



RI TRANSPARENCY REPORT

2014/15

AXA Group



UNEP Finance Initiative
Changing finance, financing change



United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Public	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	🔒	n/a							✓
SAM 05	ESG incorporation strategies	🔒	n/a	✓	✓					
SAM 06	Selection processes (listed assets)	🔒	n/a	✓					✓	
SAM 07	Appointment considerations (listed assets)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	🔒	n/a	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓					✓	
SAM 11	Appointment considerations (non-listed assets)	✓	Public				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓					✓	
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓					✓	
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓					✓	
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 16	Disclosure of RI considerations	✓	Public						✓	

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
LEI 09	Types of sustainability thematic funds/mandates	⚡	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	⚡	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	⚡	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	⚡	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	⚡	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Public		✓					
LEA 25	Examples of (proxy) voting activities	✓	Public		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
FI 02	Breakdown of investments by credit quality	✓	Public							✓
FI 03	Description of ESG incorporation	✓	Public	✓						
FI 04	Percentage of each incorporation strategy	✓	Public	✓						
FI 05	Type of ESG information used in investment decision	✓	Public	✓						
FI 06	Types of screening applied	✓	Public	✓						
FI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
FI 08	Processes to ensure fund criteria are not breached	✓	Public	✓						
FI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
FI 10	Description of ESG integration	✓	Public	✓						
FI 11	Review of ESG issues while researching companies/sectors	✓	Public	✓						
FI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
FI 13	Incorporation of ESG issues into analysis and decision making	✓	Public	✓						
FI 14	ESG issues in index construction	🔒	n/a	✓						
FI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
FI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
FI 17	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
FI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	
FI 19	Engagement with corporate issuers	✓	Public		✓					
FI 20	Engagement with government issuers	✓	Public		✓					

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Public							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Public							✓
PR 04	Description of approach to RI	✓	Public	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 06	Fund placement documents and RI	🔒	n/a	✓			✓		✓	
PR 07	Formal commitments to RI	🔒	n/a				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Public	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Public	✓		✓				
PR 12	ESG issues impact in selection process	✓	Public	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	🔒	n/a				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Public		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Public		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Public		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Public	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

AXA Group

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the category which best represents your primary activity.

- ☐ Non-corporate pension or superannuation or retirement or provident fund or plan
- ☐ Corporate pension or superannuation or retirement or provident fund or plan
- ☒ Insurance company
- ☐ Foundation or endowment
- ☐ Development finance institution
- ☐ Reserve - sovereign or government controlled fund
- ☐ Other, specify

OO 02	Mandatory	Peering	General
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OO 02.1 Select the location of your organisation's headquarters.

France

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ☐ 1
- ☐ 2-5
- ☐ 6-10
- ☒ >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

157000

OO 03	Mandatory	Descriptive	General
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OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- ☒ Yes

OO 03.2 List your subsidiaries that are separate PRI signatories and indicate if you would like to report their RI activities in your organisation's consolidated report.

Name of PRI signatory subsidiary (Up to six subsidiaries may be reported)	RI implementation reported here on a consolidated basis
AXA Investment Managers	<input checked="" type="radio"/> Yes <input type="radio"/> No
AB	<input checked="" type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No

☐ No

OO 03.3

Additional information. [Optional]

AXA Group's responsible investment (RI) activities apply to the insurance group's general account (GA) assets only (covering €523bn). As discussed under OO9.1 the RI activities that relate to the GA assets are overseen by the Group RI Committee.

As such, the responses provided in this report refer to GA RI activities only i.e. third party assets managed by either AXA Investment Managers (IM) or AB are not included. Further detail on Group assets under management are provided under OO4, OO6 and OO8.

OO 04

Mandatory

Gateway/Peering

General

OO 04.1

Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM	1	277	000	000	000
Currency	EUR				
Assets in USD	1	674	774	231	279

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- ☒ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ☐ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 04.6

Additional information. [Optional]

AXA Group's total consolidated assets under management (AUM) were €1,277bn as at 31st December 2014. Total Group assets include General Account and third party assets and are managed by a combination of AXA IM (50%), AB (30%) and other AXA companies (20%).

As explained under OO3.3, the scope of AXA Group's Responsible Investment (RI) activities are the Group's General Account (GA) assets only. As at 31st December 2014 AXA Group GA invested assets were €523bn.

This submission to the UN PRI provides detail on the Group's RI activities that fall within the scope of the Group RI Committee i.e. GA assets. The substantial majority of GA assets are managed by AXA IM (80%) and AB (20%).

Additional detail on AXA Group's business units, assets under management and financial performance is available in our annual financial results publications, all of which are available at:
<http://www.axa.com/en/investor/resultsreports/earnings/>

OO 06**Mandatory****Descriptive****General****OO 06.1**

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ☒ Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	3	0
Fixed income – corporate	29	0
Fixed income – government	47	0
Fixed income – other	7	0
Private debt	0	0
Private equity	0	2
Property	5	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	1	0

Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	4	0
Other (1), specify	0.02	0
Other (2), specify	1	0

'Other (1)' specified

The Group currently has approximately €300million committed or allocated to different private debt investments within microfinance and other impact investment opportunities.

'Other (2)' specified

Relates to Policy Loans.

- ☐ Publish our asset class mix as broad ranges
- ☐ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07

Mandatory to Report Voluntary to Disclose

Peering

General

OO 07.1

Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	<i>100%</i>

OO 07.2

Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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OO 08.1	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Responsible Investment (RI) is the integration of environmental, social, and corporate governance (ESG) considerations into investment processes and ownership practices, in the - increasingly documented - conviction that these may impact both risks and returns. The identification, understanding and management of ESG issues requires an expertise that has been developed relatively recently.

It is in this context that AXA Group created a Responsible Investment Committee (RIC), presided by the Group Chief Investment Officer. The RIC's mandate is to develop a global approach to RI issues which takes into account both controversial sectors on a reputation standpoint - such as the challenge posed by controversial weapons - and the more positive 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 policy. This RI Policy, which covers the Group's €523bn general account assets, sets out AXA Group's position and beliefs on RI, and defines the corporate governance practices that our asset managers are expected to encourage, including via engagement and voting. The RI Policy also allows for a structured development of investment guidelines for sectors that pose particularly acute environmental or ethical challenges, for which guidelines will be progressively defined.

Finally, the RI Policy initiates the Group's "Impact Investment" project. Impact Investments aim to allocate capital to investment strategies whose goal is to focus on assets that address key sustainability concerns such as renewable energy, poverty, health or risk prevention.

AXA Group joined the UN PRI in 2013. Our asset management subsidiaries - AXA Investment Managers (AXA IM) and AB - are also PRI signatories. This report provides a consolidated report on the Group's RI activities (as they relate to GA assets). This is the second year of reporting to the PRI on a consolidated basis. The individual PRI Transparency reports for AXA IM and AB are available separately via the PRI website.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
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OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- ☒ We incorporate ESG issues into investment decisions on our internally managed assets
- ☒ We engage with companies on ESG issues via our staff, collaborations or service providers
- ☒ We cast our (proxy) votes directly or via service providers
- ☐ None of the above

OO 11	Mandatory	Gateway	General
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OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- ☒ Fixed income – corporate
- ☒ Fixed income – government
- ☒ Fixed Income – other
- ☒ Property
- ☐ Hedge funds
- ☐ Cash
- ☒ Other (1)
- ☐ Other (2)
- ☐ None of the above

'Other (1)' [as defined in OO 05]

The Group currently has approximately €250million committed or allocated to different private debt investments within microfinance and other impact investment opportunities.

'Other (2)' [as defined in OO 05]

Relates to Policy Loans.

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- ☒ Private equity
- ☐ None of the above

OO 11.3
Additional information. [Optional]

In 2013 AXA Group launched a pioneering "Impact Investment" project by committing €200m to an internal impact investment "fund of funds". The impact fund aims to allocate capital to organisations that address key societal challenges in the areas of environmental (e.g. climate change), life (e.g. health& longevity) or socio-economic (e.g. poverty) risks. Impact investments seek to create both financial returns and a positive social or environmental impact that is actively measured.

The Group has a further €100m committed to microfinance investments and approximately €200m committed to renewable energy investments, predominantly in private equity.

OO 12
Mandatory
Gateway
General
OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- ☒ Organisational Overview
- ☒ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers
Direct - Listed Equity incorporation

- ☒ Listed Equity incorporation

Direct - Listed Equity active ownership

- ☒ Engagements
- ☒ (Proxy) voting

Direct - Fixed Income

- ☒ Fixed Income - Corporate
- ☒ Fixed Income - Government

Direct - Other asset classes with dedicated modules

- ☒ Property

RI implementation via external managers

☒ Private Equity

Closing module

☒ Closing module

OO 12.2	Additional information. [Optional]
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AXA Group is committed to transparency on its RI activities. To demonstrate this we continue to report on the voluntary Fixed Income (Corporate and Government) modules as they represent such a significant part of the Group's asset allocation. In addition, we continue to report on our RI activities for Property, also a voluntary module as our allocation to this asset class are less than 10% of our total AUM.

This year we completed an additional voluntary module - SAM - to provide information on the Group's Private Equity (PE) assets. The majority of the Group's PE assets are managed by Ardian, a third party investment firm. Ardian was previously a subsidiary of AXA Group. Ardian is also a signatory of the PRI.

AXA Group

Reported Information

Public version

Overarching Approach

PRI disclaimer

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
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- ☒ Yes
☐ No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
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- ☒ Yes
☐ No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
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AXA Group's RI policy defines RI as follows: "the integration of environmental, social and corporate governance (ESG) considerations into investment processes and ownership practices".

The Group policy further states that "AXA believes that ESG factors have the potential to impact investment portfolios across companies, sectors, regions and asset classes over time. We believe that ESG issues can therefore affect risk and returns and as such require monitoring".

The Group's objective is to align its investments with AXA's corporate responsibility (CR) agenda of protecting people over the long term and creating stronger and more sustainable societies. This agenda is in line with the Group's interests as a global insurer and investor.

In developing the Group's Global RI Policy we aimed to align it wherever practicable with our wider CR strategy, which includes a major focus on risk research and education. More information on AXA's Group CR activities can be found here: <http://www.axa.com/en/responsibility/>

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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- ☒ Yes

OA 02.2	Provide a URL to your responsible investment policy.
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	URL
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http://www.axa.com/lib/axa/uploads/docsdd/AXA_Group_Responsible_Investment_Policy_2013.pdf

- ☐ No

OA 02.3

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

- ☒ Yes
- ☐ Yes, all
- ☐ Yes, some

OA 02.4

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Food ("soft") commodities	http://www.axa.com/lib/axa/uploads/docsdd/AXA_Soft_commodities_derivatives_policy_2013.pdf
Palm Oil, Agriculture, Timber & Forestry	http://www.axa.com/lib/axa/uploads/docsdd/AXA_Palm_oil_and_forestry_policy_2013.pdf
Controversial Weapons Policy	http://www.axa.com/lib/axa/uploads/docsdd/AXA_Controversial_weapons_policy_2013.pdf
AXA IM Responsible Investment Policy	http://www.axa-im.com/en/c/document_library/get_file?uuid=axa_RI_votingpolicy_en&groupId=12504&roleIds=10138-10146
AB Responsible Investment Policy	https://www.alliancebernstein.com/abcom/Our_Firm/Content/CGDocs/Statement%20of%20Policy%20Regarding%20Responsible%20Investment.pdf
Sustainable Real Estate Policy	http://www.axa-realestate.com/expertise/responsible-investment/sustainable-real-estate

☐ No

OA 02.5**Additional information. [Optional]**

In addition to the policies listed above, AXA Group maintains a "sanctioned countries" policy and a related country blacklist (these documents are not disclosed publicly).

Additional Group RI and related policies are available online, specifically those published by AXA IM and AB. These are listed below and links are provided.

Additional AXA IM policies:

- Voting policy
- Controversial Weapons Policy
- UK Stewardship Code Statement
- Japan Stewardship Code Statement

These are available at: <http://www.axa-im.com/en/responsible-investment/policies-exclusions#policies> and <http://www.axa-im.com/en/responsible-investment/voting>

Information on AXA IM's approach to sustainable property can be found in its AXA Real Estate Sustainable Development report. The latest version of this report is available via the AXA Real Estate website: <http://www.axa-realestate.com/expertise/responsible-investment>

Additional AB policies:

- Statement of policy regarding Responsible Investment
- Statement on controversial weapons
- Policy and Procedures for Proxy Voting
- Response to the UK Stewardship Code

These are available at: https://www.alliancebernstein.com/abcom/Our_Firm/About_Us/Responsible-Investing.htm

Ardian policies:

Ardian (previously AXA Private Equity) also provides information on its ESG activities via the following:

- CSR section of its website: <http://www.ardian-investment.com/en/corporate-social-responsibility>
- In its CSR Charter: http://www.ardian-investment.com/sites/default/files/reports/Ardian_CSR_Charter_Mar2014EN.pdf
- In its separate PRI Transparency Report.

OA 03**Mandatory****Core Assessed****PRI 1,2****OA 03.1**

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2

Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

AXA Group's RI Policy covers General Account (insurance company) assets only. The policies of AXA IM and AB - the Group's subsidiary investment management companies - apply to both AXA Group's assets and assets managed for third parties. Where necessary, the Group RIC agrees specific initiatives with AXA IM and AB, for example the ESG Integration initiative (discussed in more detail in subsequent modules).

OA 04

Mandatory

Core Assessed

General

OA 04.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

☒ Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

AXA Group's conflicts of interest policy is set out in Section 2 of the Group Compliance and Ethics Guide, available at: http://www.axa.com/lib/en/uploads/refdoc/compliance/AXA_ComplianceGuide_2011.pdf

AXA IM and AB maintain their own conflicts of interest policies. Links to the respective policies are provided below.

- AXA IM: <http://bit.ly/18xWXa9>
- AB: <http://bit.ly/1xaD13H>

☐ No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

☒ Yes

OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

- ☒ At least once per year
☐ Less than once per year

OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- ☒ Quarterly
☐ Biannually
☐ Annually
☐ Every two years or less
☐ It is not reviewed
☐ No

OA 05.4 Additional information. [Optional]

The AXA Group RIC meets quarterly to review and discuss ongoing RI implementation related to the Group's general account insurance assets - RI objectives are set and reviewed within these meetings.

The RIC published the AXA Group RI Policy in 2013. This policy is accompanied by an implementation and monitoring framework, which ensures progress against the UN PRI as well as specific items defined in the RI policy. The Group has also signed the UN Principles for Sustainable Insurance (PSI), a "sister" initiative dedicated to integrating ESG in the insurance value chain.

The activities of the RIC also support AXA Group's wider Corporate Responsibility activities, details of which can be found here: <http://www.axa.com/en/responsibility/>

OA 06	Voluntary	Descriptive	General
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OA 06.1 List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☒ Add responsible investment objective 1

Objective 1	Further roll-out of the Group ESG integration initiative.
Key performance indicators	Majority of Group assets screened for ESG performance / risk.
Describe the progress achieved	60% of Group assets now screened for ESG performance indicators

☒ Add responsible investment objective 2

Objective 2	Proactive internal and external communications on RI progress.
Key performance indicators	UN PRI assessment report: Grade / Ban A achieved.
Describe the progress achieved	Various articles and interviews shared internally (Group; AXA IM) on Group Impact Fund, ESG integration process etc. Significant effort put into completing voluntary PRI modules.

☒ Add responsible investment objective 3

Objective 3	Further roll-out of the Impact Fund and launch of the Renewable Energy Fund.
Key performance indicators	185ME invested or committed by Q1 2015. Total fund AUM is 200ME.
Describe the progress achieved	Fund almost entirely invested, communicated regularly to target audiences etc.

OA 06.2 List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Further roll-out of the Group ESG integration initiative.
Key performance indicators	Majority of Group assets screened for ESG performance / risk.

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Proactive internal and external communications on RI progress.
Key performance indicators	Achieve Grade / Band A again. Further external communications on RI strategy and implementation.

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Define and implement comprehensive “carbon risks” strategy in the run-up to COP21, Paris 2015.
Key performance indicators	Evidence provided in next UN PRI reporting framework submission.

