



2019 Integrated Report



**We act for human progress
by protecting what matters**

Being a partner to **108 million customers** means **listening** to help them achieve their goals, **being inspired** to invent new ways forward for the future and **taking action** day by day with all AXA's experts.

This **Integrated Report** explains how we **bring solutions to our customers** and **measure our impact** on society to promote progress.

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Every year, AXA's Integrated Report is designed to bring the most comprehensive vision possible of the value created by the Group for its customers and shareholders, society and the planet. It presents the items in its financial and extra-financial reporting for the last year, along with information on the Group's perspective, strategy and actions.

Largely produced in the last few months of 2019 and the first quarter of 2020, this fourth report has been published at a time when the Covid-19 epidemic continues to affect every continent worldwide. This global crisis is presenting health, economic and financial challenges on an unprecedented scale.

AXA Group's priority has been to guarantee the safety of its 160,000 employees and enable them to continue assisting its 108 million customers worldwide.

Exceptional measures have also been taken to support those of our customers who have been most impacted financially by the lockdown, particularly craftworkers, tradespeople and small companies. As a global leader in the health sector, we have done everything in our power to respond to this health emergency by extending coverage for healthcare professionals, mobilizing our medical networks and e-health services, and providing financial and material support to caregivers in many countries.

In the longer term, true to our commitments as a responsible company, we want to play an active role in post-crisis recovery and the rebuilding of our economies and the society. Through the AXA Research Fund, the Group has committed to supporting research on infectious diseases and the Covid-19 virus. AXA works with other players in the industry and with governments to define a public-private insurance scheme able to respond to challenges such as the ones the world has been facing in the last months.

More than ever, this crisis confirms what the Group has always striven for: protecting what matters most for society.



To find out more about the Group's action during the Covid-19 crisis, please visit [axa.com](https://www.axa.com).

Interview

Thomas Buberl
Chief Executive Officer
of AXA

Denis Duverne
Chairman of the Board
of Directors of AXA



“2019 enabled us to finalize the strategic shift we set in motion in 2018. Today, AXA is a group focused on technical risks that enable more frequent interactions with our customers.”

— Thomas Buberl

What were the highlights of 2019 for AXA?

Thomas Buberl: The year was marked by some significant progress in the implementation of our Ambition 2020 strategy. In 2019, we focused on precise objectives to generate more growth in our target

“This transformation is consistent with our DNA as an innovative, committed and visionary global insurer.”

— Denis Duverne

segments, simplify the Group's scope and maintain robust results. AXA's dynamic growth was accompanied by profitability. We achieved underlying earnings of €6.5 billion in 2019. And despite the low interest rate environment, we demonstrated the strength of our balance sheet, in particular with a solvency ratio that increased 5 points to 198% at December 31, 2009.

How is AXA doing now that 2019 has come to a close?

T. B.: The past year enabled us to finalize the strategic shift we set in motion in 2018. We've now completely withdrawn from our life, savings and asset management business in the United States. This is a major step that will make us even less sensitive to financial risk. The Group has further reduced debt, in line with our commitment.

At the same time, we've made good progress with the integration of XL's businesses into AXA Group. Commercial synergies are starting to bear fruit. However, we must

continue to limit the volatility of our AXA XL division, which was hit by natural disasters in 2019, and we have taken steps in this direction.

Today, AXA is a group focused on technical risks that enable more frequent interactions with our customers. Our profile is fully aligned with the objective we've set with Ambition 2020: to transition from a payer role to be a partner for our customers.

Denis Duverne: This transformation is consistent with our DNA as an innovative global insurer that is committed to its stakeholders, and it is visionary in the sense that it opens up new territories for us. In sectors like healthcare, climate risks and new forms of entrepreneurship, there is enormous demand and our solutions can bring real value to our customers. Our aim has always been, and will remain, to combine strong business performance with valuable solutions and a long-term vision of our role as an insurer for the benefit of customers and society.

Do these three criteria help you identify growth sectors for the Group?

T. B.: Yes, absolutely. We're moving towards sectors where the major economic, societal and environmental transitions present major challenges. That's where we can be useful and go beyond our role as an insurer to position ourselves as a partner for our customers. If we look at the healthcare sector, in a decade, medical research has made major progress and connected objects have largely changed the relationship between patients and their care pathways. The downside is that treatment is often more expensive and health systems more complex. As an insurer, we have a natural role to play in this equation, to better connect our customers with medical services. This business offers enormous potential for innovation (for example, with telemedicine) and growth, by extending coverage to new services and expanding our healthcare offering.

With AXA XL, you've also boosted your presence in the corporate sector.

T. B.: Here too, our wider expertise as an insurance partner can make all the difference. Companies of all sizes are facing new risks. They need us to help identify,

address and avoid risks. When you add our knowledge of risk science, the vast volume of data at our disposal and our range of specialties broadened through the integration of AXA XL, we're among the best placed to meet the challenges faced by the business players. And because we're aware their issues are increasingly complex, we developed our risk consulting business in 2019 to offer tailored advice and solutions for corporate customers.

D. D.: This intrapreneurial, customer-centric culture is very strong within the Group, in every business line and every role. It's one of the forces that enable us to develop solutions connected to the real needs of society and our stakeholders.



“Our credibility relies on our customers’ recognition. Their trust enables us to make ambitious commitments to society.”

— Thomas Buberl

“Given its sound understanding of risks, AXA has two main responsibilities: to share its knowledge to help make society more resilient and to lead the way with pioneering and impactful commitments.”

— Denis Duverne

two main responsibilities. The first is to share its knowledge to help make society more resilient to the key climate, demographic and health transitions of the future. The second is to lead the way with pioneering and impactful commitments. Our complete withdrawal from the tobacco industry is a good example.

As a health insurer, we know that cigarettes and tobacco products currently kill more than 6 million people every year and that this figure should reach 8 million by 2030. We were therefore one of the first companies to divest from the tobacco industry and promote a collective movement by signing the Tobacco-Free Finance Pledge in 2018.

AXA has also announced very ambitious climate measures...

T. B.: Our knowledge of risks convinced us very early on of the need to take action to limit climate change. In 2015, we made a number

of strong climate commitments and helped put this issue at the top of our industry's collective agenda. Today, I'm convinced we must go even further. That's why in 2019, we committed to aligning our investments with the Paris Agreement, limiting their climate warming potential to +1.5°C by 2050. We're also going to achieve our complete divestment from coal by 2030 in Europe and OECD countries, and by 2040 in the rest of the world. Finally, we want to drive the entire economy's transition, in particular by creating transition bonds, a new asset class that will help finance companies move towards more sustainable business models.





