



RI TRANSPARENCY REPORT

2014/15

AXA Investment Managers



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	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
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	✓	Private							✓
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	✓	Private	✓						
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							✓

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	✓	Private	✓						
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	✓	Private	✓						
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	✓	Public	✓						
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	✓	Private	✓						
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	✓	Private		✓					
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	✓	Private	✓						
FI 02	Breakdown of investments by credit quality	✓	Private							✓
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	✓	Private							✓
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	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	✓	Public				✓			
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	✓	Public	✓	✓					
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 Investment Managers

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01	Mandatory	Gateway/Peering	General
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OO 01.1 Select the services you offer.

☒ Fund management

% of assets under management (AUM) in ranges

- ☐ <10%
☐ 10-50%
☒ >50%

☒ Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- ☒ <10%
☐ 10-50%
☐ >50%

☐ Other, specify

☐ Execution and advisory services

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

2299

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
☒ No

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		623	008	000	000
Currency	EUR				
Assets in USD		817	069	494	347

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 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
☒ Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	0
Fixed income – corporate	10-50%	0
Fixed income – government	10-50%	0
Fixed income – other	0	0
Private debt	<10%	0

Private equity	0	0
Property	<10%	0
Infrastructure	0	0
Commodities	<10%	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Other (1), specify	<10%	0
Other (2), specify	0	0

'Other (1)' specified

Multi Asset Clients solutions and other investment platforms

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

OO 09	Voluntary	Descriptive	General
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.		

AXA Investment Managers (AXA IM) is a multi-expert asset management company within the AXA Group, a global leader in financial protection and wealth management. We are one of the largest European-based asset managers with €623 billion in assets under management as at 31.12.14.

Founded in 1994, AXA IM is an active asset manager fully owned and backed by the AXA Group, a world leader in financial protection. AXA IM's multi-expert business model is composed of single asset class-driven teams of investment experts - AXA Fixed Income, AXA Framlington, AXA Rosenberg, AXA Funds of Hedge Funds, AXA Real Estate, AXA Structured Finance - as well as a Multi Asset Client Solutions team, which focuses on Asset Liability Management, Multi-asset Investments and External Managers.

AXA IM provides both local and global investment solutions for a wide variety of clients, ranging from the AXA Group and its insurance companies, to institutional investors - pension funds, insurance companies, corporates, non-profits, family offices and sovereign wealth funds - and distributors - both wholesale and retail.

AXA IM employs 2300 employees that represent 59 nationalities and operate in 30 cities across 21 countries in Europe, the Americas, Asia and the Middle East.

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
- ☐ Private debt
- ☒ Property
- ☐ Commodities
- ☐ Hedge funds
- ☐ Cash
- ☒ Other (1)
- ☐ None of the above

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

We incorporate ESG issues into the AXA Impact Investing Fund

OO 12	Mandatory	Gateway	General
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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

Closing module

- ☒ Closing module

AXA Investment Managers

Reported Information

Public version

Overarching Approach

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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.

- ☒ Yes
☐ No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- ☒ 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]

The AXA IM strategy for Responsible Investment has been defined and adopted in 2007 by the Management Board and has been updated in 2014. Its objective is to integrate ESG (E - Environment; S - Social; G - Governance) criteria into its asset management expertise as well as to develop specific, innovative Responsible Investment (RI) products and RI services. We believe that the combination of ESG factors with traditional financial criteria is required to build more stable portfolios with better yields over time. A responsible approach in our investment management process can help AXA IM to:

1. Understand the ESG risks that may in the long run adversely affect the financial performance and reputation of our clients' investments,
2. Focus on companies that have implemented best practices in terms of managing their environmental impacts, governance and social practices, and whose responsible attitudes make them better equipped to meet challenges of the future. In that sense, ESG can be viewed as a proxy for innovative, well-managed companies.
3. Exclude the companies which are in serious violations with international convention such as the Oslo treaty on cluster bombs or with the UN Global Compact principles.

The implementation of the RI POLICY is piloted by the RI team in which one of its member is dedicated to this implementation. For example concerning the ESG integration into mainstream investments, a steering committee and an ESG footprint committee have been set up under the responsibility of the RI team (one member has been named to pilot these committees). The Steering committee's objective is to analyse the methodology for measurement of the ESG integration. It meets every 6 weeks with the RI team representative, and the representative of AXA Group and Fund Managers. The ESG Footprint committee meets quarterly to analyse the assets under the angle of ESG and to comment the bad scores on companies/countries. The RI analysts participate as well to these committees.

Concretely, the 'ESG Impact' helps fund managers monitor the ESG ranking of portfolio holdings, review the top ESG risks and assess the most meaningful KPIs such as carbon and water footprint as well as the independence and gender balance of Boards. Finally, our role in monitoring also ensures the consistency of voting and engagement policies in matching the policies to practices.

The RI team has built a corporate ESG framework which covers 1) Environment - Resource Efficiency, Environmental Impacts, 2) Social - Human Capital, Business Behaviour, 3) Governance - Management quality & incentives, Board oversight & control.

The RI Team has built 2 ESG frameworks for countries. The first one Sovereign ESG Framework covers the 3 pillars E, S and G. Through the 1) E, the framework analyses the Climate change fight, the Energy mix and the use of Natural Resources, 2) the Social- Health/Demographics, Wealth, Labor Market and Education, 3) Governance- Politics and effectiveness and a fourth other pillar on the commitment of the countries to 21 international conventions covering the ILO, Human Rights, Biodiversity and Weapons. The second framework for High reputation countries risk is focused on Political indicators (Rule of law, political stability, absence of violence, ratification to 21 international conventions), corruption fight and Financial Action Task Force (FAFT).

Finally, our policy related to exclusions is based on the respect of the human rights. This explains why AXA IM has excluded cluster bombs before the finalisation of the OSLO Treaty. The decision of the management board at the end of 2014 to avoid companies in the Palm oil sector in violation with of human rights principles, of ILO or UN Global compact on and which would not be signatory of the RSPO has been led by the principles promoted by different international or national codes. Note that the restrictions related to some controversial companies in the Weapons, Palm oil and soft commodities sectors do not apply to the Index funds when the restriction prevents from achieving the objective, which is the replication of the index. The Management Board of AXA IM validated in 2014 the update of the controversial weapons policy and the implementation of restrictions in the palm oil sector and in the soft commodities.