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1

Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

All of the Group's RI activities are overseen by the AXA Group Responsible Investment Committee (RIC). The RIC was created in November 2010 with a mandate to:

- Develop and propose a comprehensive approach to RI for the AXA Group
- Report on implementation of AXA's RI policy to the Group Investment Committee (GIC)
- Raise awareness regarding RI throughout the Group

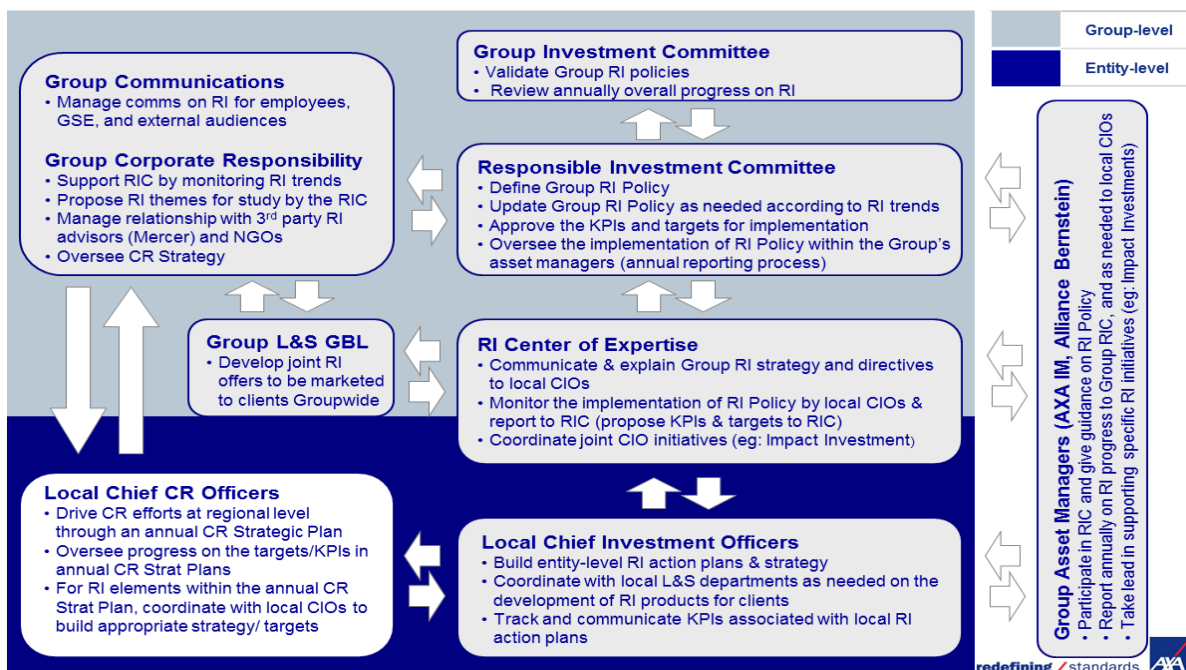
The RIC's members are drawn from various functions across AXA: Group Investments, Corporate Responsibility (CR), Group Risk Management, Legal, AXA IM, AB and the entity CIO representatives. The RIC also consults as necessary with other Group functions including: the Risk Compliance Committee, the ALM Supervisory body and the Group CR Committee. The RIC is chaired by Laurent Clamagirand, AXA Group's Chief Investment Officer and meets on a quarterly basis. The RIC's remit covers the €523bn of General Account (insurance) assets.

The RIC's decisions are interpreted and implemented by the local CIOs via the RI "Centre of Expertise" (CoE). The RI CoE is also charged with communicating and explaining the Group's RI strategy and directives to local investment teams as well as coordinating joint CIO initiatives. The RIC reports to the Group Investments Committee.

The RIC receives support and input from Group CR, the Global Business Line Life and Savings and both AXA IM and AB. On a local level, the network of Chief CR Officers coordinate with their local CIOs to ensure the entities' CR strategy planning is consistent with RI developments.

☒ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Group RI Governance Model



To upload the image click the Save button below

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- ☒ Board members or trustees
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other Chief-level staff or head of department, specify
Responsible Investment Committee
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Portfolio managers
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Investment analysts
 - ☐ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Dedicated responsible investment staff
 - ☒ Oversight/accountability for responsible investment
 - ☒ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☒ External managers or service providers
 - ☐ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☒ No oversight/accountability or implementation responsibility for responsible investment
- ☒ Other role, specify
AXA Group CR staff
 - ☒ Oversight/accountability for responsible investment
 - ☐ Implementation of responsible investment
 - ☐ No oversight/accountability or implementation responsibility for responsible investment
- ☐ Other role, specify

OA 08.2

Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

	Number
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16

OA 08.3	Additional information. [Optional]
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The Group's RI resources are spread across the Group as follows:

- Group CR function and CIO's office (2)
- AXA IM - in-house RI team (11)
- AB - Head of RI + Proxy Team (3)

OA 09	Voluntary	Additional Assessed	General
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OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.
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Board members/Board of trustees

- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Other C-level staff or head of department

Responsible Investment Committee

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☐ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

- ☐ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☒ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Other role

AXA Group CR staff

- ☒ Responsible investment KPIs and/or goals included in objectives
- ☒ Responsible investment included in appraisal process
- ☐ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

OA 09.3	Provide any additional information on your organisation's performance management, reward and/or personal development processes in relation to responsible investment.
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The Group Corporate Responsibility function has specific annual objectives on RI. The Group RI Committee has a general objective to make progress on RI implementation (as supported by the objectives highlighted under OA6.1 and 6.2.

Within AXA IM, investment staff (including portfolio managers and analysts) have RI included in their personal development and /or goals.

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

- ☒ Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA Group has been a signatory since late 2012. Details of AXA IM and AB's involvement in the PRI are provided below:

- AXA IM had an active role in the PRI Fixed Income Working Group by preparing positions papers and acting as public spokesperson for the initiative.
- AB participated in two PRI Working groups: Fixed Income and Equity Integration. In 2014 AB also hosted a "Results to Action" workshop and the AB Head of RI chaired a panel session at the PRI in Person event.

- ☐ Asian Corporate Governance Association
- ☐ Association for Sustainable & Responsible Investment in Asia
- ☐ Australian Council of Superannuation Investors
- ☒ CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA Group has been a CDP member since 2006.

AXA IM engages with companies in industries with potentially significant supply chain emissions on measurement in order to set reduction targets for supply emissions.

- ☐ CDP Forests
- ☐ CDP Water
- ☐ CFA Institute Centre for Financial Market Integrity
- ☒ Council of Institutional Investors (CII)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☒ Basic
- ☐ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AB is an educational sustainer member of the CII. AB attends meetings of the CII, participates in teleconferences on proxy-related issues and shares its insights. AXA IM also contributes to CII discussions.

☒ Eumedion

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA IM is a member of this organisation and wants to be active. The representative who is living in Netherlands benefits from the RI Team's analyst support to prepare the meetings regarding the Dutch corporates discussed in the forum.

- ☐ Extractive Industries Transparency Initiative (EITI)
☒ Global Investors Governance Network (GIGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA IM participates in collaborative engagement activities within GIGN.

- ☒ Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

65% of the AUM of AXA IM Real Estate was included in the 2014 GRESB survey.

- ☐ Institutional Investors Group on Climate Change (IIGCC)
- ☐ Interfaith Center on Corporate Responsibility (ICCR)
- ☒ International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☒ Moderate
- ☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA IM is an active member of ICGN and supports the Network's goals.

AB became a member of ICGN in September 2014. One staff member attended the ICGN annual conference in Amsterdam. Two staff members completed the two day ICGN ESG Integration training.

- ☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
- ☐ Investor Network on Climate Risk (INCR)/CERES
- ☐ Local Authority Pension Fund Forum
- ☒ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
AXA IM is a member of the French SIF (FIR) and Eurosif. AB is a member of the US SIF.

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
- ☐ Moderate
- ☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA IM is vice president of the FIR and promotes SRI in France within the public administration. AXA IM was also an active speaker at Eurosif organised meetings with the EU.

AB attended the US SIF Conference in 2014.

- ☐ Shareholder Association for Research and Education (Share)
- ☒ United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA Group signed up to UNEP-FI in 2002. AXA was involved in the creation of the Insurance Working Group. This working group drafted the Principles for Sustainable Insurance.

- ☒ United Nations Global Compact

Your organisation's role in the initiative during the reporting period (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA Group provides an annual "Communication on Progress".

- ☒ Other collaborative organisation/initiative, specify

Global Impact Investment Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

AXA IM speaks at GIIN organised events.

- ☒ Other collaborative organisation/initiative, specify

Association Française de Gestion Financière (AFG) Corporate Governance Committee and SRI Committee

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AXA IM participates actively in the Working group on the RI label project, and the KPI's definition measuring the impact.

☒ Other collaborative organisation/initiative, specify

ABI Association of British Insurers

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
☐ Moderate
☒ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AXA IM is a member of the Investment Committee and the Remuneration & Share Schemes. AXA IM representatives participate in targeted engagement with companies, and in their role as Committee members work to improve corporate governance and remuneration expectations of companies in the UK.

☒ Other collaborative organisation/initiative, specify

United Nations Principles for Sustainable Insurance

Your organisation's role in the initiative during the reporting year (see definitions)

- ☐ Basic
☒ Moderate
☐ Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

AXA Group was a founding signatory of the UN PSI. Further details can be found on the Group website here: http://www.axa.com/en/news/2012/principles_sustainable_insurance.aspx

Also, AXA Group's PSI disclosures are available via the PSI website, here: <http://www.unepfi.org/psi/signatory-companies/>

OA 10.2 Additional information. [Optional]

Further information regarding AXA Group's more general CR-related commitments can be found here: <http://www.axa.com/en/responsibility/strategy-commitments/Commitments/>

Further details of AXA IMs and ABs commitments are available in their individual PRI Transparency Reports, via the reporting outputs page of the PRI website: <http://www.unpri.org/areas-of-work/reporting-and-assessment/reporting-outputs/>

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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☒ Yes

OA 11.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
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- ☒ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- ☒ Provided financial support for academic or industry research on responsible investment
- ☒ Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- ☒ Spoke publicly at events and conferences to promote responsible investment
- ☒ Wrote and published in-house research papers on responsible investment
- ☒ Encouraged the adoption of the PRI
- ☐ Other, specify

☐ No

OA 11.3	Additional information. [Optional]
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AXA Group aims to promote high standards of both corporate responsibility and responsible investment across its activities. CR and RI require interdisciplinary sector-wide solutions and dialogue. As a consequence, AXA Group is an active member of many international and national organisations whose aim it is to advance CR and RI. These have been listed previously, but include UNEP-Fi, the PSI, Global Compact and the UN PRI. The Group's asset management subsidiaries are also active in some of the same, but also additional RI and related initiatives.

AXA IM also plays an active role in promoting acceptance and implementation of ESG issues within the investment industry:

- During 2014 it devoted significant resources to assisting its insurance clients to integrate ESG issues into their day-to-day activities e.g. through demonstrations of its RI Research Tool (15 clients were reached).
- AXA IM continues to provide tailored training programmes for clients on ESG issues.
- AXA IM sponsors academic research - through the AXA Research Fund - to explore the linkage between ESG factors and long term company performance, believing it is necessary to build a foundation of empirical evidence to support acceptance of ESG consideration within the industry.
- AXA IM also participates in seminars and other public forums where ESG issues are discussed.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
----------------	---

☒ Yes

- ☒ Yes, individually
- ☒ Yes, in collaboration with others

OA 12.2

Select the methods you have used.

- ☒ Endorsed written submissions to governments, regulators or standard-setters developed by others
- ☒ Drafted your own written submissions to governments, regulators or standard-setters
- ☐ Participated in face-to-face meetings with government members or officials to discuss policy
- ☐ Other, specify

OA 12.3

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- ☐ Yes, publicly available
- ☒ No
- ☐ No

OA 12.4

Additional information.

AXA Group frequently responds to local and EU public policy developments on an ad-hoc basis notably on insurance and investment regulation.

AXA IM is a member of Eurosif. As a member of this RI industry initiative it indirectly supported EU policy discussions undertaken by Eurosif during the year, for example on proposed changes to the corporate governance regime in the EU.

ESG issues in asset allocation

OA 13

Voluntary

Descriptive

PRI 1

OA 13.1

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

- ☒ Yes
 - ☐ Allocation between asset classes
 - ☐ Determining fixed income duration
 - ☒ Allocation of assets between geographic markets
 - ☐ Other, specify

OA 13.2

Describe how you apply ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

AXA Group operates a country exclusion or blacklist, focused on countries which are under international embargoes or sanctioned.

AXA IM includes a qualitative assessment of ESG Issues in the analysis of country exposures. A specific "reputational high risk country" framework has been set up to flag high risk countries on ESG practices specifically for emerging markets.

AXA IM and AB must comply with AXA Group's country exclusion policy.

- ☐ No

OA 14

Voluntary

Descriptive

PRI 1

OA 14.1

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

☒ Yes

OA 14.2

Indicate the percentage of your total AUM invested in environmental and social themed areas.

% of total AUM

0.2

OA 14.3

Please specify which thematic area(s) you invest in and provide a brief description.

Area

☒ Clean technology (including renewable energy)

Asset class invested

- ☐ Listed equity
- ☒ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☒ Private equity
- ☐ Property
- ☐ Other (1)

Brief description of investment

The Group has approximately Eur745m invested in a mixture of renewable energy / clean technology private equity assets and Green Bonds.

☒ Green buildings

Asset class invested

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☒ Property
- ☐ Other (1)

	Brief description of investment
--	---------------------------------

Our Property module submission provides additional information on our property investments. Further information can be found on the AXA Real Estate website:

<http://www.axa-realestate.com/expertise/responsible-investment>

☒ Sustainable forestry

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Property
- ☒ Other (1)

Timberland

	Brief description of investment
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AXA Group forest assets are managed by AXA Real Estate. These assets are primarily located in France. The approach taken is consistent with previous guidance issued by the UN PRI (e.g. its 2011 publication "Responsible Investment in Commodities").

☐ Sustainable agriculture

☒ Microfinance

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☐ Property
- ☒ Other (1)

The Group currently has approximately €100million committed or allocated to different private debt investments within microfinance opportunities.

	Brief description of investment
--	---------------------------------

The AXA Group invests directly in various organizations specializing in solidarity finance. These include investments in the Global Commercial Microfinance Consortium, the International Finance Corporation, the Société d'Investissement France Active, the Association pour le Droit à l'Initiative Economique, Habitat et humanisme, as well as investments in social housing schemes in the USA.

- ☐ SME financing
- ☐ Social enterprise / community investing
- ☒ Affordable housing

	Asset class invested
--	----------------------

- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☐ Private equity
- ☒ Property
- ☐ Other (1)

	Brief description of investment
--	---------------------------------

See comments above.

- ☐ Education
- ☐ Global health
- ☐ Water
- ☒ Other area, specify

Impact Investment Fund

	Asset class invested
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- ☐ Listed equity
- ☐ Fixed income - corporate
- ☐ Fixed income - government
- ☐ Fixed income - other
- ☒ Private equity
- ☐ Property
- ☒ Other (1)

Private Debt

	Brief description of investment
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The AXA Group Impact Investment initiative is a global fund of funds focusing on investments in basic services including financial services, healthcare and education. The fund is invested in a mix of underlying private equity and private debt (e.g. microfinance and microinsurance) funds. The Fund is managed by AXA IM on behalf of the Group.

☐ No

Asset class implementation not reported in other modules

OA 15	Voluntary	Descriptive	General
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OA 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - other	Fixed income assets other than government and corporate bonds (a small proportion of General Account assets - 7%) are not currently subject to systematic consideration of ESG issues.
Other (1) [as defined in Organisational Overview module]	AXA Group has allocations to private debt (e.g. microfinance) via direct investments and via its Impact Investment fund. In relation to the latter, potential investments are assessed based on their ability achieve measurable social and/or environmental impact as well as a level of financial return. This initiative was launched in 2013 and has developed throughout 2014.

Innovation

OA 18	Voluntary	Descriptive	General
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OA 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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☒ Yes

OA 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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- 1.The AXA Group Impact Investment fund of funds, which is deploying €200m of Group capital to invest in private projects with social and environmental impact and a financial return.
- 2.The Group ESG integration initiative (see LEI and Fixed Income modules for more information).

☐ No

Assurance of responses

OA 19	Voluntary	Additional Assessed	General
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OA 19.1

Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

☒ Yes

OA 19.2

Indicate who has reviewed, validated and/or assured your reported information.

- ☒ Reviewed by Board, CEO, CIO or Investment Committee
- ☐ Validated by internal audit or compliance function
- ☒ Assured by an external independent provider, specify name

A specialist RI adviser reviews and validates AXA Group's whole submission.