D. D.: Engaging every economic stakeholder, as well as society, in the fight against climate change is a natural step for AXA. It's the prerequisite for building a more sustainable, inclusive world. Today, citizens of emerging countries are the ones suffering the most from the impact of climate change. We must offer them accessible insurance products as protection. We have made financial inclusion a major driver of our action, particularly by creating a dedicated program for emerging customers.

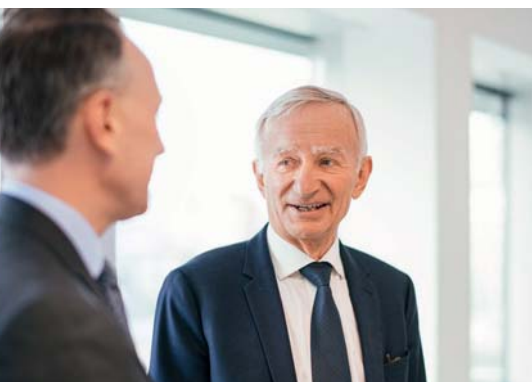
T. B.: More generally, we need to think about ways to extend the scope of insurance coverage. The current crisis has brought this to light in a particularly striking way. Taking inspiration from what is already in place for natural disasters, AXA wants to work with other players in the industry and with governments to define a public-private insurance scheme able to respond to challenges such as the ones our societies have been facing in the last months.

How is AXA ensuring that its actions and commitments align with society's needs?

D. D.: We hold ongoing dialogue with our stakeholders. And when we're convinced that the solution must be collective to make a difference, we do not hesitate to engage with other business leaders. In 2019, we joined the Business for

Inclusive Growth initiative, an OECD-supported coalition of more than 30 companies in G7 countries that aims to bring solutions to the challenges of inclusive growth.

We also believe that change starts within: we need to set an example with the transformations we want to see. If we want to promote equality between men and women, our Group must be exemplary in this area. We've made strong commitments: gender parity among our top executives and equal pay by 2023.



“The current crisis has brought this to light, we need to think about ways to extend the scope of insurance coverage.”

— Thomas Buberl



“Our purpose, acting for human progress by protecting what matters, reflects our aim of supporting our customers and society to move forward.”

— Thomas Buberl

This year you've worked on defining AXA's purpose. What is it and how will it be useful for the Group?

T. B.: AXA's strategic agenda has been very busy over the last few years and we found it useful to take the time, as a group, to formulate AXA's role for customers and society, what drives us every day - now and in the long term. After talking to many of our employees, as well as partners, customers and stakeholder representatives, I'm very happy today to be able to define AXA's purpose: “we act for human progress by protecting what matters.”

This reflects our aim of supporting our customers, both individuals and companies, and society as a whole to move forward. It also evokes the notion of protection that's at the very core of our business as an insurance company, enabling customers to plan for the future with peace of mind.

D. D.: Alongside our values, which are an asset we can build on, this purpose helps inspire and engage all AXA's employees. It connects to the Group's history and charts a course for the future. In this way, it serves as a guide for the Group's decision making and commitments

and is fully integrated into our reflections as we prepare AXA's next strategic plan.

T. B.: In times of crisis, like the current Covid-19 pandemic, it points out the direction we need to go in and provides a framework for our action, both in the very short term to protect our employees and customers, and in the longer term, to create mechanisms for future coverage and support research. In these exceptional circumstances, I would like to thank all our employees and partners who, through their action and commitments, are enabling AXA to fulfill its purpose, making these ideas a reality for the benefit of our customers.

The new face of health insurance

With scientific and technological progress on the one hand, and reduced government funding and difficulties in healthcare access on the other, the health landscape has changed considerably over the last decade. While offering a wider variety of treatment and disease prevention solutions, as well as more channels for dialogue with health professionals, this landscape has also become more complex. Finding the right practitioner quickly and affordably has become a real battle in many countries - even for patients who are connected, savvy and used to responsive service.





Working alongside patients and health professionals, the insurer's role has also been transformed. AXA is building on technological innovation and analyses of the needs of patients, doctors and care givers, supported by increasing volumes of data. The Group is positioned as a partner of customers' health to become a facilitator, advisor and coach.



What do patients need?

1. / Access to healthcare

When the first symptoms appear and patients feel the need to be diagnosed, treated or simply reassured, finding a good doctor becomes a matter of urgency. All over the world, they talk of their difficulties: medical deserts, the cost of private treatment, longer wait times, and so on. The obstacles are numerous, including in towns and cities, where the number of general practitioners is in decline.

2. / Reimbursement

Even in France, where the state reimburses a significant share of health costs, 40% of patients postpone treatment every year because they are unable to pay the costs upfront.¹ Worldwide, 800 million people spend more than 10% of their household budget on healthcare.² It is essential for patients to know how much of their treatment costs will be covered and when they will be reimbursed.

3. / Information and consideration

The first steps on a healthcare journey are a critical time in the patient experience, determining the choice of treatment and the quality of relationships with health professionals. From this moment on, patients want above all to be heard and have their symptoms and feelings properly considered. They also look for clear, straightforward information on the proposed treatment and disease prevention measures, to be able to take an active role in managing their own health.

4. / Quality care

Receiving the right treatment is obviously critical to a patient's recovery. But how is the quality of treatment assessed? Is an operation that treats a problem but leaves the patient with complications a success or a failure? More and more stakeholders, notably insurers, are working to put the patient back at the heart of care pathway assessments.

5. / Simplicity

Coordinating with different medical professionals, scheduling appointments, handling administrative formalities and getting reimbursed... All these tasks can make managing treatment a real battle for both patients and care givers. Practical tools and services that help them manage (or dispense with) these formalities can provide real relief.

6. / A sense of normality

An accident or illness can disrupt a patient's everyday routine. When this disruption becomes long term, possibly even lifelong, their main objective is to live life as normally as possible. In this case, medical systems, assistance and coaching can restore a sense of normality.

¹ BVA survey for France Assos Santé, November 2019

² UHC Global Monitoring Report, World Bank/WHO, 2017

“In exploring the field of positive emotions, I’ve realized they’re powerful shields against the negative impact of stress.”



SARAH PRESSMAN

Sarah Pressman is an Associate Professor of Psychological Science at the University of California, Irvine. Her research focuses on the physiological processes generated by positive emotions and their impact on stress and health. Since 2015, her work has been supported by the AXA Research Fund.

Positive emotion: an ally in disease prevention

“During my studies, I realized that health psychology focused almost exclusively on the reasons people were unwell: how depression undermines health or why the risk of a heart attack is highest in aggressive people. I wanted to turn things around and understand why people stay in good health. In exploring the field of positive emotions, I’ve realized they’re powerful shields against the negative impact of stress.”