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.
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☒ 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.
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Policy or document name	URL
Policy against controversial weapons	http://www.axa-im.com/en/responsible-investment/policies-exclusions
Voting policy	http://www.axa-im.com/en/responsible-investment/policies-exclusions
Japan Stewardship Code	http://www.axa-im.com/en/responsible-investment/policies-exclusions

☐ No

OA 02.5	Additional information. [Optional]
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We updated our Policy against controversial weapons in November 2014, and our Voting policy in October 2014.

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
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Select all that apply

Policy components/types	Coverage by AUM
<input 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 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 checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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☒ Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
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AXA IM's Conflicts of Interests Management Policy establishes the general framework for the management of potential conflicts of interest. In addition, in relation to our voting activities the Corporate Governance Committee has sole responsibility for determining the voting practices of clients who have given AXA IM full discretion to vote on their behalf. Voting decisions are made within the context of the fiduciary duty owed to clients.

☐ No

OA 04.3	Additional information. [Optional]
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The policy is available here: <http://professionnels.axa-im.fr/mif>

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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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]

Our investments are evaluated with regard to ESG through the RI Search© platform. This web platform provides portfolio managers with ESG ratings for individual securities and for portfolios versus their benchmarks. They also have access to ESG scores of companies as well as the carbon intensity of companies expressed in CO2e Tons/Mns \$ revenue.

RI Search© has enabled AXA IM to develop 'ESG Impact', a succinct, high-value report of a portfolio's ESG integration that brings together quantitative, qualitative data and voting analysis. Concretely, 'ESG Impact' helps fund managers to monitor the ESG ranking of portfolio holdings, 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. Finally, our monitoring role also ensures the consistency of voting and engagement policies. 'ESG Impacts' are generated twice a year.

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	Mainstream ESG Integration into our core investment processes
Key performance indicators	Number of ESG Impacts produced, Number of RI Search new users, ESG training sessions, Percentage of AUMs for which an ESG score factsheet is created
Describe the progress achieved	Equity and fixed income in 'beta' testing for Group assets

☒ Add responsible investment objective 2

Objective 2	Expand our ESG coverage of our Small and Mid-cap universe
Key performance indicators	Number of reports produced per analyst over the year for the SMID universe, number of SMID companies covered by a dedicated internal ESG Framework
Describe the progress achieved	ESG impact reporting being tested and automated. Also our fundamental coverage has increased by 44% between 2013 and 2014 with a large portion of SMEs.

☒ Add responsible investment objective 3

Objective 3	ESG impact
Key performance indicators	Reporting framework to be used for showing ESG dashboard of funds
Describe the progress achieved	ESG impact reporting being tested and automated

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.
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☒ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	ESG integration
Key performance indicators	Real estate assets fully ESG integrated

☒ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	ESG Reporting
Key performance indicators	Automated quantitative reporting of ESG data

☒ Add responsible investment objective 3 for the next reporting year

Objective 3 for the next reporting year	Impact investment
Key performance indicators	Assets under management

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.

AXA IM has a Corporate Governance Committee which guides and oversees the application of the corporate governance and voting policy. Members include senior AXA IM personnel who have a well-established corporate governance profile in their respective markets. The Committee also includes representatives of fund management teams who bring their hands-on investment perspective to the deliberations and liaise with colleagues on the Committee's behalf. The Responsible Investment team implements policy under the direction of the Committee.

The ESG Integration program, which looks at the full integration of AXA Group's RI strategy, is monitored by the Responsible Investment Committee (RIC) which is composed of AXA Group entity CIO representatives, RI team members and Equity and Fixed Income fund managers within AXA IM.

In addition, AXA IM has invested significant resources into building a Responsible Investment team (RI team) of eleven experienced professionals who work with our investment platforms to implement ESG issues into the AXA IM organization.

The implementation of the RI POLICY is piloted by the RI team in which one of its member is dedicated to safeguard implementation. For example concerning the ESG integration into mainstream investments, a steering committee and an ESG footprint committee have been set up under the responsibility of the RI team (one member has been named to pilot these committees). The Steering committee's objective is to analyse the methodology for measurement of the ESG integration. It meets every 6 weeks with the RI team representative, and the representative of AXA Group and Fund Managers. The ESG Footprint committee meets quarterly to analyse the assets under the angle of ESG and to comment the bad scores on companies/countries. The RI analysts participate as well to these committees.

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

OA 08	Mandatory	Gateway/Core Assessed	General
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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
MACS
 - ☒ 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
- ☐ Other role, specify

OA 08.2

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

Number

11

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 IM had an active role in the PRI Fixed Income Working Group.

- ☐ 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]
--	--

Engaging 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]

Developing and contributing to the forum discussion.

☒ 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 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 AXA IM Real Estate AUMs included in the 2014 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.

- ☐ 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
1. French SIF (FIR) and 2. Eurosif

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]

- 1. AXA IM is vice president of the FIR and promotes SRI in France within the public administration;
- 2. Active speaker at Eurosif organised EC meetings.

- ☐ Shareholder Association for Research and Education (Share)
- ☐ United Nations Environmental Program Finance Initiative (UNEP FI)
- ☐ United Nations Global Compact
- ☒ Other collaborative organisation/initiative, specify
GIIN

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]

Speaker at GIIN organized 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 to 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

EFAMA European Fund and Asset Management Association

	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 EFAMA Corporate Governance Working Group.

OA 11	Mandatory	Core Assessed	PRI 4
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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 Investment Managers plays an active role in promoting acceptance and implementation of ESG issues within the investment industry. During 2014 we devoted significant resources to assisting our insurance clients to integrate ESG issues into their day-to-day activities, through demonstrations of our RI Research Tool (15 clients were reached). We continue to provide tailored training programmes for clients on ESG issues. We sponsor academic research through the AXA Research Fund to explore the linkage between ESG factors and long term company performance as we believe that it is necessary to build a foundation of empirical evidence to support acceptance of ESG consideration within the industry. We also participate 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.
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☒ Yes

☒ Yes, individually

☐ Yes, in collaboration with others

OA 12.2	Select the methods you have used.
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☐ 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.
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☐ Yes, publicly available

☒ No

☐ No

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
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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.
----------------	---

The ESG Issues are provided for information in the fundamental analysis of the countries and presented during a weekly meeting to fund managers. A specific "reputational high risk country" framework has been set up to flag the high risk countries on ESG practices specifically for the emerging markets. This service has been sold for the first time to an external pension fund.