OA 19.3

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

AXA's UN PRI report has been developed and reviewed by the Group RI Committee, in close collaboration with AXA IM and AB representatives. As stated above, a specialist RI adviser reviews and validates AXA Group's whole submission.

☐ No

AXA Group

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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Overview

SAM 01	Voluntary	Descriptive	PRI 1-6
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SAM 01.1

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

A majority of the AXA Group's private equity (PE) assets are managed by Ardian, a third party specialist PE firm. Ardian was formerly AXA Private Equity - a subsidiary of AXA Group. The firm was sold and spun out into a standalone investment management firm in 2013.

Ardian is a UN PRI signatory in its own right. Details of its approach to RI, including its PRI Transparency Report for 2013/14 can be found here: <http://www.ardian-investment.com/en/corporate-social-responsibility>

SAM 02	Mandatory	Core Assessed	PRI 4
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SAM 02.1

Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

☐ Yes

☒ No

SAM 03	Mandatory	Gateway	General
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SAM 03.1

Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Private equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

Selection

SAM 10	Mandatory	Core Assessed	PRI 1-6
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SAM 10.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

	PE		
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>		
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>		
Meet staff with responsible investment responsibilities to assess their skills and competence	<input type="checkbox"/>		
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>		
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>		
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>		
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input type="checkbox"/>		
Review the manager's responsible investment disclosure, including PRI reporting	<input checked="" type="checkbox"/>		
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>		
Other general aspects in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Investment selection (pre-investment) of underlying holding

	PE		
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input type="checkbox"/>		
Other pre-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

Investment monitoring (post-investment) of underlying holding

	PE		
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>		
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input type="checkbox"/>		
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input type="checkbox"/>		
Other post-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

SAM 10.2

Provide additional information relevant to your organisation's selection approach for non-listed assets. [Optional]

AXA Group monitors Ardian's ESG integration activities as part of its broader monitoring of how Ardian manages the Group's PE assets. Since Ardian is AXA's historical PE partner, the selection and appointment areas are less relevant, including from an RI performance standpoint. However, as part of ongoing exchanges with the investment and CR/RI teams at Ardian, the Group has engaged Ardian on its overall approach to RI and related matters. In 2015, AXA has also reviewed Ardian's 2014 UNPRI report closely.

To date the RIC has focused on the ESG activities of its internal investment managers - AXA IM and AB - who between them manage the significant majority of the Groups assets. The RIC recognises the need to consider the ESG activities of its externally managed assets and will review its approach to doing this.

Appointment

SAM 11	Voluntary	Additional Assessed	PRI 4
SAM 11.1	When appointing managers, indicate which of the following responsible investment considerations your organisation typically includes in agreements/fund formation contracts for your non-listed assets:		
	General		

	PE		
Acting in accordance with your organisation's overall investment beliefs or policy on responsible investment and ESG issues	<input type="checkbox"/>		
Other general RI considerations in your agreements, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Investment selection (pre-investment) of underlying holding

	PE		
Specific requirements relating to how ESG issues are identified and managed in investment decision-making	<input type="checkbox"/>		
Other RI considerations relating to investment selection in your agreements, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

Investment monitoring (post-investment) of underlying holding

	PE		
Specific requirements relating to the manager supporting or influencing the underlying holdings' management of ESG factors	<input type="checkbox"/>		
Other RI considerations relating to investment monitoring in your agreements, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

Reporting

	PE		
Reporting on the agreed ESG implementation activities	<input type="checkbox"/>		
Reporting on the ESG characteristics of the portfolio	<input type="checkbox"/>		
Reporting on company incidents relating to ESG issues	<input type="checkbox"/>		
Reporting on the impact of ESG issues on financial performance	<input type="checkbox"/>		
Other RI considerations relating to reporting in your agreements, specify	<input checked="" type="checkbox"/>		
None of the above	<input type="checkbox"/>		

If you select any 'Other' option(s), specify

A proportion of AXA's PE assets managed by Ardian have been earmarked for Cleantech / Renewable energy assets. AXA does not fully engage Ardian on other ESG integration considerations.

SAM 11.2

Provide additional information relevant to your organisation's manager appointment process and considerations included in contractual agreements for non-listed assets.

Monitoring

SAM 12

Mandatory

Core Assessed

PRI 1-6

SAM 12.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

	PE		
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>		
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>		
Review manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>		
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input type="checkbox"/>		
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

Investment selection (pre-investment) of underlying holding

	PE		
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input type="checkbox"/>		
Other ways ESG issues are incorporated in the pre-investment process, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

Investment monitoring (post-investment) of underlying holding

	PE		
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input type="checkbox"/>		
Request examples of ESG issues identified within the portfolio and action taken in response	<input type="checkbox"/>		
Request details of how ESG factors were considered when preparing to exit from investments	<input type="checkbox"/>		
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>		
None of the above	<input checked="" type="checkbox"/>		

Outputs and outcomes

SAM 14	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6
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SAM 14.1	Indicate approximately what percentage (+/- 10%) of your externally managed assets are managed by PRI signatories.
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	%
100	

SAM 14.2	Additional information. [Optional]
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Ardian is a PRI signatory. It's PRI Transparency Report is available here: http://www.unpri.org/viewer/?file=wp-content/uploads/Merged_Public_Transparency_Report_Ardian.pdf

Communication

SAM 16	Mandatory	Core Assessed	PRI 6
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SAM 16.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
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- ☐ Yes, we disclose information publicly
- ☐ Yes, we disclose information to clients/beneficiaries only
- ☒ We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 16.4

Additional information. [Optional]

AXA Group sold its private equity business (previously AXA Private Equity) in 2013. As discussed above the new business is called Ardian. Ardian continues to manage the PE assets of the Group and we provide interested stakeholders with links to the relevant reports that Ardian produces - for example its PRI Transparency Report: http://www.unpri.org/viewer/?file=wp-content/uploads/Merged_Public_Transparency_Report_Ardian.pdf

The Group does not currently report specifically on Ardian's activities within its own RI or other CR reporting. However, from this year, AXA has chosen to report on the RI activities of Ardian in its PRI Transparency Report.

AXA Group

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1
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LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.
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Strategies

☒ Passive

	% of internally managed listed equities
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☒ <10%

Report on your strategies that represent <10% of listed equities

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active – quantitative (quant)

	% of internally managed listed equities
--	---

☐ <10%

☒ 10-50%

☐ >50%

☒ Active – fundamental and other active strategies

	% of internally managed listed equities
--	---

☐ <10%

☐ 10-50%

☒ >50%

LEI 02	Voluntary	Descriptive	PRI 1
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LEI 02.1	Provide a brief overview of how you incorporate ESG issues into listed equity investments.
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During 2014 the RIC continued to work on the AXA Group ESG Integration Project. The background to this project is described briefly below.

In 2013 the RIC took the decision to go further than just monitoring ESG issues and aim for the integration of ESG factors into investment analysis and decision-making processes across all asset classes (for General Account assets). This is an ambitious and industry-leading initiative.

The project is overseen by the Group RIC, which is working closely with AXA IM and AB. The main objectives of the ESG Integration project are:

3. To identify ESG risks across Group assets (using a proprietary methodology)
4. Use the information obtained from (1) to track, and ultimately reduce, ESG risk exposure over time

Significant progress has been made on Part 1 (above) i.e. the development of a proprietary methodology for identifying and quantifying an "ESG Footprint" for the Group. The RIC will continue to work on this Project during 2015.

Additional information on the ESG integration activities of AXA IM and AB can be found in the individual PRI Transparency Reports for each entity, available via the PRI reporting outputs website: <http://www.unpri.org/areas-of-work/reporting-and-assessment/reporting-outputs/>

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1
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LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.
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ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 96
--	---

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☒ No incorporation strategies applied

Percentage of active listed equity to which no incorporation strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 4
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	Total actively managed listed equities
--	--

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

As outlined already, AXA Group's approach to RI is driven by its objective of aligning its CR agenda with its investment activities. Building on this, the Group RIC initiated the Group-wide ESG Integration Project as a means of understanding, identifying and reducing ESG risk drivers that can impact long-term investment performance. The ESG Integration project applies to all Group assets.

Our ESG integration activities are further supported by the Group's existing approach to exclusions - specifically on the areas outlined in the Group RI Policy (which includes controversial weapons and sanctioned countries) - which also apply to all Group assets.

Additional details of the ESG incorporation strategies adopted by AXA IM and AB can be found in their respective PRI Transparency Reports, which are available separately via the PRI reporting outcomes website: <http://www.unpri.org/areas-of-work/reporting-and-assessment/reporting-outputs/>

LEI 04**Voluntary****Additional Assessed****PRI 1****LEI 04.1**

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- ☒ Raw ESG company data

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Company-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Sector-related analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Country-related analysis or ratings

Indicate who provides this information

- ☐ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ Screened stock list

Indicate who provides this information

- ☒ ESG research provider
- ☐ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☒ ESG issue-specific analysis or ratings

Indicate who provides this information

- ☒ ESG research provider
- ☒ Sell-side
- ☒ In-house – specialised ESG analyst or team
- ☒ In-house – analyst or portfolio manager
- ☐ Other, specify

LEI 04.2

Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

At the Group level the RIC is developing a proprietary methodology for assessing and tracking ESG risk across all Group assets - the "ESG Footprint" (as discussed in LEI 2.1). This process draws on the existing expertise within AXA IM and AB to aggregate Group wide data.

At the entity level, AXA IM has a well-established approach to ESG integration and has invested significant resources into building a team of 11 experienced RI professionals who work with AXA IMs investment platforms to integrate ESG issues into its investment work. To ensure that ESG information reaches portfolio managers and analysts and is incorporated into their investments decisions, AXA IMs RI team produces company-related, sector-related and issue-specific analysis and ratings when needed and creates 'eligible universes' for portfolio managers. In order to ensure a greater coverage across asset classes and to supplement in-house research, AXA IM uses Raw ESG company/country data from ESG research providers. Sell-side analysts also support research of fundamental analysts with company and sector related analysis. Sell-side services are used also for ensuring company access services.

AB uses a range of external ESG data providers, including GovernanceMetrics International, MSCI, Ethix and Sustainalytics. ESG data is used in a number of ways to support internal ESG integration activities. This includes for fundamental research by analysts - where information (e.g. from GMI) is provided directly to the AB research database) - and for screening controversial weapons from portfolios. In addition to dedicated ESG research providers AB uses sell side research, industry reports etc.

LEI 04.3

Indicate if you incentivise brokers to provide ESG research.

- ☒ Yes

LEI 04.4	Describe how you incentivise brokers.
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5% of AXA IM's broker review is allocated for incentivising external ESG research. AB does not allocate a specific percentage to ESG broker research but will reward sell side analysts based on the quality and value-add it has provided over the year.

☐ No

LEI 05	Voluntary	Additional Assessed	PRI 1
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LEI 05.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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☒ Engagement

☒ We have a systematic process to ensure the information is made available.

☐ We occasionally make this information available.

☐ We do not make this information available.

☒ (Proxy) voting

☒ We have a systematic process to ensure the information is made available.

☐ We occasionally make this information available.

☐ We do not make this information available.

LEI 05.2	Additional information. [Optional]
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Details of how AXA IM and AB incorporate information from engagement voting are summarised below:

- **AXA IM:** All voting information is available via the "RI Search" platform and on AXA IMs website. In particular, voting decisions on controversial issues are determined by AXA IMs Corporate Governance Committee whose members include fund managers representing different investment teams. On engagement the views of fund managers are sought for engagement meetings, as is the participation of fund managers as necessary. In addition, AX IMs RI fundamental analysts incorporate information gained from engagement in their analysis of companies which is also made available to fund managers.
- **AB:** The proxy voting activities and investment process implementation is closely aligned and integrated. AB has a separate Proxy Team that votes proxies globally. In evaluating proxy issues and determining how to vote a specific item, the Proxy Team actively seeks and assesses input from the CIOs, Directors of Research, Portfolio Managers, and Research Analysts that are directly involved in analysing the issuer and determining its applicability to client portfolios. This ensures consistent application of the AB Voting Policy while at the same leveraging the company specific knowledge of the investment teams who can provide an extra level of insight. Externally, AB consults company management, company directors, interest groups, shareholder activists and research providers to get additional insight when needed. In addition, research provided by an external proxy service is available to all analysts through the proxy managers. Meaningful engagements are stored in an engagement database to which all investment professionals have access.

(A) Implementation: Screening

LEI 06	Mandatory	Descriptive	PRI 1
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LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- ☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☐ Activity
- ☒ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

Description

AXA Group recognises that some ESG issues are particularly sensitive and require investors to consider this in their handling of them. Some activities and products may be in conflict with AXA's corporate responsibility goals of protecting people over the long-term and may be detrimental to AXA's global brand and reputation. Within this context, AXA has developed specific "sector guidelines" that seek to address those issues. These policies currently include the following topics:

- Controversial weapons
- Sanctioned countries (identified as having high levels of corruption or political risk)
- Agricultural derivatives ("soft commodities") and
- Palm oil and forestry

Group wide exclusions have been established based on the above sector guidelines.

- ☐ Positive/best-in-class screening
- ☐ Norms-based screening

LEI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

AXA Group works with its investment management entities (AXA IM and AB) as well as external advisers to develop its screening criteria.

LEI 07**Mandatory****Core Assessed****PRI 1**

LEI 07.1

Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 08**Voluntary****Additional Assessed****PRI 1****LEI 08.1**

Indicate which processes your organisation uses to ensure that fund criteria are not breached

- ☒ Checks are performed to ensure that stocks meet the funds' screening criteria. These checks are:
 - ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria.
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

LEI 08.2

If breaches of fund screening criteria are identified - describe the process followed to correct those breaches.

Breaches of screening criteria are monitored by Group Risk Management (GRM) and Group Legal. GRM and Legal follow up directly with AXA IM and AB in the event of a breach, which is rare.

(C) Implementation: Integration of ESG issues

LEI 10**Voluntary****Descriptive****PRI 1****LEI 10.1**

Describe how you integrate ESG factors into investment decision making processes.

AXA Group: As discussed in our responses to earlier questions in this module, the RIC has established a Group-wide ESG Integration Project and is well progressed in the first phase - defining the Group "ESG Footprint" using an in-house methodology. The objective is to track and manage ESG risk exposure over time and, as a result, improve the ESG risk profile of the Group's assets. The RIC is working closely AXA IM and AB on the development and implementation of this Project.

Additional details of the existing ESG integration activities of AXA IM and AB are provided below.

AXA IM: AXA IM integrates ESG factors into the investment processes through various approaches:

- **RI Search platform:** To assist in mainstreaming (the integration of ESG factors), the AXA IM RI team launched its RI tool 'RI Search' in 2007. This tool provides access to a wide range of extra-financial data and analysis on ESG factors across asset classes and thus enables its portfolio managers to incorporate ESG criteria into their investment decisions. The range of functionalities on RI-Search include investment universe screening, ESG portfolio footprints, carbon data calculations, sector screening, as well as company specific ratings, research and analysis.
- **Company reports:** AXA IM's fundamental analyst team produces detailed reviews looking at the ESG issues impacting investee companies. These reports are shared with fund managers and analysts by email and also stored on RI Search which is accessible by all of AXA IMs investment teams.
- **Investment team meetings:** The RI team participates in the investment team meetings where we share our particular insights into ESG issues impacting on investee companies.
- **Engagement:** AXA IM's approach is for an integrated engagement approach with the full participation of relevant fund managers and analysts in setting up the particular engagement strategy and the follow-up meetings with companies. For example, AXA IM is conducting a coordinated engagement programme which focuses on ESG risk issues which are impacting on company valuation for targeted companies. The target companies have been jointly identified by the Investment and RI teams and the follow-up engagement is coordinated and attended by representatives of both teams.
- **ESG Impact:** ESG ex-post analysis of portfolios is conducted with the aim of identifying the main ESG risks in top holding positions. In addition, ESG key criteria are calculated by portfolio in order to assess the ESG performance provided by the sector and stock allocation.
- **Training:** The RI team organises ongoing training on ESG issues to AXA IM staff. These sessions cover the team's activity (research methodology, proxy voting, etc.); emerging ESG issues and the ESG initiatives in which AXA IM participates. In addition, each investment platform receives formal training on the features and functions of the RI Search tool.