These days, my research is focused on the physiological effects generated by these positive emotions. Do happy people get better faster? Does their immune system work more effectively? Do they react better to vaccination? Do they get less cancer? And if they are diagnosed, are their chances of survival higher? Our work shows that this is nearly always the case, and we are continuing to explore other situations to

identify and understand the links between positive emotions and health. Having established this fact, the obvious question is how we access these positive emotions. They come from a variety of sources: developing social ties, taking the time to enjoy small pleasures, doing good, taking care of yourself (through sleep, diet, etc.), having a laugh. All these situations create well-being that is good for the mind, but also the body. More and more institutions like schools, companies and hospitals (which may all generate a high level of stress), are starting to understand and introduce this type of positive experience internally.”



Without quality, access to healthcare is meaningless

“Access to healthcare is of course essential to any good health system. But what’s the point of patients accessing treatment if it doesn’t really help them? Without quality, access to healthcare is meaningless. And quality must be more than a concept. It should be what people experience, especially among the most vulnerable populations.”

In theory, a good healthcare system that serves a population meets six objectives: providing safe and effective services, avoiding harm to patients, being science-based, respecting patient preferences, being dispensed on time and being fair. Yet all too often there are major gaps between these theoretical rules and the reality observed in the field, especially from the patient’s perspective. My teams’ work is to observe and measure these gaps with a view to proposing concrete solutions.

We are working alongside local and regional authorities to identify, with health professionals and patients, the fairest and most effective approaches. We then develop tools and protocols. They’re often very simple: clinical pathways for maternity units, for example. But they’re designed for local communities and have a major impact on the quality of treatment because they enable patients to manage their health and take preventative action with the help of healthcare professionals.”

PEDRO SATURNO
Professor of Public Health and holder of the AXA chair for the improvement of healthcare quality at Mexico’s National Institute of Public Health since 2014, Pedro Saturno directs a research program aimed at improving the accessibility, quality and fairness of health systems, especially for the most vulnerable populations.

“Quality healthcare must be more than a concept. It should be what people experience.”



Supporting patients at every health touchpoint

How can we best meet the needs of patients and health professionals? What role should we play to support them throughout their healthcare journey? Which services and solutions will enable AXA customers to proactively manage their own health? And in particular, how can we help every individual, whether in sickness or good health, to achieve their dreams? In the run-up to the Integrated Report, nine AXA employees met to discuss the issues encountered and the strategy designed by the Group to fulfil its role as a healthcare partner.

"There is no standard care pathways or pattern of behavior followed by every patient. Even the most obvious distinctions - sick or healthy - are often more blurred than they seem. The customers we meet are often uncertain about the seriousness of their health problems and the action they can take." This observation by Somesh Chandra, Chief Health Officer of AXA for European markets, was quickly shared by other participants. "We've been seeing an individualization of the care pathway for a while now," added Jean Kramarz,



Head of Health at AXA Partners. "What's changed is the quantity of data and the channels available to analyze individual needs and provide solutions."

Connected objects, digitalization, artificial intelligence and foremost telemedicine have shaken up people's approach to health, along with the role of insurers. Previously in contact with their clients at the reimbursement stage, "when it's already quite late in the day," AXA can now support patients at every health touchpoint. "And that obviously changes our approach. It's not so much about knowing at which stage to act, but rather finding the right interfaces and tools to be there every time our customers have a problem," explained Philippe Presles, a doctor and Head of Health R&D at AXA France.

Simplifying the essentials

For the past five years, this new approach has led AXA to simplify the relationship between patients and their insurer. "We're working on solutions to guarantee quick, easy reimbursements and transparent coverage. We aim at giving a preferential access to network of competent professionals with minimum upfront costs," mentioned Stephen Brenzek, Healthcare Management Director at AXA Germany.

"Our customers want to have the fewest possible formalities to carry out, preferably through a single interface. This is the objective of the new My Easy Santé app, which enables our customers to manage their entire care pathway," added Philippe Presles.

In Asia, the Emma app provides a single interface for accessing all AXA Healthcare services, combined with disease prevention advice, such as the BetterMe coaching program.

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"We're working on solutions to guarantee quick, easy reimbursements and transparent coverage."

— Stephen Brenzek, Healthcare Management Director at AXA Germany

New ways to access treatment

AXA does more than make it easier for patients to manage their healthcare. In a context of increasingly complex health systems, AXA can create bridges between patients and their doctors and nurses, in cooperation with the medical community. “We help patients find the right specialists, ask for a second opinion and we empower them to take control of their own health through a tailored program,” added German Canale, Customer Experience Manager for AXA PPP Wellbeing. “Collaborating with six leading hospitals with more than 400 experienced doctors,

AXA Signature Network is providing our customers in Hong Kong with world-class medical services and simplified administrative procedures,” explained Andrea Wong, Chief Marketing and Customer Officer at AXA Hong Kong.

With telemedicine, the Group is present from the moment patients start their healthcare journey, giving them fast access to competent health professionals and guiding them to the right specialists for their situations and questions. “Remote consultations are opening the door to a new age when we can meet a patient at



“If patients are diagnosed on time, they can adopt a lifestyle that will avoid or delay full-blown disease.”

— Charles-Etienne de Cidrac, Health Director for Group Risk Management



“Telemedicine is opening the door to a new age when we can meet a patient at any time.”

— Alexandre de Maisonneuve, Doctor and Co-Founder of Qare

any time,” asserted Alexandre de Maisonneuve, a Doctor and Co-Founder of Qare, the telemedicine service incubated by AXA through Kamet.

Acting before the onset of disease

The increase in health data and digital tools also enable AXA to work alongside customers to prevent disease before they require treatment. “Signs of chronic conditions like diabetes can be detected several years before their onset. If patients are diagnosed on time, they can adopt a lifestyle that will avoid or delay full-blown disease,” explained Charles-Etienne

de Cidrac, Health Director for Group Risk Management.

The Group is also working alongside partner companies to improve their employees’ health. In the United Kingdom, AXA PPP Healthcare offers companies health coaching platforms for their employees, who can follow fitness and health programs or access health advice.

Quality care

One key question remains: how can AXA ensure that its healthcare offering meets its quality requirements for patients? To better manage healthcare journeys, the Group

has opened integrated medical centers in Egypt and Mexico, and is aiming to open 50 by 2023 to serve 1.5 million patients in key emerging markets - a new facet of its role as a partner.

“By offering a bundle of services that are usually provided by different companies, we’re simplifying access to quality healthcare for our customers,” explained Sandrine Coulangue, Head of Health business development, International and New Markets.

