2020 will no longer be accepted and integrated into supply chains.
Meanwhile, the Cerrado continues to burn. AXA urgently needs to rethink its position: are you planning to announce an exclusion policy for companies linked to the global soy trade that are not committed to a zero deforestation objective?

Answer of the Board of Directors:

Biodiversity loss disrupts the functioning of ecosystems (oceans, forests, etc.), undermining their ability to generate "ecosystem services", such as the production of agricultural and other natural commodities. This threatens both society and the businesses that depend on it, as well as investors and insurers who rely on a healthy economy. That is why AXA sees the biodiversity challenge as a natural extension of its efforts to combat climate change, which is exacerbating the destruction of ecosystems.

We have launched a number of initiatives since 2018, including an impact investment fund dedicated to climate and biodiversity, a coalition for the protection of the oceans and a major partnership with WWF. We also signed several key commitments such as Act4Nature, Business4Nature and Finance for Biodiversity. Additionally, we issued a series of recommendations to the G7, including the creation of the TNFD, a biodiversity taskforce modelled on the TCFD, in which we play a very active role. Lastly, we have undertaken to support the work of an organization to develop an impact assessment model for three years.

We have had an anti-deforestation policy in place since 2013, with a focus on palm oil production. We have also launched an analysis of other drivers of deforestation, including soybean. This work is ongoing. Once finalised, our new policy will be published on our website axa.com.

***

IV. Written questions sent by Julien Czajka

1. *Our Group has taken the first steps in developing services beyond insurance, in particular telemedicine and, in some countries such as Mexico and Egypt, vertical integration in the health sector through its own network of clinics (or in partnership). These initial developments appear as important for the future of the Group's product offerings and its competitive advantage. Therefore, I kindly ask you for your feedback on the initial assessment of these developments. Based on these initial milestones, what is the ambition for deployment in the field of telemedicine and vertical integration? Furthermore, in connection with property & casualty, what innovations in service integration is the Group working on in addition to these health-related innovations?*

   Answer of the Board of Directors:

   Our strategy is to strengthen AXA's position in the health sector by developing innovative solutions and deploying services which go beyond insurance. For example, over the course of the last two years, AXA opened 15 care centres in Colombia, Mexico and Egypt, which are accessible to over 500,000 clients. In Europe, 7 million customers benefit from our teleconsultation service developed by AXA Partners.

   On the horizon of our next plan and beyond, our ambition is to become a leading partner in organising the care experiences of our clients around ecosystems of services provided by AXA or by third parties, covering, in particular, prevention, telemedicine, orientation, access to treatment and to medicine when local regulations allow, and reimbursement. Ultimately, our ambition is to have open ecosystems (beyond our insurance clients) which cover the widest possible range of care experiences.

   The launch with Microsoft of a digital healthcare platform in Europe illustrates our desire to establish our expertise and strengthen our ambition beyond emerging countries. Our objective is to simplify the health experience of users by giving them access to an ecosystem of integrated services. They will notably be able to benefit from a self-diagnosis tool, a teleconsultation interface, a tool to set-up appointments and even home delivery of medicine. The first results of the pilot programme for this platform (which has been deployed in Germany and Italy for several months) are very encouraging, with an average of 2,680 unique users per day. The service will be deployed in the United Kingdom, Belgium, Spain and Switzerland by 2022, and may be further extended to other countries.

At the same time, we would like to extend our activities in countries where private insurance companies play a major role in health systems. We will continue our development in Colombia, Mexico and Egypt and plan to launch a pilot project in Nigeria. We are also committed to vertical integration in Italy and Spain, where we are enriching our offers through the acquisition of prevention centers and clinics.
In P&C, we confirm that the Group is working with the same philosophy of creating and/or organising ecosystems dedicated to certain sectors of risk or industry in order to give our clients access to prevention or remediation services, making use, in particular, of new technologies (Internet of Things and spatial imagery).

2. *In its strategic positioning exercise, the Group identified a group of high potential countries which are presented as its future growth drivers, the Group already having significant market positions in some of them. Would it be possible to provide an update on the Group's results and strategy in these high potential countries? What are the main areas of development in these countries (organic / external growth)?*

Answer of the Board of Directors:

During our last Ambition 2020 plan, the high potential segment (Mexico, Brazil, Philippines, Indonesia, Thailand and China) has overall contributed positively to the Group's development despite the volatility inherent to developing markets, notably linked to the fast and frequent evolution of regulation, a very strong competitive intensity and, for 2020, the significant impact of the sanitary crisis. The Group benefits from strong positions in this segment (#3 in Mexico in P&C, #4 and #5 in life insurance respectively in the Philippines and Indonesia), in line with our strategy of focusing on our priority segments and on entities where we have sufficient size and market share to contribute positively to the Group's future development.

We have the ambition to continue the development of these entities and their participation in the growth of the Group, primarily organically, notably in the health sector (through Emma, a health services orchestration platform), and in the South-East Asia region with the continued development of proprietary distribution networks which complement our banking partnerships.

3. *As part of its 2023 strategic plan, the Group mainly communicates on its preferred segments, P & C commercial lines, Health and Protection, which represent 64% of its business in 2020. In line with the XL Group / AXA Equitable arbitration, could the Group carry out new acquisitions or disposals in order to accelerate its refocusing on technical risks and thus more quickly strengthen the weight of the preferred segments within the Group? Similarly, following the announcements made in relation to the 2020 financial year, where does the Group stand in its strategy to exit non-strategic countries? Does the Group plan any further disposals during the year?*

Answer of the Board of Directors:

AXA's strategy is to focus on our preferred segments and on the entities with a sufficient size and market share. AXA is now well positioned, both in terms of markets and in mix of activities: the Group is a leader in Europe and is the world's leading specialist in corporate risk, and also has strong growth drivers in Asia and in asset management (particularly in alternative investments). Our priority for the coming years is to consolidate this structure while continuing to simplify the Group, in order to exploit its full potential in line with the implementation of our strategic plan “Driving Progress 2023.”