AB: AB integrates ESG factors in its equity research and investment processes. If aspects of an issuer's past, current, or anticipated behavior are deemed material to its future expected returns, AB addresses these concerns in its forecasts, research reviews, investment decisions, and engagement.

ABs research analysts utilize their own proprietary research, along with research from the sell side and other third parties (including an ESG data provider) to identify ESG issues. Where ESG issues are expected to be material AB analysts discuss them with company management as part of the investment research process. ABs research analysts, portfolio managers, and/or directors of research conduct thousands of management/company visits per year in order to understand the strategies, performance, and risks of companies and address ESG concerns in those meetings. The issues are then assessed and incorporated into the investment decision as appropriate.

While AB as a firm embraces a clear ESG philosophy and approach, it encourages a diverse approach and perspective on ESG issues and their materiality across its various Equity Portfolio Management Teams. This is based on the belief that each team is best equipped to implement ESG considerations in a manner that reflects the differences across equity market sectors and approaches.

LEI 11	Mandatory	Core Assessed	PRI 1
LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.		

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]
-----------------	------------------------------------

AXA Group's investment management subsidiaries - AXA IM and AB - are at different stages in the integration of ESG factors in their respective investment processes. The RIC facilitates close collaboration between the two entities on the ESG activities that relate to the Group insurance (General Account) assets, which benefits all parties.

AXA IM is a leader in the European market on ESG integration and manages approximately 80% of the Group's GA assets i.e. those assets within the scope of the RIC. AXA IM has a systematic approach to the identification, quantification and integration of ESG factors into its equity investment activities. For additional information on AXA IMs approach to ESG integration refer to its separate PRI Transparency Report.

LEI 12	Voluntary	Additional Assessed	PRI 1
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LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
-----------------	---

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

LEI 12.2

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

LEI 12.3

Additional information.

Within our Group entities, AXA IM has the most established process for disseminating ESG information to investment teams. The in-house AXA IM RI team does this through the following means:

- Monthly email: this contains the RI team's latest company ESG reports, including a recommendation scale (positive, negative or neutral)
- RI Search Platform: all portfolio managers have access to this platform that contains ESG scores, ESG fundamental research and voting activity for every company/issuer.
- Bloomberg platform: Bloomberg is used to communicate with fund managers through the IRH (In House Research) function. The information uploaded here is only for internal users.
- Investment Committees: AXA IM RI team members take part in investment committees, in which the team's ESG opinions are provided and discussed with equity fund managers.

ABs approach to capturing and disseminating ESG information internally is as follows:

AB tracks company meetings in its global company calendar. This includes the majority of company engagements, but does not track the specific meeting agenda or items discussed, such as ESG topics. In 2013, AB introduced an engagement database to capture ESG-related engagements and ESG integration examples. Given the volume of analyst interactions with companies, and the wide variety and materiality of ESG issues discussed, AB does not capture every single discussion, but focuses on the most significant engagements. In addition, in fourth quarter in 2014 the AB Proxy Team started tracking proxy related engagements, including all meetings offered by companies. This totalled over 30 issuers during that period.

LEI 13**Mandatory to Report Voluntary to Disclose****Core Assessed****PRI 1**

LEI 13.1

Indicate into which aspects of investment analysis you integrate ESG information.

- ☒ (Macro) economic analysis
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Industry analysis
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Analysis of company strategy and quality of management
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Idea generation
 - ☒ Systematically
 - ☐ Occasionally
- ☒ Portfolio construction
 - ☐ Systematically
 - ☒ Occasionally
- ☒ Fair value/fundamental analysis
 - ☐ Systematically
 - ☒ Occasionally

LEI 13.2

Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

- ☒ Adjustments to income forecasts (sales, earnings, cash flows)
- ☒ Adjustments to valuation tools (discount rates, return forecasts, growth rates)
- ☐ Other adjustments to fair value projections, specify
- ☐ Other, specify

LEI 13.3

Additional information.

The above selections reflect the activities of both AXA IM and AB as well as the proportion of Group GA assets managed by each i.e. 80% by AXA IM and 20% by AB.

Outputs and outcomes**LEI 15**

Voluntary

Descriptive

PRI 1

LEI 15.1

Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- ☒ Screening

Describe any reduction in your starting investment universe or other effects.

The exclusions dictated by the Group "sensitive sector" guidelines (e.g. for controversial weapons) result in a small reduction in the total potential universe available to AXA Group.

☒ Integration of ESG issues

Select which of these effects followed your ESG integration:

- ☐ Reduce or prioritise the investment universe
- ☐ Overweight/underweight at sector level
- ☐ Overweight/underweight at stock level
- ☐ Buy/sell decisions
- ☒ Other, specify

Clear understanding of Group-wide portfolio "ESG Footprint".

☐ None of the above

LEI 15.2

Additional information.

The Group ESG Integration Project (discussed in earlier sections of this module) is currently in a phase focused on the identification of ESG risks to enable an "ESG Footprint" to be created for the Group debt and equity portfolios. Further phases of the Project will enable the RIC to determine what additional implementation measures are required e.g. engagement with specific issuers and/or portfolio construction changes e.g. by analysing "ESG tail risks".

LEI 16

Voluntary

Additional Assessed

PRI 1

LEI 16.1

Indicate whether your organisation measures how your approach to ESG issues in Listed Equity investments has affected financial and/or ESG performance.

- ☐ We measure whether our approach to ESG issues impacts funds' financial performance
- ☒ We measure whether our approach to ESG issues impacts funds' risk or volatility

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input checked="" type="radio"/> No impact	<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

- ☐ We measure whether our approach to ESG issues impacts funds' ESG performance
- ☐ None of the above

LEI 16.2	Describe how you are able to determine these outcomes.
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As set out in our earlier responses, the AXA Group RIC believes that ESG issues can impact risk and returns. This belief supports the Group-wide ESG Integration Project. However, it is too early to state that this initiative has had an impact on either fund performance or risk.

Amongst the Group investment entities, AXA IM has the most developed approach to identifying ESG impacts on financial performance, funds' risk or volatility and ESG performance. Examples of activities in this area by AXA IM include:

- Back-testing of funds to correlate ESG criteria with financial performance and volatility
- Launching an ESG Impact report to help clients and portfolio managers to measure an ESG fund's performance with that of the benchmark, review the top ESG risks, and assess the most meaningful Key Performance Indicators such as carbon and water footprint as well as the independence and gender balance of Boards.
- Issuing research pieces that demonstrate this correlation e.g. Taking Carbon Risk into account (2010); Mind the Gap: Experienced Engineers Wanted (2012); Piloting ESG Integration - a collaboration between AXA IM's RI and Insurance Investment Equity teams (2013) and A Responsible Investment Approach to Smart Beta Equity Investing (2014)

All of the above research papers can be found on the AXA IM RI website: <http://www.axa-im.com/en/responsible-investment/publications>

LEI 17	Voluntary	Descriptive	PRI 1
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LEI 17.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
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☒ ESG issue 1

ESG issue and explanation	
<p><u>AXA IM example:</u> Irish mid-cap company in the oil & gas industry: AXA IMs RI team was asked to cover this company as an "ESG tail risk" identified for AXA Group assets. Dragon Oil is an exploration & production company registered in Ireland, headquarter in Dubai, producing in Turkmenistan and exploring in Asia & the Middle East. It has a very high country risk exposure due to 1) its production in Turkmenistan, and also exploration blocks in 2) Iraq and 3) Afghanistan that could increase the risk further. Its board has strong oil & gas expertise but is owned by the Emirates National Oil Company (ENOC), ultimately controlled by the government. Its safety performance is average compared to the sector, which is not great considering that the conditions in which it operates are relatively unchallenging from a safety standpoint. Overall AXA IM has, therefore, a negative ESG opinion on the company.</p>	
ESG incorporation strategy applied	
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	

☒ ESG issue 2

ESG issue and explanation
<p><u>AXA IM example:</u> German small-cap company in the capital goods industry: AXA IMs RI team was asked to cover this company as an "ESG tail risk" identified for AXA Group assets. The fundamental analysis conclusion is 'POSITIVE', despite its very low quantitative ESG scores which flag potential ESG risks. There is more upside potential in the company's ESG performance if 1) the company aligns disclosure practice with global reporting standards and/or engages proactively with research/rating agencies in the future, and 2) the company adds independent members to its board and sets up committees formally at later stages in its corporate cycle. Management quality is reassuring (high profitability and efficiency - i.e. better use of shareholders' capital), it has a conservative and focused approach, products fundamentally well linked with opportunities from sustainability (e.g. energy / resource efficiency in Rational products - 40% less energy, 20% less raw materials, up to 95% less fat), and as a result, customers with high loyalty and satisfaction.</p>
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies

☒ ESG issue 3

ESG issue and explanation
<p><u>AB example:</u> Sanitation utility in the State of Sao Paulo, Brazil. The company provides water and sewage services to local homes and businesses. As such, environmental factors are fundamental to our investment thesis on this company.</p> <p>Given the 2013/14 (and ongoing) severe drought in Brazil, assessing the company's environmental exposure became materially important in assessing the company's normalized earnings power. With demand reduction initiatives in place, the company's revenues suffered in 2014 as volumes declined.</p> <p>ABs investment thesis is that rainfall will eventually resume in Brazil, and that investors are unduly focused on near-term hydrology. AB believes that the improving regulatory environment in Brazil is a more important (and positive) driver of valuation for this company. During a research trip to Brazil, AB visited the company's reservoirs and water treatment facilities.</p> <p>As part of its analysis, AB evaluated the impact of an eventual resumption of rain on the profitability of this company's business. AB ran various hydrological scenarios to assess the probability of worsening-versus-improving scenarios in the water reservoir levels. Based on historical rainfall distribution throughout past years, AB believes rainfall will normalize in 2015/16. ABs investment thesis is predicated on this occurring, which will then enable the company to resume growing water volumes and moving forward with their business. AB noted that this would be within an improved regulatory framework as well.</p>
ESG incorporation strategy applied
<input type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies

☐ ESG issue 4

☐ ESG issue 5

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6
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LEI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

☒ We disclose it publicly

Provide URL

<http://www.axa.com/en/responsibility/shareholders-esg-risk-management/responsible-investment/>

Provide URL

<http://www.unpri.org/areas-of-work/reporting-and-assessment/reporting-outputs/2014-15-public-ri-transparency-reports/>

LEI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

LEI 18.3 Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☒ Broad approach to ESG incorporation
- ☐ Detailed explanation of ESG incorporation strategy used

LEI 18.4 Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
- ☒ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify

☐ No

- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

LEI 18.7 Additional information. [Optional]

Details of AXA Group's broad approach to ESG integration is set out on the Group website, in its RI Policy and amongst the various sector or issue policies available publicly. For additional information see: <http://www.axa.com/en/responsibility/shareholders-esg-risk-management/responsible-investment/>

The RIC does not currently disclose details of the ESG Integration Project publicly, other than the summary information provided in our PRI Transparency Reports, which are available via the link included above (LEI 18.1). The RIC's intention is to improve its Group-level ESG disclosure.

AXA Group

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2
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LEA 01.1	Provide a brief overview of your organisation's approach to engagement.
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AXA Group aims to use its influence as a large asset owner to encourage ESG best practice within the companies in which it invests. We aim to do this by:

- Ensuring that all investment mandates related to the management of general account assets comply with the requirement of this policy
- Developing our ESG expectations of the companies in which we invest and how we will exercise our rights as a shareholder in order to achieve them.
- Encouraging high standards of corporate governance as well as good management of environmental and social risks.
- Monitoring our asset managers' adherence to this policy.

Because ESG issues also require collective actions, the AXA Group is a signatory of the UN Principles for Responsible Investment since 2012. Both of AXA's internal asset managers, AXA IM and AB, are also UN PRI signatories since 2007 and 2011, respectively.

AXA is also an active member of the United Nations Environment Programme - Finance Initiative (www.unepfi.org) and supports the development and implementation of the UN Principles for Sustainable Insurance with industry peers. Such collaborative initiatives enable us to work with other investors to understand the impacts of environmental and social considerations on financial performance. Other initiatives that we are involved in are listed in the Overarching Approach module.

Additional details on our approach to RI can be found in the AXA Group Global RI policy: <http://www.axa.com/en/responsibility/shareholders-esg-risk-management/responsible-investment/>

LEA 02	Mandatory	Gateway	PRI 1,2,3
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
----------	---

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☉ Yes

LEA 03.2

Describe how you identify and prioritise engagements.

AXA Group does not engage directly with issuers of the assets it owns. Instead we expect our investment managers - AX IM and AB - to engage on our behalf and we monitor their activities as set out in the AXA Group Global RI policy. The engagement approach taken by each Group entity is summarised below.

AXA IM:

AXA IM has established a process which guides its ESG engagement priorities. It proactively establishes engagement themes for the relevant period, in addition to reactive engagement that is conducted on an ongoing basis.

AXA IM also takes account of the following factors in determining engagement priorities:

- Impact/benefit of the engagement
- Relevance of the issue
- Risk exposure

- Relevant weight of holdings
- Ability to influence company either solely or through collaboration with other investors.

AB:

AB does not have a formal process for engaging with the issuers of the assets it manages. However, engagement is a component of ABs standard investment research process and it conducts engagement on ESG and proxy voting related issues.

For engagement carried out In 2014 AB considered factors such as position size, expected change (from engagement) how controversial the topic is, and the materiality of the issue. In 2015, AB plans to develop a policy and set internal guidelines to determine priorities while at the same time providing flexibility to address ad-hoc issues appropriately.

☐ No

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- ☒ Yes
- ☒ Yes, for all engagement activities
 - ☐ Yes, for the majority of engagement activities
 - ☐ Yes, for a minority of engagement activities
- ☐ No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- ☒ Yes
- ☐ Yes, in all cases
 - ☒ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 04.3 Describe how you monitor and evaluate the progress of your engagement activities.

AXA Group monitors the activities of its investment managers annually via an internal manager monitoring process. Reports are received and reviewed by the RIC. The RIC continues to work closely with both AXA IM and AB, especially on ESG integration.

Group representatives frequently meet with various portfolio managers about our ongoing ESG integration efforts. However, the Group does not engage directly with its portfolio holdings on ESG concerns. Brief comments are provided below on the approach taken by each of the Group entities.

AXA IM: AXA IM has a monitoring process which tracks its engagements and progress against established objectives. Its process is as follows:

- Establish an engagement plan including concerns and objectives
- Raise issues of concern with company representatives
- Evaluate company response against engagement objectives
- If appropriate, escalation of engagement including further meeting with Chairman or other board representatives; collaborative engagement; exercise of investor rights to support engagement
- Review results.

AB: AB does not have a formal approach to engagement. However, engagement occurs within the existing investment process.

ABs analysts closely monitor the companies in which it invests. Material ESG-related engagements are generally tracked in ABs engagement database - tracking of proxy-related engagements began in Q4 2014. AB assesses progress based on any changes the company may have (or not) instituted as a result of its engagement.

☐ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

☒ Yes

LEA 05.2 Describe how you identify and prioritise collaborative engagements.

Within the AXA Group investment management entities, only AXA IM conducts collaborative engagement. An overview of its approach is provided below:

AXA IM:

AXA IM reviews collaborative engagements from a range of sources including engagement being conducted by organizations it belongs to. In addition to its established process for identifying engagement, AXA IM takes account of the following in determining whether to participate in collaborative initiatives :

- The relevance of the engagement objective(s) to AXA IM and its clients
- The profile and aims of other participating institutions
- Alignment of the engagement with AXA IM's identified engagement themes
- Exposure to companies or issues impacted by the engagement focus

Engagement examples are provided in the response to LEA 14.

☐ No

LEA 06	Mandatory	Core Assessed	PRI 2
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LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

☒ Yes

- ☒ Yes, for all collaborative engagement activities
- ☐ Yes, for the majority of collaborative engagement activities
- ☐ Yes, for a minority of collaborative engagement activities

☐ No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- ☒ Yes
- ☒ Yes, in all cases
 - ☐ Yes, in the majority of cases
 - ☐ Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Typically, progress on collaborative engagement activities are monitored and evaluated via periodic meetings between the participants. These meetings are used to evaluate progress relative to objectives.