Meeting patients' fundamental needs

Preventing health problems

- In the United Kingdom and Germany, **AXA has developed 360° health services**, including early screening for cancer and diabetes.
- When a chronic disease like diabetes is diagnosed, services like **BetterMe by AXA provide support for patients**, helping them follow their treatment and manage the impact of their disease.
- In Malaysia and Gulf countries, **the Group is developing a pioneering service**, which offers screening and treatment for mental illness, in addition to AXA's existing healthcare solutions.
- Virtual reality can generate the same psychological and physiological reactions as real situations. Based on this principle, Oxford VR, AXA Hong Kong and the Chinese University of Hong Kong have announced **a partnership aiming to set up virtual reality immersion therapy for mental health in Asia**.

Ensuring access to healthcare

- In Germany, **the Meine Gesundheit platform** allows patients to talk directly with medical teams, obtain transparent information on treatment costs and receive reimbursement within a few days.
- **As a complementary insurance provider in Switzerland, AXA offers** to handle customers' formalities for switching their compulsory basic insurance to the most competitive solution on the market, reducing the cost of their health coverage.
- **AXA has developed apps that simplify patients' healthcare journey** and offer disease prevention programs, including Emma in Asia, AXA Health Solutions in Italy and My Easy Santé in France.

Identifying risk factors

Encouraging early disease detection

Promoting early treatment



Guaranteeing suitable treatment as quickly as possible

Simplifying and facilitating formalities

Ensuring reimbursements

Optimizing appointment scheduling

Coordinating healthcare journeys

Ensuring quality treatment



Motivating people to adopt healthier lifestyles

Providing support through coaching programs

Developing quality health journeys for all

- In the United Kingdom, Spain and Germany, **the Group offers cancer or surgery patients a second opinion** free of charge to help them manage the first steps on their healthcare journeys.
- In the face of overburdened health systems that slow patients' access to quality practitioners, **AXA is developing digital health solutions** offering quick appointments with generalists or specialists.
- In the United States, **the Group helps self-insured companies** coordinate their services through a team of nurse advisors.
- In Egypt, Mexico and other key emerging markets, **AXA is developing its own healthcare networks** to create an effective, accessible primary healthcare offering.
- In Colombia, **Labs at Home offers at-home medical tests** (blood samples, check-ups, etc.) to facilitate patient treatment.

Improving quality of life

- **ActiveMe, an individual program developed in Germany**, offers a digital health service with a rewards system for doing sport (taking part in runs, following a gym program, etc.) and keeping good resolutions (stopping smoking, improving their diet, etc.).
- **"Gamified" group programs have also been set up**, for example in Spain, where the employees of partner companies are invited to assess their "fitness age" and be more aware of their health.
- In the United Kingdom, **a platform for well-being services** is also under development.

During the Covid-19 crisis, AXA is committed to support the health sector and facilitate access to care.

> [Discover the Group's initiatives on axa.com.](https://www.axa.com)

Supporting female entrepreneurs

Female entrepreneurship is booming: the latest Global Entrepreneurship Monitor (GEM), which assesses the level of entrepreneurial activity in 48 countries every year, reports a ratio of 7 female to 10 male entrepreneurs. Yet, these figures hide wide gaps in pay, sector presence and geographical distribution of entrepreneurs. In addition, psychological barriers continue to penalize women who would like to launch a business. According to GEM, only 35% of women in developed countries consider themselves capable of creating their own companies.





Female entrepreneurs not only offer vast potential for the global economy, but they represent a key market for insurance. With this in mind, AXA has been actively seeking solutions to support women before, during and after the start-up phase. These are based on one conviction: only a truly local approach can identify the specific barriers in each region and help unlock the full potential of enterprising women everywhere.



Why do women hesitate to launch their own business?

1. / Isolation

In France, one in five women entrepreneurs works in a team, compared to one in three men.¹ In emerging countries, women often work from home and hide their professional activity from friends and family for fear of being stigmatized. While being difficult to handle psychologically, this everyday isolation also weighs on their businesses in the event of sickness or family problems. In addition, women may lack professional and institutional contacts. Some 26% female business founders say this is a major obstacle to their entrepreneurial plans.¹ In emerging countries, unfamiliarity with banking and insurance services also undermines entrepreneurship.

2. / Administrative difficulties

Access to funding, subsidies and guarantees is a challenge shared by all entrepreneurs but can be particularly taxing for women. First of all, because at equivalent levels of education, they launch businesses with less professional and managerial experience than their male counterparts.² But also because they internalize gender stereotypes. “When we make applications, people look at us as though we don’t have what it takes,” says one woman in an OpinionWay survey, in which around 30% of female entrepreneurs say they need legal or fiscal support to develop their businesses.

3. / Lower pay and funding

The fear of debt and not being able to find the right funding represents an obstacle for 44%¹ of female entrepreneurs. Given that women entrepreneurs reportedly have their loan applications rejected twice as often as men, many decide to rely on their own resources. In addition, they tend to earn less: in France, the gender pay gap is said to be 25% among the self-employed and 29% among the owners of limited companies (SARLs).³

4. / Business interruption

While numerous studies show that businesses started by women are more robust, the fear of bankruptcy still weighs on their decision to launch a business. After a failure, few female entrepreneurs try again, because either they prefer to return to the security of a salaried job or financial losses prevent them from creating a new company.

5. / Family obligations

Starting a company is often a decision taken for the family: female entrepreneurs’ motivations include “increasing the household resources” in emerging countries or “having more time for the children” in mature markets. In reality, family responsibilities represent an everyday obstacle. Women business owners maintain their dominant role in preserving familial stability, managing the bulk of household tasks, childcare, and so on.

¹ OpinionWay/Fondation Entreprendre/AXA, “Parcours de vie, parcours de femmes,” 2016

² T. Lebègue, “L’accompagnement institutionnel des femmes entrepreneurs,” *Revue de l’entrepreneuriat*, 2015

³ Insee Première, July 2015

“Gender stereotypes and environmental constraints are internalized by women and constitute a prior barrier for them.”

●
ANNE BORING

Anne Boring, an Economist and Research Affiliate at the Laboratory for Interdisciplinary Evaluation of Public Policies (LIEPP), has been directing the Women in Business Chair at Sciences Po Paris since 2018, supported by the AXA Research Fund. Her work focuses on the impact of gender stereotypes in education and the workplace.

Overcoming gender stereotypes

“Worldwide, women launch into entrepreneurship less than men, even when they’re interested in it.

We need to put an end to the guilt-inducing message that they’re “not bold enough” or “more timid” than men.

Yet we see them internalizing these stereotypes and the constraints imposed by their environment which constitute a real prior barrier for them.

Several objective factors explain this disparity. The first is access to financial resources, in particular for the creation of projects that are seen as “typically male.” Education also plays a major role: fewer women follow scientific or IT studies although many companies are being created in these fields. Finally, women have trouble accessing information and the “networks that matter.”