In addition, AXA IM's compliance provides a blacklist of countries which are under international embargoes or sanctioned: Belarus, Democratic Republic of the Congo, Cuba, North Korea, Myanmar, Somalia, Sudan, Syria, Iran and Zimbabwe.

☐ 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
Other (1) [as defined in Organisational Overview module]	Multi Assets Client Solutions

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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In 2014, AXA IM focused on 1 innovative project and enhanced several ongoing initiatives:

- Detailed research on the links between high yield techniques and ESG resulting in a winning mandate with a leading French pension fund.
- In 2014 an ESG tail risk methodology was developed for fixed income and equities, which is currently put into beta-testing. See LEI 10.1
- The IMPACT INVESTING Fund for AXA Group was augmented to €200m. It invests in private projects with social impact and financial return. It was short-listed for an award for innovation.
- Enhanced the "RI services" offering for pension funds with the development of an innovative qualitative ESG framework. This is in addition to RI Policy, ESG screening, voting/engagement and helping in the implementation and the monitoring of all investments across asset classes.
- Added further depth to our proprietary system, the 'RI Search' platform: launched in 2007, it continues to be a unique and differentiating tool to support the ESG Integration project.

☐ 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

OA 19.3

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

The report has been reviewed by the Global Head of Responsible Investment. Afterwards the legal and compliance department has validated all the survey.

☐ No

AXA Investment Managers

Reported Information

Public version

Direct - Listed Equity Incorporation

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

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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AXA Investment Managers (AXA IM) integrates ESG issues in listed equity investments by applying a range of methodologies in line with our clients' requirements. These include Pure RI funds, ESG Embedded funds and tailored RI solutions, including negative screening/exclusions. As an investor with a widely diversified portfolio and long-term horizons, we considered that we can best enhance our investment performance and reduce unwanted risk exposures by focusing both our investment and portfolio monitoring activities on generation of sustainable shareholder value at portfolio companies.

We have developed an ESG framework relying on the inputs from several extra-financial agencies and internal conviction. This framework is composed of 12 criteria and 6 key issues across the 3 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. Currently we cover more than 4500 companies with this framework, providing an ESG score and internal ESG convictions accessible through the RI internal tool RI Search by every portfolio managers. Fundamental analysts support PMs by performing dedicated and ad-hoc ESG research of specific companies, sectors or countries.

For the Emerging markets, we analyse companies focusing on specific issues relevant for these countries, such as corruption, transparency, governance.

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
- ☒ Thematic + integration strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div style="display: flex; align-items: center;"> <div style="width: 10%; 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%; background-color: #0070C0;"></div> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> 0.1 % </div>
--	--

- ☒ Screening + thematic strategies

Percentage of active listed equity to which the strategy is applied - you may (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> 81
--	--

☐ 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> 18.9
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	Total actively managed listed equities
--	--

100%

LEI 03.2

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

In line with AXA's Group objective to align investments with AXA's corporate responsibility agenda and AXA's IM belief that responsibility is a key driver of value-creation, we have chosen to enhance the integration strategy across the listed equity investments. This approach is completed by thematic and screening strategies, which help AXA IM to best fit client needs and objectives. We monitor systematically strong ESG risks (controversial weapons, palm oil, soft commodities ...) for all AXA Group assets under management.

LEI 03.3

Where assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]

Our thematic and screening strategies are mainly completed by a fundamental approach. Tobacco and Defence sectors are systematically excluded from SRI mutual funds.

LEI 03.4

Additional information. [Optional]

We provide as well some ESG screening services for external clients based on a controversies approach.

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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All voting information is available on the RI Search platform and on the AXA IM website. In particular, voting decisions on controversial issues are determined by our Corporate Governance Committee whose members include fund manager representing different investment teams.

On engagement we seek the views of fund managers and fund managers participate in engagement meetings as necessary. In addition, our RI fundamental analysts incorporate information gained from engagement in their analysis of companies which is made available to our fund managers.

(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.
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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
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Since 2008, AXA IM excludes from its investments, those companies involved in the production of anti-personnel landmines as well as cluster bombs. Since 2011, this exclusion has been extended to include those companies involved in depleted uranium weapons. This included all mutual funds managed by AXA IM on behalf of its distribution clients, with the exception of index funds. The definition of the exclusion list of companies is based on the treaty of Ottawa for the Anti-personnel Landmines, the treaty of Oslo for cluster bombs and is updated by the RI team once per year. The global exclusion list covers public and private equities and their issuers (public and private). In addition, Tobacco and Defence sectors are systematically excluded from SRI mutual funds.

We closely monitor companies involved in serious and severe controversies in SRI funds. Especially, in the eligible universe, companies involved in severe controversies will be excluded if the internal research confirms the negative opinion on the stock or issuer.

☒ Positive/best-in-class screening

Screened by

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

	Description
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We have 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, we invest in companies that have historically performed better than their peers within a particular industry or sector on environmental, social and corporate governance (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 bad ESG performance or when they present serious controversial matters.

☒ Norms-based screening

Screened by

- ☒ UN Global Compact Principles
- ☐ Universal Declaration of Human Rights
- ☐ International Labour Organization Conventions
- ☐ United Nations Convention Against Corruption
- ☐ OECD Guidelines for Multinational Enterprises
- ☐ Other, specify

	Description
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We follow the extent to which companies respect the principles of the Global Compact, including aspects such as labour and human rights. Norms-based exclusions are done on a case-by-case basis following our analysis of news alerts by external providers and our internal RI analysts. When we detect a breach of human rights, an alert is sent to fund managers. A sell recommendation is attached if we believe companies do not respect fundamental rights in terms of Social, Environmental and ethical behaviour.

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.
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Criteria are established according to an internal methodology and internal conviction. The Best in Class universe is reviewed twice a year. The ESG criteria are reviewed according to our internal conviction. We inform clients either through the Transparency code or through monthly or bi-annual committees.