- ☐ No

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2
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LEA 09.1 Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input type="radio"/> Yes, systematically <input checked="" type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
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LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
Collaborative engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

LEA 10.2 Additional information. [Optional]

AXA IM tracks all engagements and reports publicly on these activities. Additional information is available via the AXA IM website at: <http://www.axa-im.com/en/responsible-investment/publications>

AB introduced (in 2013) an engagement database to track ESG engagement activities. In Q4 2014 ABs Proxy Team started tracking proxy related engagements, including all meetings offered by companies. This totalled over 30 issuers in Q4 alone.

Outputs and outcomes

LEA 11 Mandatory to Report Voluntary to Disclose Core Assessed PRI 2

LEA 11.1 Indicate the number of companies with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)
Individual / Internal staff engagements	138
Collaborative engagements	12

LEA 11.2 Indicate what percentage of your engagements were comprehensive during the reporting year. [Optional]

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> > 50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 11.3

Indicate what percentage of your collaborative engagements you were a leading organisation on during the reporting year. [Optional]

Type of engagement	% Leading role
Collaborative engagements	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None

LEA 12

Voluntary

Additional Assessed

PRI 2

LEA 12.1

Indicate if your engagements in the reporting year covered E, S and/or G issues.

Type of engagement	Coverage
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information
Collaborative engagements	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Corporate Governance <input type="checkbox"/> We do not track this information

LEA 12.2

Provide an estimated breakdown by E, S and/or G issues.

Individual / Internal staff engagements

	% Corporate Governance only
--	-----------------------------

40

	% Overlapping ESG issues
--	--------------------------

60

100%

	Collaborative engagements
--	---------------------------

	% Social only
--	---------------

50

	% Corporate Governance only
--	-----------------------------

50

100%

LEA 12.3	Additional information.
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The proportions indicated in 12.2 above relate to AXA IMs engagement activities.

LEA 13	Voluntary	Descriptive	PRI 2
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LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
----------	--

☒ Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
----------	--

	Number of company changes or commitments to change
Individual / Internal staff engagements	18
Collaborative engagements	5

☐ No

LEA 13.3	Additional information.
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The substantial majority of ESG engagement conducted on behalf of the Group is carried out by AXA IM. Company engagements carried out by AXA IM are mostly long-term and cover multiple issues. AXA IM records success based on issues resolved. It does not necessarily mean that relevant issues for engagement with a particular company have been achieved.

LEA 14	Voluntary	Descriptive	PRI 2
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LEA 14.1	Provide examples of the engagements that your organisation carried out during the reporting year.
----------	---

☒ Add Example 1

Topic or ESG issue	Board oversight of ESG risks
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To improve Board oversight of ESG risks
Scope and Process	The focus was on companies in sectors exposed to high level of environmental and social risks where the Board had not demonstrated sufficient oversight of such risks.
Outcomes	A number of companies improved their reporting on the Board involvement in overseeing E&S risk. Other companies improved the board's capacity and competence by appointing non-executive directors with relevant experience.

☒ Add Example 2

Topic or ESG issue	Conflict minerals
Conducted by	<input type="checkbox"/> Individual / Internal <input checked="" type="checkbox"/> Collaborative
Objectives	To promote transparency and supply chain due diligence in relative to the risk of conflicts mineral use
Scope and Process	The engagement was focused on European companies at risk of sourcing conflict minerals.
Outcomes	The majority of target companies improved their level of disclosure and transparency on sourcing raw materials.

☒ Add Example 3

Topic or ESG issue	Board diversity
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To improve board diversity on gender and alignment with geographical footprint of company.
Scope and Process	AXA IM held discussions with companies whose Boards did not demonstrate sufficient diversity.
Outcomes	AXA IM has noticed rising awareness of diversity by boards which extends beyond gender and takes account of wider business issues including the company's strategy and geographical footprint.

☐ Add Example 4

☐ Add Example 5

☐ Add Example 6

☐ Add Example 7

☐ Add Example 8

☐ Add Example 9

☐ Add Example 10

LEA 14.2	Additional information.
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The above examples relate to activities conducted by AXA IM on behalf of the Group.

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

☒ We disclose it publicly

provide URL

<http://www.axa-im.com/en/responsible-investment/publications>

LEA 15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☐ Yes

☒ No

LEA 15.3

Indicate what engagement information your organisation proactively discloses to the public.

- ☐ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☐ Breakdown of engagements by type/topic
- ☐ Breakdown of engagements by region
- ☐ An assessment of the current status of the engagement
- ☐ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.4

Indicate how frequently you typically report engagements information to the public.

- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☒ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify

LEA 15.5	Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.
-----------------	--

- ☐ Details of the selections, priorities and specific goals of engagement
- ☒ Number of engagements
- ☒ Breakdown of engagements by type/topic
- ☒ Breakdown of engagements by region
- ☐ An assessment of the current status of the engagement
- ☒ Outcomes that have been achieved from the engagement
- ☐ Other information

LEA 15.6	Indicate how frequently you typically report engagements information to clients/beneficiaries.
-----------------	--

- ☐ Disclosed continuously (prior to and post engagements)
- ☐ Disclosed quarterly
- ☒ Disclosed annually
- ☐ Disclosed every two years or less
- ☐ Other, specify
- ☐ We disclose it to clients and/or beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.8	Additional information. [Optional]
-----------------	------------------------------------

Both AXA IM and AB are required to report to the AXA Group RIC on an annual basis. This includes information on voting and engagement activities conducted during the year. The Group also reviews the PRI reporting framework submissions prior to consolidating information from the Group, AXA IM and AB into the overall AXA Group PRI submission.

The information disclosed above (under LEA15.1-LEA15.6) relates to AXA IM activities only.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2
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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
-----------------	--

AXA Group:

AXA Group's approach to active ownership is set out in its Group RI policy, which is available here: http://www.axa.com/lib/axa/uploads/docsdd/AXA_Group_Responsible_Investment_Policy_2013.pdf

The exercise of voting is essentially delegated to the Group's investment management entities - brief details of the activities of AXA IM and AB are provided below.

AXA IM:

AXA IM believes that voting at company meetings is an important part of the dialogue between a company and its shareholders and a fundamental aspect of its fiduciary duty. Considered voting is at the core of AXA IM's corporate governance activity.

The AXA IM Corporate Governance & Voting Policy provides a robust framework for the proper governance of companies and guides our voting activities - the policy is available here: <http://www.axa-im.com/en/responsible-investment/publications>.

AXA IM's policy is based on principles of good corporate governance which serve to protect the long-term interests of shareholders. In addition to this global policy, AXA IM has also developed voting guidelines for specific markets taking account of the fact that practices vary in different jurisdictions and that the companies in which we invest are subject to different local laws and regulations on governance matters.

AXA IM has established a Corporate Governance Committee which guides and oversees the application of the Corporate Governance and Voting Policy. Members include fund managers and senior AXA IM personnel who have a well-established corporate governance profile in their respective markets.

AX IMs RI team, working under the direction of the Corporate Governance Committee, actively monitors resolutions proposed for shareholder approval at general meetings and exercises voting rights on behalf of clients. When reviewing resolutions proposed at general meetings AX IM judges resolutions against fundamental principles of good corporate governance, while taking account of best practice standards pertinent to the relevant market and each Company's particular circumstances.

AB:

AB has a well-developed and long standing global in-house proxy policy and process. Proxy voting is an integral part of this process, through which AB supports strong corporate governance structures, shareholder rights, and transparency. AB believes a company's ESG practices may have a significant effect on the value of a company, and as a result takes these factors into consideration when voting.

ABs policy is to vote all proxies in a timely manner, for the full number of shares, for all securities for which it has proxy voting authority, whenever it is administratively and logistically possible to do so. ABs proxy policy is annually reviewed, and updated as necessary, by the Proxy Committee (which includes senior members from investments, legal & compliance, and operations) to ensure it captures the firm's latest thinking and reflects new governance issues. The Proxy Voting Committee generally meets three times per year and as necessary to address special situations.

ABs Proxy Team votes executes votes globally. This team often works together with chief investment officers/portfolio managers, directors of research, and research analysts to determine voting decisions. This ensures consistent application of the AB voting policy while at the same leveraging the company specific knowledge of the investment teams.

Externally, AB consults with company management, company directors, interest groups, shareholder activists and research providers. These meetings are often a joint effort between the investment professionals and the proxy manager(s). AB may engage with issuers before the proxy vote is due to get further insight on ballot items that are of concern. AB also engages with companies during the 'off season' (i.e. outside of the busy voting season) - this will be both proactively and at the company's request based on the issue at hand. These off season conversations allow issuers to incorporate ABs feedback in their next proxy proposals, and enables AB to contribute to positive change.

ABs Proxy Voting Policy and historical voting records are available on its public website: https://www.alliancebernstein.com/abcom/Our_Firm/About_Us/Responsible-Investing.htm

Process			
LEA 17	Mandatory	Descriptive	PRI 2
LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.		

Approach

- ☐ We use our own research or voting team and make our own voting decisions without the use of service providers.
- ☒ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

- ☐ the service provider voting policy signed off by us
- ☒ our own voting policy
- ☐ our clients requests or policy
- ☐ other, explain
- ☐ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- ☐ We hire service provider(s) which make voting decisions on our behalf.

LEA 17.2	Additional information.[Optional]
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AXA Group instructs AXA IM and AB to act in its best interests when exercising voting rights. As already disclosed, the RIC monitors the voting and engagement activities of both entities annually, via its internal asset management monitoring process.

Details of the voting activities of AXA IM and AB are disclosed via their respective websites - see:

AXA IM: <http://www.axa-im.com/en/responsible-investment/publications>

AB: <http://vds.issproxy.com/SearchPage.php?CustomerID=447>

LEA 19	Voluntary	Descriptive	PRI 2
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LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.
----------	---

- ☒ Obtain confirmation that votes have been received by the company:
 - ☐ for a majority of votes
 - ☒ for a minority of votes
- ☒ Participate in projects to improve the voting trail and/or to obtain vote confirmation
- ☐ None of the above

LEA 19.2	Provide additional information on your organisation's vote confirmation efforts.
----------	--

AXA IMs middle office works with custodians, registers and companies to conduct and 'end to end' tracking of selected votes.

LEA 20	Voluntary	Additional Assessed	PRI 2
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LEA 20.1	Indicate if your organisation has a securities lending programme.
-----------------	---

☒ Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.
-----------------	---

Please select one of the following

- ☐ We recall most securities for voting on all ballot items
- ☒ We recall some securities for voting on some ballot items on a systematic basis in line with specified criteria
- ☐ We occasionally recall some securities for voting on some ballot items on an ad-hoc basis
- ☐ We empower our securities lending agent to decide when to recall securities for voting purposes
- ☐ We do not recall our shares for voting purposes
- ☐ Other (please specify)
- ☐ No

LEA 20.3	Additional information. [Optional]
-----------------	------------------------------------

Both AXA IM and AB have securities lending programmes. Some votes are recalled for the purpose of voting.

LEA 21	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- ☐ Yes, in most cases
- ☒ Sometimes, in the following cases:
- ☒ votes in selected markets
 - ☒ votes on certain issues (all markets)
 - ☒ votes for significant shareholdings (all markets)
 - ☐ other, explain
- ☐ No
- ☐ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 22.1	For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	---

- ☒ We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

93

	Specify the basis on which this percentage is calculated
--	--

- ☐ of the total number of ballot items on which you could have issued instructions
- ☒ of the total number of company meetings at which you could have voted
- ☐ of the total value of your listed equity holdings on which you could have voted

LEA 22.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

Issues that resulted in votes not being cast during the year included: share blocking and not having the appropriate power of attorney in place.

- ☐ We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 23.1	Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.
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- ☒ Yes, we track this information

LEA 23.2	Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:
-----------------	---

Voting instructions	Breakdown as percentage of votes cast				
For (supporting) management recommendations	<table border="1"> <tr> <td></td><td>%</td></tr> <tr> <td>90</td><td></td></tr> </table>		%	90	
	%				
90					
Against (opposing) management recommendations	<table border="1"> <tr> <td></td><td>%</td></tr> <tr> <td>9</td><td></td></tr> </table>		%	9	
	%				
9					
Abstentions	<table border="1"> <tr> <td></td><td>%</td></tr> <tr> <td>1</td><td></td></tr> </table>		%	1	
	%				
1					

100%

LEA 23.3

For the reporting year, describe your approach towards voting on shareholder resolutions.

Brief details of the respective approaches of AXA IM and AB to voting on shareholder resolutions are provided below:

AXA IM: AXA IM reviews shareholder resolutions taking account of the company's particular circumstances, its own position as long-term responsible investors and its wider stewardship responsibilities. AXA IM voted in favour of 42% of resolutions proposed by shareholders in 2014.

AB: AB believes a company's ESG practices may have a significant effect on the value of the company, and it takes these factors into consideration when voting. The AB proxy voting policy includes a separate section on Environmental, Social and Disclosure Proposals that are often put forward by shareholders. In addition, governance-related shareholder proposals are also included in the policy.

Each year, before the start of the proxy season, ABs Proxy Committee reviews the firm's Proxy Voting Policy to ensure it captures its latest thinking. During that process AB also formulates its approach to new shareholder proposals. Examples of relevant activity during 2014 include:

- AB made a number of changes to its Proxy Voting Policy to bring it more in line with its beliefs as signatory of the PRI. For example, AB now generally votes in favor of proposals requesting increased disclosure of political contributions and lobbying expenses.
- AB engaged a number of proponents of shareholder proposals. The firms' analysts and portfolio managers also frequently discussed shareholder proposals when they engaged with companies.

☐ No, we do not track this information

LEA 24

Voluntary

Descriptive

PRI 2

LEA 24.1

Indicate if your organisation directly or via a service provider filed or co-filed any shareholder resolutions during the reporting year.

☐ Yes

☒ No

LEA 25

Voluntary

Descriptive

PRI 2

LEA 25.1

Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

☒ Add Example 1

Topic or ESG issue	Oversight of Banks
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To align voting activities with investment and engagement views
Scope and Process	<p>Guidance on voting provided by AXA IM Corporate Governance Committee.</p> <p>The Capital Requirements Directive IV (CRD IV) remuneration requirements seek to put a cap on bankers' bonuses by introducing a ratio between fixed and variable pay of 1:1 or a maximum of 2:1 if approved by shareholders at a General Meeting. This new requirement has led to whole scale review of remuneration and significant engagement between boards and shareholders.</p> <p>AXA IMs position when discussing the implementation of CRD IV is for banks to align with the spirit and letter of the regulations. AXA IM is particularly opposed to the adoption of role-based additional allowances, essentially increasing fixed pay, to circumvent the CRD IV limitations on the level of fixed to variable pay. AXA IMs view is that any perception of deliberate circumvention of the limits would be damaging to the reputation of the industry, an industry already under stress for reputational issues.</p>
Outcomes	Voted against Remuneration related resolutions where Boards sought to circumvent the bonus limits introduced by CRD IV.

☒ Add Example 2

Topic or ESG issue	Remuneration
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To ensure executive rewards are dependent on challenging performance criteria judged over the long-term
Scope and Process	Proposal from company would mean long-term rewards were payable over a short performance period which is out of step with the purpose of a long-term scheme.
Outcomes	AXA IM voted against proposal. The company redrafted the proposal taking account of our input. The redrafted proposals encompassed challenging performance criteria and the performance period was extended to a genuinely long-term period. AXA IM was able to vote in support of the revised proposal.

☒ Add Example 3

Topic or ESG issue	Board Independence
Decision made by	<input checked="" type="checkbox"/> Internal staff <input type="checkbox"/> Service provider
Objectives	To improve the level of independence of non-executive directors
Scope and Process	AXA IMs Corporate Governance Policy underlines the need of independent and knowledgeable directors to represent the interests of minority shareholders.
Outcomes	AXA IM voted against non-executive directors who did not demonstrate the necessary levels of independence on Boards dominated by non-independent directors.

- ☐ Add Example 4
- ☐ Add Example 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

LEA 25.2	Additional information.
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The above examples relate to activities conducted by AXA IM on behalf of the Group.

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6
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LEA 26.1	Indicate if your organisation proactively discloses information on your voting activities.
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- ☒ We disclose it publicly

	provide URL
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<http://vds.issproxy.com/SearchPage.php?CustomerID=2281>

provide URL

<http://vds.issproxy.com/SearchPage.php?CustomerID=447>

LEA 26.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes

LEA 26.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- ☐ All voting decisions
- ☒ Some voting decisions
- ☐ Only abstentions and opposing vote decisions
- ☐ Summary of votes only

Indicate what level of explanation you provide

- ☐ Explain all voting decisions
- ☒ Explain some voting decisions
- ☐ Only explain abstentions and votes against management
- ☐ No explanations provided

LEA 26.4

Indicate how frequently you typically report voting information.