The Women in Business Research Chair, supported by the AXA Research Fund, is pursuing three objectives that should help correct these inequalities: to understand the weight of stereotypes in women’s career and ambitions, to help the current generation of female students enter the workplace, and to raise awareness of gender stereotypes among companies and public authorities and help them take the right action to overcome them.”



Different evaluation criteria

“My team and I recently carried out a study on the role of gender among Wall Street financial analysts. This shows that female analysts with equivalent performance and career networks receive less recognition than their male colleagues: institutional investors rank them lower than men.

Male analysts benefit from more positive stereotypes, attributable to their professional connections, whereas

“Action is required to facilitate access to funding and reduce the risks for female entrepreneurs.”

●
LILY FANG

Lily Fang is a Professor of Finance at INSEAD, the holder of the Chair in Financial Market Risk funded by the AXA Research Fund and a renowned specialist in the dissemination of financial information and investment strategies. Her work on CSR issues for investors has led her to study the impact of gender stereotypes in financial markets.

women tend to be judged on their performance alone. So there is definitely a gender difference in how women capitalize their networks and how investors perceive them.

This research confirms previous studies, such as the report by economist Camille Hubert,¹ which shows that female entrepreneurs have more trouble receiving venture capital funding than men. Women are penalized by stereotypes, even though companies started by women perform better than those started by men, especially in male-dominated industries.

These results show the existence and danger of uneven playing fields due to stereotypes. The financial industry can do more to recognize these problems. Specific ways to facilitate female entrepreneurs’ access to capital on a merit basis, for example, would be particularly impactful.”

¹ Mind the Gap: Gender Stereotypes and Entrepreneur Financing, November 2018



Unleashing an entrepreneurial spirit

“We’re not just interested in women because they’re women but because they’re the ones who make the financial decisions,” explains Liza Garay-de Vaubernier, Global Head of Women’s Market at AXA. Whether in the home (where more women than men take out insurance to protect their families and plan for the future) or in the workplace, women are playing a growing role in the economy. The SheForShield survey carried out in 2014 in 10 emerging countries already reported that women represented around a third of all entrepreneurs. Since then, this figure has continually risen worldwide.

Still underinsured, while fast growing, the female entrepreneur sector represents a key market for insurers. But it is a market that is not easy to penetrate when regulations and needs vary from one region to another. “Insuring vulnerable women in emerging countries must mean more than simply offering traditional services at lower

All over the world, more and more women are deciding to start their own businesses. How can AXA support them in their ventures? What solutions can the Group bring to help them get started? And once launched, how can AXA help them protect and grow their businesses? From its headquarters to its actions in the field, AXA has developed a range of ideas and solutions that make it a preferred partner of female entrepreneurs.

“We’re not just interested in women because they’re women but because they’re the ones who make the financial decisions.”

— Liza Garay-de Vaubernier, Global Women’s Market Head at AXA



prices. We need to change our way of designing and distributing our solutions to ensure we truly meet their needs,” states Garance Wattez-Richard, Head of AXA’s Emerging Customers business.

Building partnerships to better understand female entrepreneurs

Understanding female entrepreneurs is the Group’s priority in all of its regions. Nadia Boughaba, Senior Project Manager for AXA Emerging Customers, has just returned from Egypt, where she met

about 20 micro-business owners. “Most of them are women who’ve created a business (selling accessories, sewing, cooking, etc.) to support their families. They work from home or door-to-door and hardly ever leave their neighborhoods. For them, access to healthcare is essential but insurance is not something they spontaneously consider. Yet they risk losing their savings and having their family fall into poverty if hospitalization suddenly prevents them from working.”

To meet these women and facilitate their access to insurance, AXA has set up partnerships, particularly with ABA and Lead in Egypt, which now reach around 700,000 customers, 70% of whom are



“We need to change our way of designing and distributing solutions to ensure we truly meet the needs of women in emerging countries.”

— Garance Wattez-Richard, Head of AXA’s Emerging Customers business

Female entrepreneurship



women. “Our insurance mainly covers borrowers in the event of death or hospitalization. This is integrated into loan agreements to ensure that business owners are properly covered, and compensation is paid in cash by our partners since these women almost never have bank accounts. We have also introduced coverage for families, which is a key concern for many,” explains Nadia Boughaba.

In other regions, the problems are different. In mature countries, women are less likely to start a business for financial reasons than to access new ways of working (being their own boss or achieving a better work-life balance). “Yet despite higher levels of education, many women are puzzled over choosing the right insurance to protect their business,” says

Anne Barret, Head of Marketing, Women’s Program, at AXA France. The French entity has decided to build partnerships to better understand female customers’ needs. “With ‘Fondation Entreprendre,’ we’ve carried out a survey to analyze women’s needs and the obstacles facing them. We’ve also launched calls for projects,” adds Anne Barret.

Helping women in business overcome difficulties

The AXA-funded “Fondation Entreprendre” program “Des Elles pour Entreprendre” has developed a MOOC¹ to give women fundraising tips. “Fondation Entreprendre” and “Femmes de Bretagne” have also launched, with the support of AXA France, the “Femmes et territoires” entrepreneurial

support platform,² which enables women to receive advice or meet up and talk with other female business owners. This helps them build a network and feel less isolated, two of the main challenges identified by female entrepreneurs in mature countries. “In addition to insurance, we’ve understood that these women need support to overcome the obstacles preventing them from moving forward,” explains Anne Barret.

Also to help female entrepreneurs overcome difficulties, ABA and AXA have created a health center in the microcredit company’s offices in Egypt. “Customers come here every week to reimburse their loans, so we’ve brought in a doctor to see these women who would never take the time to consult one otherwise,” explains Nadia Boughaba.

A network of agents to support female entrepreneurs

In France, AXA has also developed “Les Rencontres pour Elles,” meetings hosted by agents and advisors to raise women entrepreneurs’ awareness of the importance of protecting themselves and their companies,

Acting



“In addition to insurance, we’ve understood that these women need support to overcome the obstacles preventing them from moving forward.”

■ Anne Barret, Head of Marketing, Women’s Program at AXA France

explaining the objectives of health, third-party liability and personal accident insurance.

“We notice that these meetings are mainly held by female agents who are entrepreneurs themselves and understand better than anyone the problems women can face,” says Anne Barret.

The Group is convinced that to better support and reach these women, its distribution networks must be designed with them in mind. With initiatives like Women@distribution and “Bouge ta Boîte” in France, AXA is helping



female agents develop their businesses and reinforce their networks. “In Asia, where 60-70% of our agents are women, we’re launching AXA Prime, a program for operational excellence that will give our agents a real competitive edge,” adds Stephen Appleyard, Chief of Distribution Hub for Asia.