LEI 07	Mandatory	Core Assessed	PRI 1
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LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
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- ☒ 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
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LEI 08.1	Indicate which processes your organisation uses to ensure that fund criteria are not breached
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- ☒ 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.

For the RI Funds, the first checkpoint is performed by an internal AXA IM service. Pre and Post trade constraints, which prohibit investments on issuers who are ineligible for SRI reasons, are implemented using an internal tool. The lists of eligible issuers are encoded into our tool. If an alert appears (positions outside the eligible universe), the RI team is informed by email so that they can confirm whether or not there has been a breach. If an infringement has indeed occurred, the manager is notified and must sell the securities within one month. RI funds were audited by an external and independent firm in 2011. This process is currently under implementation for the period 2013 to 2015.

(B) Implementation: Thematic

LEI 09**Mandatory****Descriptive****PRI 1****LEI 09.1**

Indicate the type of sustainability thematic funds or mandates that your organisation manages.

- ☐ Environmentally themed funds
- ☒ Socially themed funds
- ☐ Combination of themes

LEI 09.2

Describe your organisation's processes for sustainability themed funds. [Optional]

We have two funds that can be classified as thematic:

- AXA IM has created an Impact Investing Fund which invests in main sectors Financial Services, Healthcare, and Education in the World.
- AXA Framlington World Fund Human Capital fund: it integrates career management, working conditions and growth in number of staff over 3 years.

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

RI Search platform: To assist in mainstreaming (integrate 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 environmental, social and governance '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: Our fundamental analyst team produce detailed reviews looking at the ESG issues impacting investee companies and this reports are shared with all our fund managers and analysts by email and also stored on RI Search which is accessible by all our 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 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, we are conducting a coordinated engagement programme which focuses on ESG risk issues which are impacting on company valuation for targeted companies. The target companies were 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.

LEI 11	Mandatory	Core Assessed	PRI 1
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LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.
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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]
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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 analytic framework integrating all 3 ESG pillars through 6 core themes: board oversight and control, management quality & incentives, human capital management, business behaviour, resource efficiency and environmental impacts. . Based on this framework analysts perform fundamental analysis focusing on certain ESG factors which are more relevant and material 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.

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.
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- ☒ 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.
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ESG information produced by our in-house RI research team is communicated to portfolio managers through four different means:

1. A monthly email that contains our latest ESG reports on companies with our a recommendation scale (positive, negative or neutral)
2. RI Search Platform: all portfolio managers have access to this platform that contains ESG scores, ESG fundamental research and our voting activity for every company/issuer.
3. Bloomberg platform: we use Bloomberg as well to communicate with fund managers through the IRH (In House Research) function. The information uploaded here is only for internal users.
4. Investment Committees: RI team members participated to investment committees, in which our ESG opinions are exposed and discussed with equity fund managers.

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1
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LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.
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- ☒ Screening

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

The first stage of the investment process is defined by the construction of the eligible investment universe, by the RI team. This universe is reviewed bi-annually. An ESG score is internally calculated for all the companies in the fund's investment universe. The eligible universe is made up of the companies with the best ESG ratings within their respective sector (above or equal to the median of the ESG ratings for the whole sector). It is also enlarged to companies in the third quartile in terms of ESG score in their corresponding sector that are qualified as "Best Effort" (significant improvement of their ESG score and/or strong internal conviction from the RI team fundamental ESG analyst). This process falls in the "Best in Class" approach. It is combined with a rigorous monitoring of controversies.

Specify the percentage reduction

%

40

- ☐ Thematic
- ☒ 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
- ☐ None of the above

LEI 16	Voluntary	Additional Assessed	PRI 1
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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

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 checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic

- ☒ 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 checked="" type="radio"/> Reduced risk or volatility <input type="radio"/> Increased risk or volatility <input type="radio"/> No impact	<input checked="" type="checkbox"/> Screening <input checked="" type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic

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

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"/> Screening <input checked="" type="checkbox"/> Integration <input checked="" type="checkbox"/> Thematic

☐ None of the above

LEI 16.2	Describe how you are able to determine these outcomes.
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We have developed several methods to identify ESG impacts on financial performance, funds' risk or volatility and ESG performance.

5. We have backed tests our funds to correlate ESG criteria with financial performance and volatility
6. We have launched an ESG Impact report: it helps clients and portfolio managers to measure the 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.
7. In order to establish a link between ESG and financial performance, we have issued research pieces that demonstrate this correlation: Taking Carbon Risk into account, 2010
8. Mind the Gap: Experienced Engineers Wanted, 2012
9. Piloting ESG Integration - a collaboration between AXA IM's RI and Insurance Investment Equity teams, 2013
10. A Responsible Investment Approach: to Smart Beta Equity Investing, 2014

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>A fund manager for a small& mid-cap European fund asked for the ESG review of a German biotech company she wanted to invest in. Upon ESG analysis it was discovered that the company was under investigation for allegations of bribery in Russia, with limited information available. Considering this risk the fund manager decided not to invest in the stock.</p>	
	ESG incorporation strategy applied
<p> <input type="checkbox"/> Screening <input type="checkbox"/> Thematic <input checked="" type="checkbox"/> Integration <input type="checkbox"/> Combination of ESG incorporation strategies </p>	
	Impact on investment decision or performance
<p>Decision not to invest in the company</p>	

☒ ESG issue 2

	ESG issue and explanation
<p>During a discussion on the basic materials sector during the weekly investment meeting of the Fund, the ESG Fundamental Analyst provided a detailed review of the key ESG sector risks to the fund management team (e.g. carbon emission levels, thermal energy mixes and % of alternative energy) and the resulting investment implications. As one of the most carbon intensive sectors, the basic materials industry is exposed to environmental risks and companies manage these risks with varying levels of success.</p> <p>The ESG Fundamental Analyst performed due diligence on one issuer from the basic materials sector to determine its ESG performance against its peers. A key distinction in its ESG performance was the issuer's management of its thermal energy mixes against its emerging market peers, aligning well with the best practices of more developed market peers.</p> <p>As a result, the Fund holds shares in the company.</p>	
	ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>	
	Impact on investment decision or performance
<p>Decision to invest in the company.</p>	