- ☐ Continuously (primarily before meetings)
- ☐ Continuously (soon after votes are cast)
- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 26.8

Additional information. [Optional]

The links disclosed above provide access to the voting records of AXA IM and AB. These voting records cover the significant majority of Group listed equity assets. We do not currently disclose voting activity conducted by entities other than AXA IM and AB.

AXA Group

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

FI 01	Mandatory to Report	Voluntary to Disclose	Gateway/Peering	PRI 1
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FI 01.1

Provide a breakdown of your internally managed fixed income investments by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your fixed income investments, indicate if you would still like to report your activities.

Fixed income – corporate

Strategies

☒ Passive

Percentage of internally managed fixed income - corporate

☒ <10%

Report on your strategies that represents <10% of corporate fixed income

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active – quantitative (quant)

Percentage of internally managed fixed income - corporate

☒ <10%

Report on your strategies that represents <10% of corporate fixed income

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - corporate

☐ <10%

☐ 10-50%

☒ >50%

Fixed income – government

Strategies

☒ Passive

Percentage of internally managed fixed income - government

☒ <10%

Report on your strategies that represents <10% of government fixed income

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active – quantitative (quant)

Percentage of internally managed fixed income - government

☒ <10%

Report on your strategies that represents <10% of government fixed income

☐ Yes

☒ No

☐ 10-50%

☐ >50%

☒ Active - fundamental and other active strategies

Percentage of internally managed fixed income - government

☐ <10%

☐ 10-50%

☒ >50%

FI 02

Mandatory to Report Voluntary to Disclose

Peering

General

FI 02.1

Provide a breakdown of your internally managed fixed income investments by credit quality.

Credit quality	Fixed Income - Corporate
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

Credit quality	Fixed Income - Government
Investment grade	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
High yield	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Distressed	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%

FI 02.2

Provide a breakdown of your fixed income investments between primary and secondary market.

Market	Fixed Income - Corporate
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

Market	Fixed Income - Government
Primary market (new issues)	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Secondary market	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%

FI 02.3

Additional information. [Optional]

The selections above represent our best approximation of the breakdown of fixed income investments across AXA IM and AB.

ESG incorporation in actively managed fixed income

FI 03	Voluntary	Descriptive	PRI 1
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FI 03.1

Provide a brief overview of how you incorporate ESG issues in fixed income investments.

Fixed Income - Corporate

The approaches taken by AXA IM and AB are set out below:

AXA IM:

- For corporate investments, AXA IM has developed an ESG framework relying on the inputs from several extra-financial agencies and internal conviction. This framework is composed of around 6 criteria across E, S and G dimensions. The overall ESG assessment is a weighted average of E, S and G taken separately, where the weights depend on the sector of the company. As at the end of 2014 this framework covers more than 4500 companies, providing an ESG score accessible by every portfolio manager through the internal "RI Search" tool.

- Regarding Fixed Income, aside the quantitative ESG assessment of issuers, ESG fundamental analysts work closely with portfolio managers and credit analysts. The "RI Search" ESG scores are systematically integrated in the credit research platform, and ESG comments are included within credit analysts' issuer reports on a gradual basis.

AB:

- AB includes ESG factors in its fundamental research process and considers them carefully when it believes they are material to forecasts and investment decisions. If AB determines that these aspects of an issuer's past, current, or anticipated behaviour are material to its future expected returns, it addresses these concerns in its forecasts, research reviews, investment decisions, and engagement.
- For Corporate Issuers: AB incorporates ESG factors into the fundamental credit research process for all portfolios. As part of their in-depth research, its credit analysts analyse all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during regular credit meetings.

Fixed Income - Government

As above, the approaches taken by AXA IM and AB are set out below:

AXA IM:

- For government and quasi-government issuers, AXA IM has developed internally an ESG framework relying on the Environmental, Social and Governance indicators published by recognised international sources, for example:
 5. For the Environment: CO2 emissions
 6. For Social: the UN HDI (Human Development Index)
 7. For Governance: the World Bank indicators.
- An ESG score is calculated, taking into account not only the current level of the indicator but also the way it has developed over a 5 year cycle. The ESG score is complemented by a "political commitment" score which measures the countries' commitment to a number of key international conventions (human rights, labour rights, controversial weapons, the environment).
- A dedicated ESG analyst covers countries from a more qualitative point of view. This analyst participates in the "Rates" committee where the fund management will define interest rates scenarios on a quarterly basis.

AB:

- For Sovereign Issuers: ABs economists consider ESG factors as part of their overall evaluation of a sovereign issuer. They evaluate how ESG issues are currently affecting the country's ability to meet payment obligations as well as how they may affect them in the future. If ESG factors are deemed material enough that they impact the risk/return profile of the sovereign issuer, that assessment will be reflected in the analyst's opinion and forecast for that issuer and will be discussed with the portfolio managers and the traders during regular research review/investment strategy meetings. ESG issues may also be addressed with government officials and central bankers via engagement.

Fixed Income - Corporate

Implementation processes

FI 04	Mandatory	Gateway/Core Assessed	PRI 1
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FI 04.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed corporate fixed income investments; and, (2) the breakdown of your actively managed corporate fixed income investments by incorporation strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- ☐ Screening alone (i.e. not combined with any other strategies)
- ☐ Thematic alone (i.e. not combined with any other strategies)
- ☐ Integration alone (i.e. not combined with any other strategies)
- ☒ Screening + Integration strategies

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div style="display: flex; align-items: center;"> <div style="width: 50px; height: 20px; background-color: #0070C0; margin-right: 5px;"></div> <div style="border-bottom: 1px solid black; flex-grow: 1; position: relative;"> <div style="position: absolute; left: 0; top: 0; bottom: 0; width: 100%;"></div> <div style="position: absolute; right: 0; top: 0; bottom: 0; width: 100%;"></div> </div> </div>
	100

- ☐ Thematic + integration strategies
- ☐ Screening + thematic strategies
- ☐ All three strategies combined
- ☐ No incorporation strategies applied

Total actively managed fixed income - corporate

100%

FI 04.2

Describe your primary reasons for choosing a particular incorporation strategy.

AXA Group:

As outlined in the OA and LEI modules (OA1.3; LEI3.2) AXA Group's approach to RI is driven by its objective of aligning its corporate responsibility agenda with its investment activities.

Building on this, the RIC initiated the Group-wide ESG Integration Project as a means of understanding, identifying and reducing ESG risk drivers that can impact long-term investment performance. The ESG Integration project applies to all Group assets. This is further supported by the Group's existing approach to exclusions - specifically on the areas outlined in the Group RI Policy (which includes controversial weapons and sanctioned countries) - which also apply to all Group assets.

Additional comments, specific to AXA IM and AB, are set out below.

AXA IM:

- In line with AXA's Group objective to align investments with AXA's corporate responsibility agenda, AXA IM has chosen to enhance the integration strategy across its actively managed corporate fixed income investments. This approach is completed by thematic and screening strategies. AXA IM systematically monitors strong ESG risks (controversial weapons, palm oil, soft commodities) for all AXA Group assets under management.

AB:

- AB has long recognized that ESG issues can impact the performance of investment portfolios, and believes that the integration of ESG factors is critical to the success of a fundamental research process. As such, ABs analysts assess ESG factors in their analysis if they believe those factors have, or could have, a material impact on ABs forecasts and investment decisions.

FI 05	Voluntary	Additional Assessed	PRI 1
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FI 05.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

- ☒ Raw ESG company data

Describe who provides this information.

See comments in 5.2 (below)

- ☒ Issuer-related analysis or ratings

Describe who provides this information.

See comments in 5.2 (below)

- ☒ Sector-related analysis or ratings

Describe who provides this information.

See comments in 5.2 (below)

- ☒ Country-related analysis or ratings

Describe who provides this information.

See comments in 5.2 (below)

- ☒ Screened bond list

Describe who provides this information.

See comments in 5.2 (below)

- ☒ ESG issue-specific analysis or ratings

	Describe who provides this information.
--	---

See comments in 5.2 (below)

☐ Other, specify

FI 05.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.
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The Group investment entities (AXA IM and AB) use a combination of sources for ESG information that is applied to fixed income research:

- ESG data providers (Vigeo, Oekom, Sustainalytics, GMI, Ethix, MSCI)
- International organisations (such as the World Bank and IMF)
- In-house research teams, and
- Broker research

(A) Implementation: Screening

FI 06	Mandatory	Descriptive	PRI 1
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FI 06.1	Indicate and describe the type of screening you apply to your internally managed active corporate fixed income investments.
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Type of screening

☒ Negative/exclusionary screening

Screened by

- ☒ Product
- ☒ Activity
- ☒ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

	Description
--	-------------

AXA Group maintains sector guidelines on the following activities / issues:

- Controversial weapons (antipersonnel landmines, cluster bombs, depleted uranium, chemical and biological weapons)
- Sanctioned countries and/or countries identified as having high levels of corruption or political risk
- Soft commodities derivatives
- Palm oil and forestry

Group-wide exclusions have been established based on the above sector guidelines. AXA IM and AB are required to implement these exclusions on our behalf.

☒ Positive/best-in-class screening

Screened by

- ☐ Product
- ☐ Activity
- ☐ Sector
- ☒ Country/geographic region
- ☒ Environmental and social practices and performance
- ☐ Corporate governance

	Description
--	-------------

AXA IM operates positive/best in class screening for fixed income assets. Its approach is briefly described below:

Sector-level:

- AXA IM has developed an ESG framework relying on the inputs from several extra-financial agencies and internal ESG convictions. This framework is composed of circa 12 criteria across E, S and G dimensions, the overall ESG assessment being a weighted average of E, S and G taken separately, where the weights depend on the sector of the company
- In the end, AXA IM invests in companies that have historically performed better than their peers within a particular industry or sector on ESG issues. These factors are systematically taken into consideration in the selection of the investment and therefore have an impact on the eligible universe by eliminating the companies or the countries which deliver poor ESG performance or when they present serious controversial matters.

Country:

- For government and quasi-government issuers, AXA IM relies on the ESG indicators published by recognised international sources, including:
- For the Environment: CO2 emissions
- For Social: the UN HDI (Human Development Index), and
- For Governance: the World Bank indicators.
- An ESG score is then calculated, taking into account not only the current level of the indicator but also the way it has developed over a 5 year cycle. The ESG score is complemented by a "political commitment" score which measures the countries' commitment to a number of key international conventions (human rights, labour rights, controversial weapons, the environment).

☐ Norms-based screening

FI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

AXA Group developed its sector guidelines as part of its broader objective of aligning its investment activities with the Group Corporate Responsibility strategy and themes.

Exclusion lists are reviewed and updated quarterly with any changes communicated to Group entities.

FI 07	Mandatory	Core Assessed	PRI 1
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FI 07.1

Indicate which processes your organisation uses to ensure that screening in corporate fixed income is based on robust analysis.

- ☒ Comprehensive research is undertaken or sourced to determine issuers' ESG performance
- ☒ Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ External research and data used to identify issuers to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- ☒ Information on ESG issues and/or ratings is updated regularly to ensure that portfolio holdings comply with fund policies
- ☒ A committee or body with representatives independent of the individuals who conduct ESG research reviews some or all screening decisions
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 07.2

Additional information. [Optional]

AXA Group's Group Risk Management (GRM) function oversees the implementation of Group exclusion policies. Research into the excluded securities is entrusted to AXA IM's RI team who use third party experts to augment their own knowledge. The sensitive countries exclusion list is reviewed by Group Legal.

Implementation of the exclusion list is the responsibility of AXA IM and AB. Monitoring is conducted by AXA's GRM and Group Legal. If a breach occurs the Group functions liaise directly with the relevant manager.

FI 08

Voluntary

Additional Assessed

PRI 1

FI 08.1

Indicate which processes your organisation uses to ensure that fund criteria are not breached in corporate fixed income investments.

- ☒ Checks are performed to ensure that issuers meet the funds' screening criteria. These checks are:
 - ☒ Systematic
 - ☐ Occasional
- ☒ Automated IT systems prevent investment managers from investing in excluded bonds or those that do not meet positive screening criteria
- ☒ Audits of fund holdings are undertaken regularly by internal audit function
- ☐ Other, specify
- ☐ None of the above

FI 08.2

If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.

As above, breaches are address directly by AXA's Group Risk Management function and addressed directly with the respective investment manager. Our exclusions policies are also restated in the Group Audit's overarching policy manuals ("AXA Standards").

(C) Implementation: Integration of ESG factors

FI 10	Voluntary	Descriptive	PRI 1
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FI 10.1	Describe how you integrate ESG issues into investment decision-making processes.
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AXA Group:

As discussed in our responses to earlier questions in this module, in 2013 the RIC established a Group-wide ESG Integration project. Its aim is to identify ESG risks across the portfolio of Group assets and, over time, track and manage ESG risk exposure. The objective is to improve the ESG risk profile of the Group's assets. The RIC has so far developed an in-house ESG risk assessment methodology, leveraging the expertise of AXA IM. **COPY COMMENT FROM LEI BASED ON SYLVAIN'S EDITS.**

Additional details of the existing ESG integration activities of AXA IM and AB are provided below.

AXA IM:

AXA IM integrates ESG factors into investment decisions making processes through various approaches:

RI Search platform: To assist in mainstreaming (the integration of ESG factors) the AXA IM RI team launched its RI tool 'RI Search' in 2007. This tool provides access to a wide range of extra-financial data and analysis on ESG factors across asset classes and thus enables its portfolio managers to incorporate ESG criteria into their investment decisions. The range of functionalities on RI-Search include investment universe screening, ESG portfolio footprints, carbon data calculations, sector screening, as well as company specific ratings, research and analysis.

Company reports: AXA IM's fundamental analyst team produces detailed reviews looking at the ESG issues impacting investee companies. These reports are shared with fund managers and analysts by email and also stored on RI Search which is accessible by all of AXA IM's investment teams. For Fixed Income, ESG risks are studied as having a significant impact on the probability of default. For this reason, ESG issues are taken into account by the credit research team as a true component of the risk profile of the issuer. Given a same level of duration risk or credit risk, ESG risk analysis can be a way to discriminate inside a range of different issuers.

Investment team meetings: The RI team participates in the investment team meetings where it shares particular insights into ESG issues impacting on investee companies.

Engagement: AXA IM approach is for an integrated engagement approach with the full participation of relevant fund managers and analysts in setting up the particular engagement strategy and the follow-up meetings with companies.

ESG Impact: Ex-post ESG analysis of portfolios is conducted with the aim of identifying the main ESG risks in top holding positions. In addition, ESG key criteria are calculated by portfolio in order to assess the ESG performance provided by the sector and stock allocation.

Training: The RI team organises ongoing training on ESG issues to AXA IM staff. These sessions cover the team's activity (e.g. ESG research methodology); emerging ESG issues and the ESG initiatives in which AXA IM participates. In addition, each investment platform receives formal training on the features and functions of the "RI Search" tool.

AB:

For corporate issuers AB incorporates ESG factors into its fundamental credit research process for all portfolios. As part of their in-depth research, AB's credit analysts analyse all aspects of a company, including how ESG issues are currently affecting that company's profitability as well as how they may in the future. If they deem ESG factors material enough that they contribute to the risk of that issuer, that assessment will be reflected in the analyst's formal opinion and forecast and it will be discussed with the portfolio managers and the traders during the weekly investment grade credit meetings.

AB incorporates ESG factors into its fundamental research process for all portfolios. Its credit analysts are responsible for determining an ESG rating for each of the issuers in their universe, and it is their responsibility to monitor these issuers-including the ESG factors that may impact them-on an ongoing basis. As part of this process, they review third-party ESG research that is available through an automated feed. They synthesize these insights, and based on this analysis, they derive an ESG rating for each credit: "Strong," "Average" or "Weak." A rating is not to be viewed in absolute terms but rather in terms relative to that issuer's peers. All ratings are entered into the credit scoring model of RAP, AB's proprietary research tool.