More widely, the Group has made a priority of gender parity, convinced it will boost the company’s performance: by 2023, AXA’s top executives (Global Leadership Network) will include as many women as men.

¹ Massive Open Online Course, available on the internet

² www.femmesdesterritoires.fr

Empower women to create and manage their business

Access

- **Building partnerships:** in emerging countries, AXA has built partnerships with microcredit companies such as ABA and Lead in Egypt, and banks like Albaraka in Morocco. Integrated into a loan solution and with very few exclusions, this hospitalization coverage, which is sometimes extended to family members, safeguards the future of entrepreneurial women and protects their business.
- **Training agents:** to reach more female entrepreneurs, the Group is mobilizing female agents who are business owners themselves. In France, AXA agents of both sexes host "Les Rencontres pour Elles," information meetings that provide an opportunity to talk with female entrepreneurs, better understand their needs and, especially build long-term relationships.

Distribution networks tailored to local markets

Partnerships to help women overcome the obstacles to creating and managing a company



Gender equality promotion in entrepreneurship and established companies

A global commitment with a multitude of local initiatives

Protection

- **Health:** in emerging countries, a poorly treated health problem can signal the end of a small business. AXA has developed solutions that enable customers to receive compensation within five days or even 24 hours for hospital stays of under five days. In Thailand, the Happy Lady solution provides working women with comprehensive health, car and home insurance.
- **Family:** AXA is developing health and accident insurance that extends coverage to families for female entrepreneurs who want to protect their families or need to receive compensation for sick childcare.
- **Business:** to help women grow their businesses, AXA France offers micro-business owners a special package including a bank account and third-party liability, health and personal accident insurance.

Awareness-raising and information on insurance for entrepreneurs

Solutions tailored to female customer



Commitment

- **The Business for Inclusive Growth (B4IG)** platform is an OECD-supported initiative involving around 30 companies that aims to promote decisions that include women in business growth.
- **Women in Businesses for Good** is an incubation program designed to identify, promote and accelerate female entrepreneurs' plans to address social issues in 15 countries. Three projects reached the incubation phase in 2018.
- AXA France has committed to supporting the **Fondation Entreprendre** program for female entrepreneurship with a donation of €900,000 over a three-year period.
- **As a Women's Forum partner**, AXA launched a call for candidates for the 2019 event to identify and support the world's top 10 femtech start-ups.
- **After setting up the We Can Network for women entrepreneurs**, AXA has also created a partnership with the **50inTech** platform. As a network of entrepreneurs and a way to provide help and practical advice, the 50inTech platform is designed to help anyone, woman or man, engaged in gender parity in the tech sector.
- **Global Invest Her** offers a mentoring program to help female entrepreneurs find funding for their projects.
- **The Group has committed to gender parity** among its top executives (Global Leadership Network), as well as equal pay by 2023.

During the Covid-19 crisis, AXA is committed to support small companies and freelancers.

> [Discover the Group's initiatives on axa.com.](https://www.axa.com)

Companies in the face of risk transformation

Climate events, geographical and political instability and fast-changing technologies and lifestyles all make the future increasingly difficult for companies to predict. Yet a clear vision of what lies ahead is essential for them to invest, develop projects and achieve transformation. At the same time, global economic, social and environmental transitions are challenging business models more than ever before, forcing companies to review their ways of working and adapt accordingly.





Through its AXA XL division, the Group is bringing complete solutions to the wide variety of challenges faced by companies. In addition to products and services, companies increasingly expect their insurer to provide support well beyond risk management, as a partner in their growth and transformation.



What risks impact companies most?

1. / Operational risks

The digitalization of supply chains and manufacturing plants has enabled companies to improve their performance and security with flow management, predictive maintenance, optimized organization and more. However, this positive transformation has brought new demands, such as staying at the cutting edge of innovation and recruiting teams with a high level of expertise. And the scope of protection has extended beyond every department of a company to include suppliers, partners and clients.

2. / New technologies

As a proprietary resource enabling companies to improve their performance, decipher their value chain and understand consumers, data has ushered in a new age for companies. Better still, machine learning is automating data analysis to make companies smarter and more agile. But what should they do if the data contains errors or is deliberately falsified? How can they manage the consequences of an algorithm error? Data ownership and use also exposes companies to crime (theft, extortion and ransom) and lawsuits, given the fast-changing ethical and regulatory framework.

3. / Reputation

Reputation risks are as old as companies themselves: product defects, undeclared labor or misconduct can undermine stakeholder confidence and the entire businesses. Two factors are making this intangible asset more valuable but also more exposed: first, the heightened vigilance of a society that is increasingly aware of corporate social and environmental responsibility and second, new

possibilities for accessing and sharing information fast on the internet and especially social networks. Whether real or fake news, a local controversy can go global in a matter of hours.

4. / Political instability

A trade crisis between the United States and China, political tensions within the European Union, armed conflict in Libya and Iraq, a crisis in multilateral institutions and national conflicts in nearly every region of the globe: the news in 2019 reflected a climate of political instability. This sort of tension can sometimes present new opportunities to companies – if new regulation or public demand is favorable – but it can also change their environment quickly and negatively, transforming the conditions for imports and exports, weakening supply chains, jeopardizing employee safety, and more.

5. / Climate change

While climate change may endanger the resources required for a company's activity or location in the long term, it also has short-term consequences: extreme weather events, a drop in consumer and society confidence in organizations that do not take the right steps towards transition, or financial risks when numerous investors turn away from sectors with the highest greenhouse gas emissions. Integrating the energy transition and climate concerns into processes can lead companies to rethink their supply chain, tools and manufacturing methods. At the same time, these changes in energies and processes can offer new opportunities for businesses.



“In the face of growing intentional threats, adversarial risk analysis reinforces companies’ capacity for anticipation.”

Reinforcing risk intelligence

“Adversarial risk analysis goes well beyond classic risk analysis approaches, because it is interested in the fact that some threats to an organization are intentional.”

We can’t predict a terrorist’s behavior in the same way as a hurricane. Specific methods are required, including adversarial risk analysis which is particularly suited to our times, when a very large number of risks are intentional: terrorist threats, cyberthreats, attacks on self-driving vehicle systems, and so on.

In the face of growing intentional threats, adversarial risk analysis enables companies to better anticipate risks, while providing insurers with precious information for underwriting their policies.

●
DAVID RIOS

A renowned specialist in decision mechanics and risk management, Professor David Rios, a member of the Royal Spanish Academy of Sciences, is conducting research at the Institute of Mathematical Sciences in Madrid. He is the holder of the AXA Research Fund Chair in Adversarial Risk Analysis.