☒ ESG issue 3

	ESG issue and explanation
<p>As the airline industry is one of the sectors highly exposed to carbon emissions, the Responsible Investment team conducted ESF fundamental analysis to assess the performance of an issuer.</p> <p>The Responsible Investment team found that the company has relatively lower exposure to environmental and social factors than its sector peers given that the company is a small carrier operating a young fleet (e.g. benefits of greater fuel efficiency than its emerging market peers). Additionally, its management demonstrated a high level of attention to employee relations and operational safety. Thus, the RI team rated ESG aspects of the company positively in its input to the fund management team.</p> <p>The Fund holds shares in the company.</p>	
	ESG incorporation strategy applied
<p><input type="checkbox"/> Screening</p> <p><input type="checkbox"/> Thematic</p> <p><input checked="" type="checkbox"/> Integration</p> <p><input type="checkbox"/> Combination of ESG incorporation strategies</p>	
	Impact on investment decision or performance
<p>Decision to invest in the company.</p>	

☒ ESG issue 4

	ESG issue and explanation
<p>A VIE (Variable Interest Entity) is a structure commonly used by Chinese companies as a way to sidestep China's ban on foreign investment in certain sectors (e.g., the Internet, media, and telecom) since 2000. We assess underlying risks in Chinese companies using VIE structures as High in ESG perspectives.</p> <p>Issuer #1: we assess that the contractual agreements between US-listed Issuer #1 and its VIEs in China are relatively better drafted, compared to those of other VIEs in the recent controversies. We learnt that certain safeguards are in place in its contractual agreements in order to minimize the risk of losing control of its VIEs. For example, we found that the company's VIE agreements reflect an attempt to place as much as possible the business substance and economic value in its wholly-owned subsidiaries in China and that its VIEs pledge their accounts receivables and assets to its wholly-owned subsidiaries. Its VIE agreements also give the company the right to designate for appointment board members and senior executives of its VIEs, the consent right with respect to material business decisions of its VIEs, and the proxy and irrevocable power of attorney to vote on behalf of the owners of its VIEs at shareholder meetings.</p> <p>Issuer #2: We assess Issuer #2's corporate governance is weaker than the best practice of VIE. In addition to some weaknesses in its contractual agreements, the other risks to be highlighted are key person risk and regulatory risk. The company has 'less-strong' contractual agreements between VIE and WFOE companies, compared to best practices in VIE structures. The company has services agreements, equity pledge agreements, loan agreements, call option agreements, domain name license agreement, trademark agreement, BUT we could not find there is any Power of Attorney agreement between VIEs and WFOE in the company's 20-F or F-1. Also, there is no automatic renewal agreement while the expiries of agreements vary from 2017 to 2022. There are some conditions for safe guards but still less strong than the best practice.</p> <p>As a result, the Fund holds Issuer #1 shares but decided not to invest in Issuer #2.</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	
	Impact on investment decision or performance
Decision to invest in one of the companies and not the other.	

☐ 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.
<input type="radio"/> We disclose it publicly <input checked="" type="radio"/> We disclose it to clients and/or beneficiaries only	

LEI 18.5

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

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

LEI 18.6

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
 - ☒ Between quarterly and annually
 - ☐ Less frequently than annually
 - ☐ Other, specify
- ☐ We do not proactively disclose it to the public and/or clients/beneficiaries

AXA Investment Managers

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 IM has an active ownership approach whereby we act as stewards of investments made on our clients' behalf. The overarching objective of AXA Investment Managers' engagement programme is to use our clients' investor rights to protect their investments. We aim 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, we believe that a proper consideration of relevant Environmental, Social and Governance (ESG) matters will impact on the long-term sustainable performance of companies and benefit investors of such companies.

In line with this strategy, AXA IM:

- Analyses and evaluates ESG issues that can impact investee companies,
- Encourage companies to follow best practices on ESG issues,
- Undertakes constructive dialogue and engagement when the approach or practices of a company on ESG issues do not meet investors' expectations,
- Uses clients' investor rights in order to obtain desirable results and align votes at general meetings with our engagement objectives.

When establishing our engagement priorities, we focus on issues which we believe improve the risk/performance profile of investee companies.

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

We also take account of the following factors in determining our engagement priorities:

- impact/benefit of the engagement to AXA IM clients
- relevance of the issue to AXA IM clients
- risk exposure of AXA IM clients
- relevant weight holdings
- ability to influence company either solely or through collaboration with other investors.

☐ 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.
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- ☒ 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.
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- ☒ 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.
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We have a monitoring process which tracks our engagements and progress against established objectives. Our process is as follows:

- Establish engagement plan including issue of concerns and objectives
- Raise issue of concern with company representatives
- Evaluate company response against engagement objectives; if not successful
- Escalation of engagement including further meeting with Chairman or other board representatives; collaborative engagement; exercise of investor rights to support engagement
- Review results.

☐ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
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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.

We review collaborative engagements from a range of sources including engagement being conducted under the auspices of organizations that we belong to. In addition to our established process for identifying engagement, we take account of the following in determining whether to participate in collaborative initiatives :

- the relevance of the objective of the collaborative engagement to AXA IM and clients
- the profile and aims of other institutions participating in the collaborative engagement
- alignment of the engagement with our identified engagement themes
- exposure to companies or issues impacted by the engagement focus.

☐ No

LEA 06**Mandatory****Core Assessed****PRI 2****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.

Participants in the collaborative initiative meet on a periodic basis to evaluate progress relative to objectives.

☐ No

General processes for all three groups of engagers**LEA 09****Voluntary****Additional Assessed****PRI 1,2****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 checked="" type="radio"/> Yes, we track the number of our engagements in full <input 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 checked="" type="radio"/> Yes, we track the number of our engagements in full <input 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

Outputs and outcomes

LEA 12	Voluntary	Additional Assessed	PRI 2
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LEA 12.1	Indicate if your engagements in the reporting year covered E, S and/or G issues.
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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 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.

Many of our engagements with companies are long-term and cover multiple issues. We record 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

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	Regulatory risk on Remuneration
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	Reduce regulatory risks on remuneration
Scope and Process	We held discussions with companies impacted by CRD IV limits on banking sector bonuses.
Outcomes	A number of companies agreed to align remuneration with the regulatory limits. In other cases we aligned our votes with our engagement objectives by voting against remuneration proposals that were out of step with our engagement.