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 11.2

Additional information. [Optional]

The majority of the Group's fixed income assets are managed by **AXA IM**. It's approach to ESG integration in the research process is summarised below:

Fundamental analysts are responsible for following ESG issues in the sectors they cover. They select ESG issues that are most relevant and material for their analysis. This follows an internal framework integrating all 3 ESG pillars through 6 core themes: board oversight and control, management quality and incentives, human capital management, business behaviour, resource efficiency and environmental impacts. Based on this framework analysts can put more or less weight to certain ESG factors depending on the relevance/materiality to the company/industry. This framework for analysis is also translated into various weights between E, S and G factors in the scoring model within RI Search. The scoring model is reviewed twice per year and at this time, new ESG issues can be integrated reflecting our convictions and the emergence of new business cases.

FI 12

Voluntary

Descriptive

PRI 1

FI 12.1

Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.

- ☒ Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- ☒ Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- ☒ Company information and/or ratings on ESG are updated regularly
- ☒ A periodic review of the quality of the research undertaken or provided is carried out
- ☐ Other, specify
- ☐ None of the above

FI 12.2

Describe how ESG information is held and used by your portfolio managers.

- ☒ ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ☒ ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- ☐ Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- ☐ Other, specify
- ☐ None of the above

FI 12.3

Additional information.

Within the AXA Group investment entities, AXA IM has the most established process for disseminating ESG information to investment teams. The in-house AXA IM RI team does this through the following means:

- Monthly email: this contains the RI team's latest company ESG reports, including a recommendation scale (positive, negative or neutral)
- RI Search Platform: all portfolio managers have access to this platform that contains ESG scores, ESG fundamental research and voting activity for every company/issuer.
- Bloomberg platform: Bloomberg is used to communicate with fund managers through the IRH (In House Research) function. The information uploaded here is only for internal users.
- Investment Committees: AXA IM RI team members take part in investment committees, in which the team's ESG opinions are provided and discussed with equity fund managers.

Fixed income - Government

FI 13**Mandatory****Core Assessed****PRI 1****FI 13.1**

Indicate if you incorporate ESG issues in investment analysis and decision making for your government fixed income investments.

☒ Yes

FI 13.2

Indicate for what percentage of your government fixed income investments you incorporate ESG issues in investment analysis and decision making.

- ☐ <10%
- ☐ 10-50%
- ☒ 51-90%
- ☐ >90%

FI 13.3

Indicate if in active strategies, E, S and G issues are reviewed while researching government issuers.

ESG issues	Coverage/extent of review on these issues
Environmental	<input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
Social	<input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
Corporate Governance	<input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

FI 13.4	Describe your approach to incorporating ESG issues in government fixed income investments. [Optional]
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The approaches taken by AXA IM and AB are described below:

AXA IM:

AXA IMs RI Team has built a Sovereign ESG Framework which covers the 3 pillars E, S, and G, as well as international conventions. These include :

- Environment: Climate change, Energy mix and use of Natural Resources,
- Social: Health/Demographics, Wealth, Labour Market and Education,
- Governance: Politics and effectiveness
- International conventions: commitment of the countries to 21 international conventions covering the ILO, Human Rights, Biodiversity and Weapons.

Two members of the RI team are dedicated to fundamental analysis. In 2014, AXA IM provided 66 reports on countries to fund managers and clients. 18 countries have been analysed at least twice in a year. The RI team participates in weekly country review meetings chaired by Fund managers. The conclusions of the RI team analysis are integrated in their analysis and during the meeting, the RI Analyst comments on RI views.

AB:

ABs economists consider ESG factors as part of their overall evaluation of a sovereign issuer. They evaluate how ESG issues are currently affecting the country's ability to meet payment obligations as well as how they may affect them in the future. If ESG factors are deemed material enough that they impact the risk/return profile of the sovereign issuer, that assessment will be reflected in the analyst's opinion and forecast for that issuer and will be discussed with the portfolio managers and the traders during regular research review/investment strategy meetings. ESG issues may also be addressed with government officials and central bankers via engagement.

☐ No

Outputs and outcomes

FI 15	Voluntary	Descriptive	PRI 1
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FI 15.1

Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.

Fixed Income - Corporate

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

FI 15.1

Indicate how your ESG incorporation strategies have influenced the composition of your fixed income portfolio(s) or investment universe.

Fixed Income - Government

- ☒ Narrow down or prioritise the investment universe
- ☒ Buy / sell / weight decisions
- ☐ Other, specify

FI 16**Voluntary****Descriptive****PRI 1****FI 16.1**

Indicate whether your organisation measures how your approach to ESG issues in Fixed Income investments has affected financial and/or ESG performance.

- ☒ We measure whether our approach to ESG issues impacts funds' financial performance

Fixed Income - Corporate

Describe the impact on:	Impact	Strategies considered
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration

Fixed Income - Government

Describe the impact on:	Impact	Strategies considered
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> ESG incorporation (actively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' risk or volatility

Fixed Income - Corporate

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input checked="" type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Integration

Fixed Income - Government

Describe the impact on:	Impact	Strategies considered
Funds' risk or volatility	<input checked="" type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> ESG incorporation (actively managed funds)

☒ We measure whether our approach to ESG issues impacts funds' ESG performance

Fixed Income - Corporate

Describe the impact on:	Impact	Strategies considered
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact <input type="radio"/> We do not measure the impact for this asset class	<input checked="" type="checkbox"/> Screening <input type="checkbox"/> Integration

Fixed Income - Government

Describe the impact on:	Impact	Strategies considered
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input checked="" type="checkbox"/> ESG incorporation (actively managed funds)

☐ None of the above

FI 16.2	Describe how you are able to determine these outcomes.
---------	--

In broad terms, AXA believes that ESG integration, when undertaken using rigorous research and metrics, tends to improve the risk/return characteristics of FI portfolios over time.

Of the Group's two investment management entities - AXA IM - has the most developed approach to integrating and considering ESG issues within fixed income - details of its approach are set out below. AXA IMs research on the benefits of ESG integration within fixed income provides support for the Group's view on the value of ESG to fixed income investors. To date AB has not conducted any empirical research to determine the impact of ESG considerations.

AXA IM:

AXA IM has developed several methods to identify ESG impacts on financial performance, funds' risk or volatility and ESG performance, including:

- Back-testing its funds to correlate ESG criteria with financial performance and volatility
- Launching an "ESG Impact" report which helps clients and portfolio managers to: Measure the ESG performance of a fund against its benchmark
- Review the top ESG risks, and
- Assess the most meaningful Key Performance Indicators such as carbon and water footprint as well as the independence and gender balance of Boards.
-
- Issuing research pieces investigating - and demonstrating - the correlation between ESG factors and financial performance. Reports on fixed income and ESG factors include the following: 2010 - ***Can corporate governance take - partial - credit for fixed income performance?***
- 2012 - ***Mind the Gap: Experienced Engineers Wanted***
- 2012 - ***Sovereign Debt Investing: ESG Framework and Applications***
-

FI 17	Voluntary	Descriptive	PRI 1
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FI 17.1	Provide examples of ESG issues that affected your fixed income investment view and/or performance during the reporting year.
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☒ ESG issue 1

	Fixed Income - Corporate and/or Government
<input checked="" type="checkbox"/> Corporate <input type="checkbox"/> Government	
	ESG issue and explanation
<p><u>AXA IM example:</u> French agency: The RI team was asked to cover this issuer as an "ESG tail risk" identified for AXA Group assets. The issuer's ESG performance is highly penalised by the lack of dedicated ESG reporting. In addition, it is less responsive to ESG issues. This can be explained by the fact that: i) it is a non-for-profit institution and ii) the French government explicitly guarantees the organisation's issuance. However as it is a private entity, the French government is not legally obliged to assume responsibility for its assets and liabilities. The institution is not familiar with responding to RI investors as repeated attempts were made to reach key personnel. The issuer's Neutral recommendation is explained by two competing factors. The first factor is the weakness found in the human capital area. Conversely, there is a positive factor through the direct social impact of its primary activity in alleviating unemployment.</p>	
	ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	

☒ ESG issue 2

	Fixed Income - Corporate and/or Government
<input type="checkbox"/> Corporate <input checked="" type="checkbox"/> Government	
	ESG issue and explanation
<p>AXA IM example: Latin American sovereign issuer: AXA IMs RI team was asked to cover this issuer as an "ESG tail risk" identified for AXA Group assets. The country ranks in the bottom quartile of AXA IMs progressing countries model concerning its global ESG performance. There is no tangible signal of improvement prospected over the next years, that is why we keep a negative opinion on the country. Environmental performance is concerning, particularly in terms of climate change and energy mix. It is ranked in the first half on social, with a decrease of inequality and poverty. Finally there is poor performance in governance with the worst score among Latin America countries and also one of the worst worldwide.</p>	
	ESG incorporation strategy applied
<input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies	
<input type="checkbox"/> ESG issue 3 <input type="checkbox"/> ESG issue 4 <input type="checkbox"/> ESG issue 5	

FI 17.2	Additional information.
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The above examples relate to activity conducted by AXA IM on behalf of the Group.

Communication

FI 18	Mandatory	Core Assessed	PRI 2,6
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FI 18.1	Indicate if your organisation proactively discloses information on your approach to ESG incorporation in all fixed income investments.
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☒ We disclose it publicly

	Provide URL
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<http://www.unpri.org/areas-of-work/reporting-and-assessment/reporting-outputs/>

FI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

☒ Yes**FI 18.3**

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- ☒ Broad approach to ESG incorporation
- ☐ Detailed explanation of ESG incorporation strategy used

FI 18.4

Indicate how frequently you typically report this information.

- ☒ Quarterly or more frequently
- ☐ Between quarterly and annually
- ☐ Less frequently than annually
- ☐ Other, specify
- ☐ No
- ☐ We disclose it to clients/beneficiaries only
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

FI 18.7

Additional information. [Optional]

ADD SYLVAIN COMMENT HERE... re Group engagement activities

As detailed throughout this module, AXA Group is working closely with both AXA IM and AB to implement a Group-wide approach to ESG integration with a particular focus on fixed income. The RIC has developed a methodology to capture ESG risks across its portfolios and, by extension, to push further integration of ESG risks into its investment processes. Our progress to date with the ESG Integration Project is reported in this and our previous PRI Transparency Reports. Further progress will be reported in subsequent Transparency Reports. All of these reports are available via the UN PRIs' Reporting Outputs webpage: <http://www.unpri.org/areas-of-work/reporting-and-assessment/reporting-outputs/>.

Additional details of the ESG integration activities of AXA IM and AB can be found in their individual PRI Transparency Reports, which are also available from the PRI website.

Engagement in fixed income investments

Fixed Income - Corporate

FI 19

Voluntary

Descriptive

PRI 2

FI 19.1

Indicate if you engage with corporate issuers.

☒ Yes

FI 19.2

Describe your organisation's approach to engagement in corporate fixed income.

The AXA Group occasionally provides ESG-related engagement proposals to its asset management affiliates. These generally follow controversies highlighted by certain NGOs, which when deemed relevant, substantial and related to our broader ESG strategy, will trigger an engagement course.

In addition, both AXA IM and AB conduct engagement with corporate fixed income issuers on behalf of the Group. A brief explanation of their approach is set out below:

AXA IM:

AXA IM uses the same approach to engage with corporate issuers as for listed equities - it aims to engage with companies where the issue of concern may have a material impact on the Company's performance and investor value in the medium to long-term. In particular, AXA IM believes that a proper consideration of relevant ESG matters will impact on the long-term sustainable performance of companies and benefit investors of such companies.

AB:

AB builds engagement activities into its credit research and investment processes. AB portfolio managers and credit analysts conduct more than 2,000 management meetings and phone calls every year, and some portion of these discussions is typically dedicated to corporate governance-related issues. In performing their research, ABs analysts often engage directly with CFOs and CEOs. Its equity analysts and credit analysts often work together closely on given issuers, and the firms credit analysts use research generated by our equity research group. ABs credit and equity analysts compare company management responses to ensure consistency of message. Whenever possible, AB finds it useful to hold combined meetings with corporate management.

In some cases, achieving ABs objectives may involve a level of engagement that includes participating in bondholder-led investor groups whose objective is to help ensure bondholders are treated fairly during a specific event, such as a bankruptcy proceeding. These situations tend to focus heavily on governance-related issues.

Engagement will typically be most significant with those issuers where debt is a greater proportion of their capital structure, as well as with those issuers in the high yield, emerging-market, utilities, and financials sectors.

☐ No

Fixed Income - Government

FI 20	Voluntary	Descriptive	PRI 2
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FI 20.1

Indicate if you engage with government issuers such as government departments (national or local), agencies and other entities in order to influence their approach to ESG issues that may affect creditworthiness.

☐ Yes

☒ No

AXA Group

Reported Information

Public version

Direct - Property

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PR 01

Mandatory to Report Voluntary to Disclose

Gateway/Peering

General

PR 01.1

Provide a breakdown of your organisation's internally managed property investments by equity and debt.

Property investments instruments

☒ Equity investments

Property investment instruments	Percentage of your internally managed property investments (in terms of AUM)
Equity investments	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10%

PR 01.2

Indicate the level of ownership you typically hold in your property investments.

- ☐ a majority stake (>50%)
☐ a 50% stake
☐ a significant minority stake (between 10-50%)
☐ a limited minority stake (<10%)
☒ a mix of ownership stakes

☒ Debt investments

Property investment instruments	Percentage of your internally managed property investments (in terms of AUM)
Debt investments	<input type="radio"/> >50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10%

Total 100%

☐ N/A, we manage properties, new constructions and/or refurbishments on behalf of our clients, but do not hold equity or debt in property on their behalf

PR 01.3

Additional information. [Optional]

PR 03	Voluntary	Descriptive	General
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PR 03.1	Indicate up to three of your largest property types by AUM.
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Types	Main property types (by AUM)
Largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input checked="" type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Second largest property type	<input type="radio"/> Industrial <input checked="" type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input type="radio"/> Other, specify
Third largest property type	<input type="radio"/> Industrial <input type="radio"/> Retail <input type="radio"/> Office <input type="radio"/> Residential <input type="radio"/> Leisure/Hotel <input type="radio"/> Mixed use <input checked="" type="radio"/> Other, specify Debt

PR 04	Voluntary	Descriptive	PRI 1-6
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PR 04.1	Provide a brief overview of your organisation's approach to responsible investment in property where you have equity stakes.
---------	--

Group property assets are substantially managed by AXA Real Estate (RE), a division of AXA IM. AXA RE summarises its approach to RI as follows:

AXA RE believes the most significant method of reducing its environmental impact is by committing to managing its investments responsibly and sustainably. At the corporate level in AXA IM, AXA RE's RI strategy rests on three priorities:

8. Mainstreaming ESG analysis in all of our investment processes
9. Developing a range of quality RI-specific products
10. Being an "active owner" - via stronger selectivity (based on client demand for sustainability criteria), reduced operating and capital expenditures - the benefits of which include lower risk of obsolescence, improved liquidity and occupier demand.

Additional details of AXA RE's RI activities can be found in the detailed annual 'Sustainable Development Report' which is available here: <http://www.axa-realestate.com/expertise/responsible-investment>

PR 04.2	Provide a brief overview of your organisation's approach to responsible investment in property where you hold debt.
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As above in 4.1. However, there will be a third party involved (a landlord) who has direct a relationship with occupiers and control of the asset.

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1	Indicate if your organisation has a Responsible Property Investment (RPI) policy.
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☒ Yes

PR 05.2	Provide a URL if your RPI policy is publicly available. [Optional]
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<http://www.axa-realestate.com/expertise/responsible-investment>

☐ No

PR 05.3	Additional information. [Optional]
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As discussed in PR 4.1 (above) the Group's property assets are largely managed by AXA RE. AXA RE has a well-developed approach to RI and sustainability. AXA RE summarises its approach as follows:

Overall approach

AXA RE believes in the emergence of a "Green Value" in real estate. It has been integrating sustainability practices into real estate projects since 2000. Through this activity it has noticed that sustainable development is not an obstacle to investment performance. On the contrary - it tends to reduce operating costs and obsolescence while improving the comfort of the occupant.

AXA RE's approach to sustainable investment builds on the longstanding commitment to corporate responsibility practiced by the AXA Group, its ultimate owner, and AXA Investment Managers, its immediate parent company.

New building developments

AXA RE is a pioneer in sustainable real estate development. It was among the first in the industry to acquire the High Quality Environment (HQE) certificate, an environmental classification for new asset development projects in France. To date, AXA RE's projects have obtained sustainability labels in several geographies such as BREEAM, HQE, DGNB, Minergie, BBC or THPE.