In the case of cybersecurity, for example, adversarial risk analysis uses approaches inspired by game theory to anticipate attackers’ intentions and offer strategic and tactical solutions. It can provide a framework for companies to better allocate risk management resources.

This adversarial risk approach is also useful in fraud detection, helping insurers to continually adapt to fraudsters’ strategies. More generally, our methods also provide information by analyzing the competition between companies. In fact, I hope they will eventually be integrated into our business intelligence toolkit. This would be a very useful addition.”

Helping companies move forward



What drives a company to change? How can the fast-evolving social, economic and ecological environment be transformed into opportunities rather than barriers? And how can business leaders be helped to decipher and understand the future? These questions were discussed by 9 experts from AXA XL, the Group’s commercial property and casualty insurance and specialty risk division, who attended a workshop to contribute to the Integrated Report.



“Cube is a co-creation space to design and develop innovative risk management solutions with our customers.”

■ Philippe Gouraud, Global Head of Strategic Distribution at AXA XL

If there is one conviction shared by these AXA XL experts, it is that the more businesses remain in a “fog,” the more they will be tempted to stay where they are. “Faced with an increasing number of poorly identified risks or a context of strong uncertainty, corporate leaders tend to become more cautious, avoiding risky investments to the detriment of their long-term development,” explains Bruno Laval, Head of Europe at AXA XL. Yet, new digital technologies, growing automation, fast changing value chains and the shifting needs of customers and employees all call for action.

A tailored approach

How can an insurer help companies manage their risks to boldly plan for the future? “Unfortunately, there’s no single answer to this question,” replies Corinne Vitrac, Head of AXA XL Risk Consulting.



“That’s why we’re working with our client companies to understand their businesses, define and assess their risks, and advise them on the best ways to manage these risks.”

This tailored approach has proven its worth, particularly for managing natural risks, where modeling brings precise, tailored information. “For example, our engineering teams visualize companies’ exposure to climate risks site by site on maps enhanced with global field

observations and our very strong expertise in data mining,” explains Corinne Vitrac. This risk mapping exercise provides corporate leaders with the objective data needed to take strategic decisions.

This risk assessment tailored to each company’s unique situation has proven useful for societal and political risks. “Take a company that wants to finance the construction of a dam in an emerging country. The local



“It is now possible for a risk engineering team to analyze millions of sites, compared to barely 50 in the past.”

■ Corinne Vitrac, Head of AXA XL Risk Consulting

political instability often found in these markets makes this type of major project extremely hazardous. We assess and cover the potential losses that would occur if a project were cancelled by a government decision,” explains Julien Guénot, Country Manager France for AXA XL.

For companies facing particularly complex situations, where technology is crucial, AXA has designed Cube. “It’s an incubation space in co-creation with our customers to design and develop,



in six weeks, innovative risk management solutions, leading to a pilot project,” states Philippe Gouraud, Global Head of Strategic Distribution at AXA XL.

Co-creating the best risk management solutions

Identifying and pricing new risks, gathering and analyzing a large volume of data, developing a tailored approach to adapt to the immense variety of corporate



“Knowing that we provide support to their risk management teams enables companies to invest in disruptive technologies with greater confidence.”

— Daniel Maurer, Head of International Casualty at AXA XL

profiles... To support its customers, AXA XL has adapted its ways of working, developing new tools and services built on the most innovative technologies. This new approach has led the division to go well beyond its insurer-payer role to enable companies to operate in better conditions. “For example, with expert partners such as Contguard and Parsyl, we enable cargo carriers to know where their loads are at any time, and whether there are any changes in temperature or shocks along the way. This is essential for transporting fragile or valuable goods and enables our customers to operate with greater peace of mind,” explained Matthieu Daubin, EMEA Head of Marine at AXA XL.

Supporting risk management teams

AXA XL's expertise also enables the division to be a go-to partner for risk managers, who now play a critical role in medium to large companies. “With our risk scanning platform, which collects data on

remote sites and uses artificial intelligence, it is now possible for a risk engineering team to analyze millions of sites, compared to barely 50 in the past,” adds Corinne Vitrac. The Group also helps risk managers to analyze the evolution of certain risks. “Cybercrime is difficult to

understand since it's constantly changing. We provide customers with information on the dark web, trends and types of attacks so they can adapt their practices,” explains Sergio Pierro, a Cyber and Professional Indemnity Underwriter for AXA XL.



“We provide customers with information on cybercrime, which is difficult to understand since it's constantly changing.”

— Sergio Pierro, Cyber and Professional Indemnity Underwriter

This risk expertise is particularly useful for new economy, autonomy and technology (NEAT) companies. “Platform economy companies' products and models are rapidly changing. Knowing that we provide support to their risk management teams enables companies to invest in disruptive technologies (AI, self-driving vehicles, blockchain and quantum cryptography) with greater confidence,” points out Daniel Maurer, Head of International Casualty at AXA XL.

A compass for responsible choices

In addition to offering greater confidence in the future, insurance can empower companies to make

more sustainable choices. Risk assessment naturally integrates immediate threats, as well as longer-term risks, such as the risks to health, biodiversity and climate change. This information is in demand among AXA XL customers, some of which intend to join the Task Force on Climate-related Financial Disclosures (TFCD).¹ AXA's active participation in TFCD has led to the publication of a pioneering report.² In this way, the Group's expertise enables companies to integrate tangible data into their decision-making processes.

¹ TFCD is intended to improve climate report on risk assessment and performance.

² AXA's 2019 Climate Report available on [axa.com](https://www.axa.com)

Identifying, preventing and managing risks: a virtuous circle

Identifying and preventing risks

- AXA is investing heavily to improve its long-range knowledge of climate risks and using its vast quantity of data to help customers analyse natural disasters and climate events.
- For industrial clients, AXA XL has developed a risk scanning platform using artificial intelligence systems to scan risks on a large scale across entire supply chains.
- Geolocation systems enable transport companies to monitor risks in real time and optimize their routes.
- By joining forces with tracking technology experts like Parsyl and Contguard (in which AXA Venture Partners has also invested), AXA provides peace of mind for companies by offering real-time tracking of load conditions (shocks, temperature and humidity variations, etc.).
- AXA XL has formed a partnership with Accenture to better anticipate cyber risks by analyzing cybercrime trends and different types of attacks.
- SecurityScorecard, a start-up funded by AXA Venture Partners, provides the most accurate benchmark of IT risks on the market. This expertise enables AXA to improve the identification and underwriting of cyber risks.