☒ Add Example 3

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 4

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	We held discussions with companies whose Boards did not demonstrate sufficient diversity.
Outcomes	We have 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 5
- ☐ Add Example 6
- ☐ Add Example 7
- ☐ Add Example 8
- ☐ Add Example 9
- ☐ Add Example 10

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6
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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 to clients on request in addition to disclosure in the annual report.

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

(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).

We believe that voting at company meetings is an important part of the dialogue between a company and its shareholders and a fundamental aspect of our fiduciary duty to our clients. Considered voting is at the core of our corporate governance activity. AXA Investment Managers Corporate Governance & Voting Policy provides a robust framework for the proper governance of companies and guides our voting activities. It is based on principles of good corporate governance which serve to protect the long-term interests of shareholders. In addition to our global policy, we have 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.

The Responsible Investment team, working under the direction of the Corporate Governance Committee, actively monitors resolutions proposed for shareholder approval at general meetings and exercise voting rights on behalf of clients. When reviewing resolutions proposed at general meetings we judge resolutions against fundamental principles of good corporate governance, while taking account of best practice standards pertinent to the relevant market and the Company's particular circumstances.

Process

LEA 17	Mandatory	Descriptive	PRI 2
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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 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.
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- ☒ 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.
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Our Middle Office work 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.
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☒ Yes

LEA 20.2	Indicate how voting is addressed in securities lending programme.
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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]
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We have established a policy to guide our securities lending activities as it relates to vote. Generally, shares will not be lent where the objective of such activities is to vote at general meetings.

In addition, we will recall shares in advance of general meetings in the following circumstances:

- where we wish to register our full voting interests, even if the issues are not deemed to be controversial;
- where we have engaged or are engaging actively with a company;
- where companies are seeking shareholder approval for transformational transactions such as mergers and acquisitions, face hostile actions including takeover bids, where shareholders have requisitioned general meetings or put items on the agenda which we consider to be detrimental to our interests or where we wish to support such items; or
- where the issue at stake represents a serious threat to shareholder rights or interests.

LEA 21	Mandatory	Core Assessed	PRI 2
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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.
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- ☐ 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
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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.
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- ☒ We do track or collect this information

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

	%
--	---

91

	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]
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We exclude voting at meetings which will result in the blocking of shares or where there are other impediments to the exercise of shareholders' voting rights.

- ☐ We do not track or collect this information

LEA 23	Voluntary	Descriptive	PRI 2
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LEA 23.1

Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

☒ 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	<div> <div></div> <div>%</div> </div> 91
Against (opposing) management recommendations	<div> <div></div> <div>%</div> </div> 9
Abstentions	<div> <div></div> <div>%</div> </div> 0

100%

LEA 23.3

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

We review shareholder resolutions taking account of the company's particular circumstances, our position as long-term responsible investors and our stewardship responsibilities to our clients. We voted in favour of 42% of resolutions proposed by shareholders.

☐ 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>Our position when discussing the implementation of CRD IV is for banks to align with the spirit and letter of the regulations. We were 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. Our view was 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	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. We were 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	Our Corporate Governance Policy underlines the need of independent and knowledgeable directors to represent the interests of minority shareholders.
Outcomes	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

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.

- ☒ We disclose it publicly

provide URL

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

provide URL

<http://www.axa-im.com/fr/responsible-investment/voting>

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

AXA Investment Managers

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.

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

For corporate investments, we have 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 being a weighted average of E, S and G taken separately, where the weights depend on the sector of the company. At the end of 2014, AXA IM covers more than 4500 companies with this framework, providing an ESG score accessible through the RI internal tool RI Search by every portfolio managers.

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

Fixed Income - Government

For government and quasi-government issuers, we have developed internally an ESG framework relying on the Environmental, Social and Governance indicators published by recognised international sources.

For the Environment: CO2 emissions, for Social: the UN HDI (Human Development Index), and for Governance: the World Bank indicators. An ESG score is thus 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 to the "Rates" committee where the fund management will define interest rates scenarii on a quarterly basis.

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> <div></div> <div>%</div> </div> <div>90</div>
---	---

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

Percentage of active corporate fixed income to which the strategy is applied (estimate +/- 10%)	<div> <div></div> <div>%</div> </div> <div>10</div>
---	---

	Total actively managed fixed income - corporate
--	---

100%

FI 04.2	Describe your primary reasons for choosing a particular incorporation strategy.
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In line with AXA's Group objective to align investments with AXA's corporate responsibility agenda and AXA's IM belief that responsibility is a key driver of value-creation, we have chosen to enhance the integration strategy across the fixed income investments. This approach is completed by thematic and screening strategies, which help AXA IM to best fit client needs and objectives. We monitor systematically strong ESG risks (controversial weapons, palm oil, soft commodities ...) for all AXA Group assets under management.

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.
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Type of ESG information

- ☒ Raw ESG company data

	Describe who provides this information.
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ESG external provider (Vigeo, Oekom, Sustainalytics)

- ☒ Issuer-related analysis or ratings

	Describe who provides this information.
--	---

ESG external provider (Vigeo, Oekom, Sustainalytics)

- ☒ Sector-related analysis or ratings

	Describe who provides this information.
--	---

ESG external provider (Vigeo, Oekom, Sustainalytics) + Brokers

- ☒ Country-related analysis or ratings

	Describe who provides this information.
--	---

In-house research team

- ☒ Screened bond list

	Describe who provides this information.
--	---

In-house research team

- ☒ ESG issue-specific analysis or ratings

	Describe who provides this information.
--	---

In-house research team

- ☐ 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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We use ESG external provider and International Organisation such as World Bank and the IMF.
The data put together are used to develop an internal model named the "ESG country model".

(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
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Since 2008, AXA IM excludes from its investments, those companies involved in the production of anti-personnel landmines as well as cluster bombs. Since 2011, this exclusion has been extended to include those companies involved in depleted uranium weapons, in palm oil and soft commodities. This included all mutual funds managed by AXA IM on behalf of its distribution clients, with the exception of index funds. The definition of the exclusion list of companies is based on the treaty of Ottawa for the Anti-personnel Landmines, the treaty of Oslo for cluster bombs and is updated by the RI team once per year. The global exclusion list covers public and private equities and their issuers (public and private).