Existing properties

AXA RE is also a founding member of the Green Rating Alliance (see: <http://www.green-rating.com/>) a major industry partnership for monitoring and improving the sustainability of existing buildings.

The Alliance aims to bring the Green Rating benchmarking and monitoring tool to the wider property industry, as well as exchanging best practices and continuously enhancing the methodology, tools and indicators.

AXA RE reviews environmental performance and potential through Green Rating audits, performed on a systematic basis as part of its acquisition due diligence process. These audits focus on six tangible indicators: energy, water, waste, well-being, transports and carbon. Real estate assets with no potential for improving their environmental performance are excluded from AXA RE's investment scope.

AXA RE has also developed a proprietary "Sustainability Toolbox" for its asset managers, comprising of a focused set of efficient sustainability tools such as Automated Meter Reading, Green Leases and Green Ratings which are mutually supportive and can be applied systematically.

For significantly more detail on AXA RE's activities on ESG integration in the property investment process see its detailed annual "Sustainable Development Report" - available here: <http://bit.ly/1xeDR4U>

Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1
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PR 08.1	Indicate if your organisation typically incorporates ESG issues when selecting property investments.
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☒ Yes

PR 08.2	Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]
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Using its "Active Owner" approach to RI, AXA RE's investment process is designed to encourage the emergence of a "Green Value" in real estate.

When investing in existing assets a Green Rating audit may be included in the due diligence process. This provides an initial snapshot of how the property performs from a sustainability perspective, together with recommendations to increase the profile - either from an 'intrinsic' (i.e. building level) perspective or from an 'actual' perspective (i.e. inclusive of occupiers' impact). As described in PR 5.3 (above) the Green Rating is a pan-European audit scheme - it has been used to audit assets totalling more than nine million m2 to date in Europe. Alternatively, appropriate in-use certification may be sought.

For development assets, AXA RE applies a strict sustainability policy - encompassing both initial construction and design and use - to all its developed buildings.

To be transparent, investment decisions will be based on a combination of factors including traditional property criteria of location, tenant financial covenant, level of rent and length of lease and not exclusively driven by ESG or sustainability factors.

☐ No

PR 09	Voluntary	Descriptive	PRI 1,4
-------	-----------	-------------	---------

PR 09.1	Indicate whether your organisation typically uses ESG advice and research sourced internally and/or externally when incorporating ESG issues into the property investment selection process.
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☒ Internal staff

☒ Specify role

Global Sustainable Development Team

☒ Specify role

In-house legal

☒ Specify role

Development Team expertise

- ☒ External resources
 - ☒ Environmental advisors
 - ☐ Social advisors
 - ☒ Corporate governance advisors
 - ☒ Regulatory and/or legal advisors
 - ☐ Other, specify type of advisors/roles
- ☐ No use of internal or external advice on ESG issues

PR 09.2	Additional information.
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AXA RE's overall approach is to integrate sustainability into its everyday management practices.

This is facilitated and coordinated by a Global Sustainable Development Team (GSDT), comprising representatives from development, fund management and asset management i.e.:

- Michael Keller - Head of Development and Construction, Switzerland
- Ralph Wood - Sustainability and Governance Officer, UK
- Nehla Krir - Sustainability Manager, France
- Daniela Jorio - Sustainability Analyst, Switzerland

The GSDT manages, co-ordinates and promotes sustainability across the entire real estate business including the production of an annual Global Sustainable Development Report - available here: <http://bit.ly/1xeDR4U>

The GSDT enjoys the support and technical input of 16 local correspondents, key individuals within the asset management teams located in the local offices.

The project is managed by Ernst Schaufelberger, a member of AXA RE's Executive Committee. The project sponsor is Anne Kavanagh, Global Head of Asset Management and Transaction and a member of AXA RE's Management Board. They are supported by a new steering committee comprising three senior executives representing key areas of the business, including client funds, sales and marketing and asset management and transactions.

PR 10	Mandatory	Core Assessed	PRI 1,3
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PR 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.
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ESG issues

- ☒ Environmental

	List up to three typical examples of environmental issues
--	---

Energy generation (conventional + renewables), consumption and efficiency

Greenhouse gas emissions

Flooding and contamination

- ☒ Social

	List up to three typical examples of social issues
--	--

Occupier turnover and satisfaction

Tenant type and demography

Health and safety

☒ Governance

List up to three typical examples of governance issues

Risk management (e.g. regulatory and reputational risk)

Property standards and certifications, and disclosure (e.g. property performance or benchmarks)

Business strategy

PR 10.2

Additional information. [Optional]

The issues highlighted above are a selection. The actual application will vary between types of asset e.g. multi tenanted assets will require more active management. The regulatory regime also varies between territories e.g. CRC scheme in the UK, Grenelle II Law in France.

PR 11

Voluntary

Additional Assessed

PRI 1,3

PR 11.1

Indicate what type of ESG information your organisation typically considers during your property investment selection process.

- ☒ Raw data from the target property asset/company
- ☒ Appraisals/audits
- ☒ Benchmarks/ratings against similar property asset
- ☒ Country level data/benchmarks
- ☒ Data aligned with established property reporting standards, industry codes and certifications
- ☐ International initiatives, declarations or standards
- ☒ Data from engagements with stakeholders (e.g. tenants and local community surveys)
- ☒ Information from external advisers
- ☐ Other, specify
- ☐ We do not track this information

PR 12

Voluntary

Additional Assessed

PRI 1

PR 12.1

Indicate if ESG issues impacted your property investment selection process during the reporting year.

- ☒ ESG issues helped identify risks and/or opportunities for value creation
- ☒ ESG issues led to the abandonment of potential investments
- ☒ ESG issues impacted the investment in terms of price offered and/or paid
- ☒ ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ☐ ESG issues were considered but did not have an impact on the investment selection process
- ☐ Other, specify
- ☐ We do not track this potential impact

Post-investment (monitoring and active ownership)

Overview

PR 14	Mandatory	Gateway	PRI 2
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PR 14.1

Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

☒ Yes

PR 14.2

Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- ☒ We consider ESG issues in property monitoring and management
- ☒ We consider ESG issues in property developments and refurbishments
- ☒ We consider ESG issues in property occupier engagements
- ☒ We consider ESG issues in community engagements related to our properties
- ☒ We consider ESG issues in other post-investment activities, specify

AXA RE's Global SD Team regularly reports to senior management on a range of ESG issues. It also produces the annual Global SD report.

PR 14.3

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]

Post investment activities are based on continuous monitoring of key data mainly (but not exclusively) on the active management assets of the portfolios.

Within AXA RE, Asset Managers (AM) in local teams have dedicated property assets which they actively manage. ESG factors form part of that process, as well as forming a key element in the Business or Asset Plan. Each AM is required to make positive recommendations - e.g. energy saving initiatives, refurbishment, upgrade of systems, as appropriate.

Ultimate responsibility is with a Fund Manager, who sets the strategy for the relevant fund or mandate, based in regular dialogue with the AM.

The Global Sustainable Development Team is available to offer guidance and advice across the business units.

☐ No

Property monitoring and management

PR 15	Mandatory	Core Assessed	PRI 2,3
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PR 15.1

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- ☐ >90% of property assets
- ☐ 51-90% of property assets
- ☒ 10-50% of property assets
- ☐ <10% of property assets

(in terms of number of property assets)

PR 15.2	Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.
----------------	--

ESG issues

☒ Environmental

List up to three example targets per issue
--

Energy generation consumption and efficiency

Greenhouse gas emissions

Water consumption, waste generation

☒ Social

List up to three example targets per issue
--

Health and safety, accident rates, disability access

Tenant type and demography, occupier turnover and satisfaction

Social enterprise partnering, community development

☒ Governance

List up to three example targets per issue
--

Processes e.g. environmental management systems and disclosure (property performance or benchmarks)

Risk management e.g. regulatory and reputational risk (property standards and certifications)

Operational management

☐ We do not set and/or monitor against targets

PR 15.3	Additional information. [Optional]
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The Property Manager will be subject to a specific Asset Management contract tailored to fit the legal requirements of the territory involved and the nature of the investment fund or mandate.

More recently secured mandates are likely to have a higher proportion of ESG matters (e.g. a recent pension fund secured in France, where these measures are central to performance management).

In the UK portfolios, the Asset and Property Managers concentrate on measurement of an "energy management portfolio" - a representative sample of the largest multi tenanted assets in the retail shopping centre/park and office sectors which have the biggest material impact on CO2 emissions. In this way resources are focused on assets which have the biggest impact on the environment and are monitored and measured quarterly.

PR 16	Voluntary	Descriptive	PRI 2
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PR 16.1	Indicate whether your property assets are assessed against certification schemes, ratings and/or benchmarks
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☒ Yes

PR 16.2

List the certification schemes, ratings and/or benchmarks your property assets are assessed against and what proportion of your property assets they apply to.

☒ Add certification scheme, rating and benchmark 1

Specify	BREEAM
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

☒ Add certification scheme, rating and benchmark 2

Specify	LEED
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

☒ Add certification scheme, rating and benchmark 3

Specify	HQE
Proportion of property assets these apply to	<input type="radio"/> >90% of property assets <input type="radio"/> 51-90% of property assets <input checked="" type="radio"/> 10-50% of property assets <input type="radio"/> <10% of property assets (in terms of number of property assets)

☐ No

PR 16.3

Additional information.

AXA RE also submits a substantial number of assets to the GRESB survey. It also uses the Minergie environmental standard depending upon the territory.

Property developments and refurbishments

PR 17	Mandatory	Core Assessed	PRI 2
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PR 17.1	Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.
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- ☒ >90% of active developments and refurbishments
- ☐ 51-90% of active developments and refurbishments
- ☐ 10-50% of active developments and refurbishments
- ☐ <10% of active developments and refurbishments
- ☐ N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.
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- ☒ Minimum environmental site selection requirements
- ☒ Minimum environmental site development requirements
- ☒ Sustainable construction materials
- ☒ Minimum water efficiency requirements
- ☒ Minimum energy efficiency requirements
- ☒ Energy generation from on-site renewable sources
- ☒ Waste management plans at sites
- ☒ Health and safety management systems at sites
- ☒ Construction contractors comply with sustainability guidelines
- ☐ Other, specify

PR 17.3	Additional information. [Optional]
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AXA RE is an active developer of real estate assets. Development and major refurbishment activity are seen as a key opportunity to drive forward the ESG and sustainability agenda. When undertaking developments, AXA RE ensures a newly built property has an environmental certification (BREEAM, LEED, HQE, DNGB, Minergie), which corresponds to local market expectations. In addition to being a useful marketing tool, AXA RE considers certifications for new buildings as evidence, not only for the value it adds, but also as a form of guarantee for the future value of the building.

AXA RE applies a strict sustainability policy - encompassing both initial construction and design and use - to all its developed buildings and this is reflected in contractual appointments.

Within the UK portfolio, AXA RE has continued to manage its active development programme through the construction of a 20,005 sq metre office building at 6, Pancras Square, Kings Cross. The project includes a number of green features and will achieve a BREEAM excellent rating on completion which is due shortly.

In France, AXA RE was one of the pioneers in ESG integration and among the first to acquire the High Quality Environment (HQE) certificate for new asset development projects.

Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2
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PR 18.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- ☐ >90% of occupiers
- ☒ 51-90% of occupiers
- ☐ 10-50% of occupiers
- ☐ <10% of occupiers

(in terms of number of occupiers)

PR 18.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
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- ☒ Distribute a sustainability guide to occupiers
- ☐ Organise occupier events focused on increasing sustainability awareness
- ☐ Deliver training on energy and water efficiency
- ☐ Deliver training on waste minimisation
- ☒ Provide feedback on energy and water consumption and/or waste generation
- ☒ Provide feedback on waste generation
- ☒ Carry out occupier satisfaction surveys
- ☐ Other, specify

PR 19	Voluntary	Additional Assessed	PRI 2
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PR 19.1	Indicate the proportion of all leases signed during the reporting year that used green leases or the proportion of Memoranda of Understandings (MoUs) with reference to ESG issues.
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- ☐ >90% of leases or MoUs
- ☐ 51-90% of leases or MoUs
- ☒ 10-50% of leases or MoUs
- ☐ <10% of leases or MoUs
- ☐ 0% of leases or MoUs
- ☐ N/A, no leases or MoUs were signed during the reporting year

(in terms of number of leases or MoUs)

Community engagement

PR 20	Voluntary	Additional Assessed	PRI 2
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PR 20.1	Indicate in respect of what proportion of property assets your organisation, and/or your property managers, engaged with the community on ESG issues during the reporting year.
----------------	---

- ☐ >90% of property assets
☐ 51-90% of property assets
☒ 10-50% of property assets
☐ <10% of property assets

(in terms of number of property assets)

PR 20.2	Indicate if the following areas and activities are typically part of your, and/or your property managers', community engagement.
----------------	--

- ☒ ESG education programmes for the community
☐ ESG enhancement programmes for public spaces
☐ Research and networking activities focusing on ESG issues
☐ Employment creation in communities
☒ Supporting charities and community groups
☐ Other, specify

Outputs and outcomes

PR 22	Voluntary	Descriptive	PRI 1,3
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PR 22.1	Provide examples of ESG issues that affected your property investments during the reporting year.
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- ☒ Add Example 1

ESG issue	FRANCE Example - Energy Efficiency.
Types of properties affected	Suburbs, Paris. Office asset. Office building constructed in 2005
Impact (or potential impact) on investment	Energy efficiency. Office liquidity - tenant satisfaction.
Activities undertaken to influence the investment and the outcomes	Energy performance audit undertaken. BREEAM in use certification.

- ☒ Add Example 2

ESG issue	UK Example - Energy Efficiency.
Types of properties affected	Edinburgh Mixed use building: Office, Retail and Leisure.
Impact (or potential impact) on investment	Energy efficiency. Tenant satisfaction.
Activities undertaken to influence the investment and the outcomes	Improved Energy Performance Certificate rating by 39 points since 2008.

- ☐ Add Example 3
- ☐ Add Example 4
- ☐ Add Example 5

Communication

PR 23	Mandatory	Core Assessed	PRI 6
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PR 23.1 Indicate if your organisation proactively discloses ESG information on your property investments.

- ☒ Disclose publicly

provide URL

<http://www.axa-realestate.com/expertise/responsible-investment/sustainable-real-estate>

PR 23.2 Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- ☒ Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- ☐ Other property reporting standards, specify
- ☐ No property specific reporting standards are used

PR 23.3 Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- ☐ Yes
- ☒ No

PR 23.4

Indicate the type of ESG information that your organisation proactively discloses to the public.

- ☐ ESG information on how you select property investments
- ☒ ESG information on how you monitor and manage property investments
- ☒ Information on your property investments' ESG performance
- ☐ Other, specify

PR 23.5

Indicate your organisation's typical frequency of disclosing ESG information to the public.

- ☐ Quarterly or more frequently
- ☐ Semi annually
- ☒ Annually
- ☐ Every two years or less frequently
- ☐ Ad-hoc, specify

PR 23.6

Indicate the type of ESG information that your organisation proactively discloses to your clients/beneficiaries.

- ☒ ESG information on how you select property investments
- ☒ ESG information on how you monitor and manage property investments
- ☒ Information on your property investments' ESG performance
- ☐ Other, specify

PR 23.7

Indicate your organisation's typical frequency of disclosing ESG information to your clients/beneficiaries.

- ☐ Quarterly or more frequently
- ☒ Semi annually
- ☐ Annually
- ☐ Every two years or less frequently
- ☐ Ad-hoc, specify

PR 23.8

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

AXA RE has produced an annual Global Sustainable Development Report for the last 4 years. The latest report was published in November 2014 - reporting on global activity from 2013 to 2014.

The report is publicly available but is distributed both electronically and hard copy form to all clients, potential clients or business partners. The electronic version of the report is available here: <http://bit.ly/1xeDR4U>

The 2013/2014 Report contains information on sustainability activities both at the global level and in the largest territories (by assets under management): France, Switzerland, UK, USA, Spain, The Netherlands, Nordics and Germany.

In accordance with the GRI standards, the Report also contains:

- Organisational profile of AXA Re
- Global strategy on stakeholder engagement
- Governance for sustainability - including approach to ESG and RI in real estate
- Sustainability in action (case studies from the 8 territories)

The report is "global" and not fund specific, even at territory level.

- ☐ Disclose to clients/beneficiaries only
- ☐ No proactive disclosure to the public or to clients/beneficiaries