In addition, Tobacco and Defence sectors are systematically excluded from SRI mutual funds. We excludes from SRI funds strong controversies (5 on a scale from 0 to 5) if the internal research confirms the negative opinion on the stock or issuer.

- ☒ Positive/best-in-class screening

Screened by

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

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

Sector:

We have 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, we invest in companies that have historically performed better than their peers within a particular industry or sector on environmental, social and corporate governance (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 bad ESG performance or when they present serious controversial matters.

Country :

For government and quasi-government issuers, we rely on the Environmental, Social and Governance indicators published by recognised international sources.

For the Environment: CO2 emissions, for Social: the UN HDI (Human Development Index), and for Governance: the World Bank indicators. An ESG score is thus 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.

Criteria are established according to an internal methodology with our external provider and internal conviction. The Best in Class universe is reviewed twice a year. The ESG criteria are reviewed according to our internal conviction. We inform clients either through the Transparency code or through monthly or bi-annual committees.

FI 07

Mandatory

Core Assessed

PRI 1

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 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.

For the RI Funds, the first checkpoint is performed by an internal AXA IM service. Pre and Post trade constraints, which prohibit investments on issuers who are ineligible for SRI reasons, are implemented using an internal tool. The lists of eligible issuers are encoded into our tool. If an alert appears (positions outside the eligible universe), the RI team is informed by email so that they can confirm whether or not there has been a breach. If an infringement has indeed occurred, the manager is notified and must sell the securities within one month. RI funds were audited by an external and independent firm in 2011. This process is currently under implementation for the period 2013 and 2014.

(C) Implementation: Integration of ESG factors

FI 10

Voluntary

Descriptive

PRI 1

FI 10.1

Describe how you integrate ESG issues into investment decision-making processes.

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

RI Search platform: To assist in mainstreaming (integrate 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 environmental, social and governance '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: Our fundamental analyst team produce detailed reviews looking at the ESG issues impacting investee companies and these reports are shared with our fund managers and analysts by email and also stored on RI Search which is accessible by all our investment teams. For Fixed Income, ESG risks are studied as having a significant impact on 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 we share our 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: 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.

FI 11

Mandatory

Core Assessed

PRI 1

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]
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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 & 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
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FI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a robust analysis.
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- ☒ 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.

ESG information produced by our in-house RI research team is communicated to portfolio managers through four different means:

11. A monthly email that contains our latest ESG reports on companies with our a recommendation scale (positive, negative or neutral)
12. RI Search Platform: all portfolio managers have access to this platform that contains ESG scores, ESG fundamental research and our voting activity for every company/issuer.
13. Bloomberg platform: we use Bloomberg as well to communicate with fund managers through the IRH (In House Research) function. The information uploaded here is only for internal users.
14. Investment Committees: RI team members participated to investment committees, in which our ESG opinions are exposed 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 RI Team has built a Sovereign ESG Framework which covers the 3 pillars E, S, and G, as well as international conventions. These include :

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

Two persons inside the team are dedicated to fundamental analysis. In 2014, we provided to fund managers or clients 66 reports on countries. 18 countries have been analysed at least twice in a year. The RI team participates to weekly countries review meeting 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.

☐ 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.
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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
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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.

We have developed several methods to identify ESG impacts on financial performance, funds' risk or volatility and ESG performance.

- We have backed tests our funds to correlate ESG criteria with financial performance and volatility

- We have launched an ESG Impact report: it helps clients and portfolio managers to measure the 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.
- In order to establish a link between ESG and financial performance, we have issued research pieces that demonstrate this correlation.
- Can corporate governance take - partial - credit for fixed income performance? 2010
- Mind the Gap: Experienced Engineers Wanted, 2012
- Sovereign Debt Investing: ESG Framework and Applications RInside AXA Investment Managers Responsible Investment, 2012

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>Investment decisions in the banking sector are frequently supported by ESG analysis with special focus in the governance. In our view, financial issuers need to have minimum governance standards in order to be investable. The Responsible Investment team recommended to get away from an Spanish issuer from the banking sector, mainly due to its poor governance structure and its negative track record on customer's satisfaction and restructuring. In exchange a new issuer has been proposed to the fund manager. This new investable issuer has been responsive after the financial crisis, integrating fresh blood at its management board and board of directors. Its sustainable strategy is so far integrated within the cooperative banking group delivering opportunities in terms of reputation. Third, its human capital supports the Strategic Plan development.</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	
	Impact on investment view or performance
<p>Buy and sell decision.</p>	

☒ ESG issue 2

	Fixed Income - Corporate and/or Government
<input type="checkbox"/> Corporate <input checked="" type="checkbox"/> Government	
	ESG issue and explanation
<p>Latin American sovereign issuer</p> <p>The RI team was asked to cover this issuer as an "ESG tail risk". The country ranks in the bottom quartile of our progressing countries model concerning its global ESG performance. There is no tangible signal of improvement prospecting 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	
	Impact on investment view or performance
Buy and Sell decision.	

- ☐ ESG issue 3
- ☐ ESG issue 4
- ☐ ESG issue 5

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.
----------------	--

- ☐ We disclose it publicly
- ☒ We disclose it to clients/beneficiaries only

FI 18.5	Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.
----------------	--

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

FI 18.6

Indicate how frequently you typically report this information.

- ☐ Quarterly or more frequently
☒ Between quarterly and annually
☐ Less frequently than annually
☐ Other, specify
☐ We do not proactively disclose it to the public and/or clients/beneficiaries

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.

AXA IM uses the same approach to engage with corporate issuers than the one used for the equity approach. We aim 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, we believe that a proper consideration of relevant Environmental, Social and Governance (ESG) matters will impact on the long-term sustainable performance of companies and benefit investors of such companies.

- ☐ No

Fixed Income - Government**FI 20****Voluntary****Descriptive****PRI 2****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 Investment Managers

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 03	Voluntary	Descriptive	General
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PR 03.1 Indicate up to three of your largest property types by AUM.

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.

As an investment manager, the most significant method of reducing our environmental impact is by committing to managing our investments responsibly and sustainably. At corporate level in AXA, our Responsible Investment strategy rests on three priorities:

- Mainstream ESG (environmental, social and corporate governance) analysis in all of our expertises' investment processes
- Developing a range of quality RI-specific products

- Be an "active owner" through the global application of our voting policy (for equity investments) and for Responsible Property investment approach (for Real Estate): ranging across portfolio, asset or property management activities, including stronger selectivity (based on client demand for sustainability criteria), value creation, reduced operating and capital expenditures, lower risk of obsolescence, improved liquidity and occupier demand.

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.
---------	---

☒ Yes

PR 05.2	Provide a URL if your RPI policy is publicly available. [Optional]
---------	--

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

☐ No

Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6
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PR 06.1	Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.
---------	---

☒ Yes

PR 06.2	Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:
---------	--

☒ Policy and commitment to responsible investment

☐ Always

☒ In a majority of cases

☐ In a minority of cases

☒ Approach to ESG issues in pre-investment processes

☐ Always

☒ In a majority of cases

☐ In a minority of cases

☒ Approach to ESG issues in post-investment processes

☐ Always

☒ In a majority of cases

☐ In a minority of cases

PR 06.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

As an active owner with a defined sustainability vision and policy, AXA Real Estate will include specific comment on its approach to responsible investing in fund placement documents. A recent RFP (Reply for Proposal) included a copy of our Global Sustainable Development Report, as a concrete example of our evolving policy and to highlight some case study examples of sustainability in action.

- ☐ No
- ☐ Not applicable as our organisation does not fundraise

PR 07**Voluntary****Additional Assessed****PRI 4****PR 07.1**

Indicate whether your organisation makes formal commitments in fund formation contracts, Limited Partnership Agreements (LPAs) or in side letters relating to responsible investment in property when requested by clients.

- ☐ We always make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ In a majority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☒ In a minority of cases we make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ We do not make formal commitment to responsible investment in fund formation contracts, LPAs or side letters
- ☐ Our clients do not request us to make formal commitments to responsible investment in property

Pre-investment (selection)**PR 08****Mandatory****Gateway****PRI 1****PR 08.1**

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- ☒ Yes

PR 08.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

Using our Active Owner approach to Responsible Investing, our investment process is designed to encourage the emergence of a "Green Value" in real estate. Through an active dialogue with clients, we elaborate the sustainability solutions which best fit their sustainability needs, return requirements and the individual asset.

When investing in existing assets a Green Rating audit may be included in the due diligence process, providing 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). Green Rating is a pan-European audit scheme and has been used to audit assets totalling more than 9 million m2 to date in Europe.

Alternatively, appropriate in use certification may be sought.

For development assets, AXA Real Estate 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, length of lease, et al 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.
---------	--

- ☒ Internal staff
 - ☒ Specify role
 - Global Sustainable Development Team
 - ☒ Specify role
 - In House Legal Team
 - ☒ 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.
---------	-------------------------

AXA Real Estate's overall approach is to integrate sustainability into our everyday management practices.

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

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 manage, co-ordinate and promote sustainability across the entire real estate business including the production of an annual Global Sustainable Development Report.

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 Real Estate's Executive Committee. The project sponsor is Anne Kavanagh, Global Head of Asset Management and Transaction, member of AXA Real Estate's Management Board. They are supported by a new steering committee comprising 3 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 above is a selection and the actual application will vary between types of asset - 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
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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
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PR 12.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ☒ 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.
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☒ 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

The Global Sustainable Development Team regularly reports to senior management on a range of ESG issues, as well producing the annual Global Sustainable Development 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 will be based on continuous monitoring of key data mainly (but not exclusively) on the active management assets of the portfolios.

Within AXA Real Estate, Asset Managers in local teams have dedicated property assets which they will actively manage. ESG factors will 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 initiative, 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 Asset managers.

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 (e.g. 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]
----------------	------------------------------------

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
----------------	---

☒ 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.
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We also use Minergie depending upon territory. We also submit substantial number of assets to GRESB survey.

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.
----------------	---

- ☒ >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.
----------------	--

- ☒ 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]
---------	------------------------------------

AXA Real Estate is an active developer of real estate assets - either in its specific Development Fund but also an option for acquisition (either of sites or forward funding) or as a strategic option for an existing asset under management.

Development and major refurbishment activity is seen as a key opportunity to drive forward the ESG and sustainability agenda. When undertaking developments, we ensure a newly built property has an environmental certification (BREEAM, LEED, HQE, DGNB, Minergie), which corresponds to local market expectations. In addition to being a useful marketing tool, we consider certifications for new buildings as evidence, not only for the value we add, but also as a form of guarantee for the buildings' future value.

Within the UK portfolio, AXA Real Estate 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.

AXA Real Estate 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.

In France, AXA was one of the pioneers in sustainable development 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.
---------	---

- ☒ 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.
----------------	---

- ☐ >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
--------------	------------------	----------------------------	--------------

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 21	Voluntary	Additional Assessed	PRI 1,2
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PR 21.1	Indicate if your organisation measures whether your approach to ESG issues in property investments has affected financial and/or ESG performance.
----------------	---

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

Describe the impact on:	Impact
Funds' financial performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

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

Describe the impact on:	Impact
Funds' ESG performance	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact

☐ None of the above

PR 21.2

Describe how you are able to determine these outcomes.

Financial performance: Reduced operating expenses, improved net operating income (NOI), retention of existing tenants, attracted new tenants, estimated rental value, capitalized value and improved investment liquidity.

ESG performance: Energy efficiency improvements, reduction of waste, improvement in EPC rating in the UK, improvement in occupancy ratio in assets with voids.

PR 22

Voluntary

Descriptive

PRI 1,3

PR 22.1

Provide examples of ESG issues that affected your property investments during the reporting year.

☒ Add Example 1

ESG issue	FRANCE Example
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
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
-------	-----------	---------------	-------

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]

A Global Sustainable Development Report has been produced over the last 4 years. The latest 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 2013/2014 Report contained 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 Real Estate
- 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

PR 23.9

Additional information. [Optional]

ESG information will also form part of regular real estate reporting on different client mandates.

In some instances, there may be price or market sensitive information at an asset level which does not get reported in the Global public report.