Identify emerging risks
Collect data for risk analysis
Develop detection solutions
Provide risk alerts
Propose prevention services



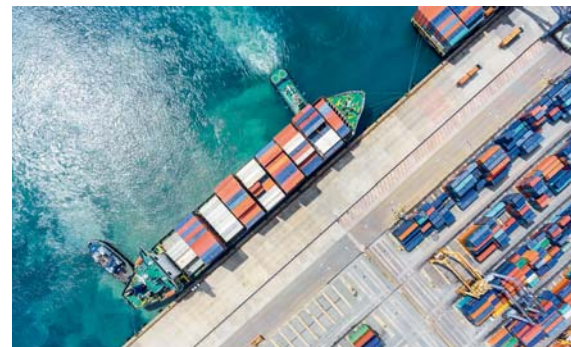
Industries

Food & beverages
Engineering
Aviation
Construction
Education & public services
Energies
Financial services
Healthcare
Transport & marine
Technology
Real estate



Risks

New technology-related risks
Political instability
Operational risks
Reputation
Climate



Price risks fairly
Offer risk-transfer solutions
Cover new and emerging risks
Co-build tailored solutions
Help companies to resume business after damage

Managing risks

- AXA XL is developing innovative solutions to enable companies to handle political risks: coverage for government decision changes on a major infrastructure project, protection against political violence, and so on.
- AXA XL and AXA Climate offer products to support businesses that are subject to climate risks: renewable energy producers, farmers, builders, etc. In particular, parametric insurance immediately and automatically triggers compensation if the observed weather conditions reach the levels stipulated in the contract.
- With Cube, AXA is co-creating innovative, tailored solutions with its clients to address risks that are not covered by traditional insurance. The process starts by understanding company's needs, developing ideas and then immediately testing them with pilot projects.
- Risk management also involves services that support companies in a crisis. Often integrated into the risk management processes set up by customers, AXA XL's reputation insurance offers services that help companies manage their digital reputation or restore their image in a crisis. The Group also provides solutions to help customers resume business faster after a cyberattack.

During the Covid-19 crisis, AXA is committed to support companies.

> [Discover the Group's initiatives on axa.com.](https://www.axa.com)

Agriculture: the keys to climate resilience

Farmers are caught in the middle of the climate equation. Not only are they the first to be impacted by climate disruption, but they also hold the key to many of the major environmental and social issues facing the planet today. Evolving farming practices are already offering positive environmental solutions such as carbon capture and soil resilience. And as the global population reaches an estimated 10 billion by 2050, they will play a critical role in our planet's ability to feed itself in the future.





The Group's expertise in parametric insurance, managed by AXA Climate, enables it to offer tangible solutions in sectors like farming that are directly impacted by climate hazards. AXA is drawing on its insurance business to help customers adapt to the impact of climate change, in line with its ambitious commitments to fighting global warming.



What obstacles do farmers face?

1. / A lack of visibility

Highly globalized food chains involve a very wide range of stakeholders, from farmers and distributors to crop input or equipment suppliers, major food manufacturers and trading companies. Their different strategies, combined with geopolitical instability, changing regulation and the impact of climate hazards on yields, cause strong fluctuations in raw material prices. This means farmers have poor visibility over their future revenues, given their dependency on market prices.

2. / A lack of investment

A direct consequence of poor visibility and low margins is that farmers cannot see far enough ahead to be able to test new practices or invest in cutting-edge processes. With changes in technology and pressure from environmental targets, the agriculture sector is nonetheless adopting innovations that could change the game: data mining to optimize varieties and inputs, connected systems, agrotech, etc. Two distinct farming worlds are forming: on the one hand, large farms with increasingly sophisticated practices, and on the other, small farms that are having trouble adapting.

3. / Isolation in the face of complex regulation

Many farmers work alone or with a small team of laborers who are essentially focused on field work. On top of this activity, they need to manage their farm's finances and paperwork, finding the time to submit compensation claims to their insurers. They also have to stay informed of evolving regulation and new consumer demands. To meet these different

requirements, farmers require a whole host of complementary skills (marketing, commercial law, health regulation, finance and accounting). Major food manufacturers, seed suppliers and cooperatives make advice and talent available to them, but these fragmented services often lack clarity.

4. / Limited insurance coverage

Traditional insurance policies are still struggling to cover all the risks facing the farming sector. Several factors are to blame, starting with the low insurance penetration rate among farmers in developing countries, who are nonetheless the first to be impacted by climate risks. In addition, many problems that affect crops are not recognized as direct consequences of natural disasters (fungal diseases after heavy rain, lower yields caused by a heatwave, etc.). Finally, the most popular insurance contracts exclude certain legal entities (such as cooperatives, which are not regarded as producers) and certain types of crops with specific features that make risk difficult to assess.

“One of the greatest challenges currently facing us is to feed a global population, due to grow by around 3 billion individuals by 2050, without destroying our environment.”

Securing food while protecting the environment

“Population growth and climate change are two intrinsically linked trends that can create a vicious circle: in order to feed a population that will soon grow by 3 billion, the world is adopting intensive farming techniques that cause deforestation and an increase in carbon emissions, ultimately generating climate change that will undermine food security. But this situation can be avoided.

Certain crops will play an essential role in feeding the world in the future. This is the case of rice, which is a staple of half of the global population's diet, providing nearly 20% of daily calorie requirements and 15% of the recommended protein intake. Some 80% of the world's rice farmers produce just enough to meet their own needs. Their yields could be greatly increased by simple technologies such as laser land leveling, but they require training and education. This is one of our missions at the International Rice Research Institute.



ROD WING

An expert in plant genomics, bioinformatics and evolutionary biology, Professor Rod Wing is the holder of the Bud Antle Endowed Chair for Excellence in Agriculture and Life Sciences at the University of Arizona's School of Plant Sciences in the United States. Since 2014, he has directed the AXA Research Fund Chair in Genome Biology and Evolutionary Genomics at the International Rice Research Institute in the Philippines.

With the AXA Research Fund, we are also carrying out research that involves analyzing more than 3,000 rice genomes from cultivated and wild varieties to identify the characteristics that have enabled them to adapt to the hazards of their environment: improved resistance to disease, the ability to grow in saltwater, and so on. We will then select traits from these genomes to breed new «green super rice» varieties that will have higher yield potential, better nutritional quality, the ability to grow in poor soils and greater tolerance to parasites, disease and climate events such as floods and droughts.

Starting in 2021, we will make this data universally available through publicly accessible digital gene banks. And we hope that similar initiatives can be carried out on other crops that are essential to food security, such as wheat, maize and soya.”

Toward medium-range regional climate predictions

“These days, science is skillful at making short-range local weather forecasts – for the next few hours or days – and long-range climate projections – for the next few decades. What remains hard to predict are the weather/ climate conditions in between these two time scales (the next few weeks or years). One of the goals of AXA Research Fund Chair is to obtain accurate medium-term regional forecasts, which can be useful to decision-makers and planners.

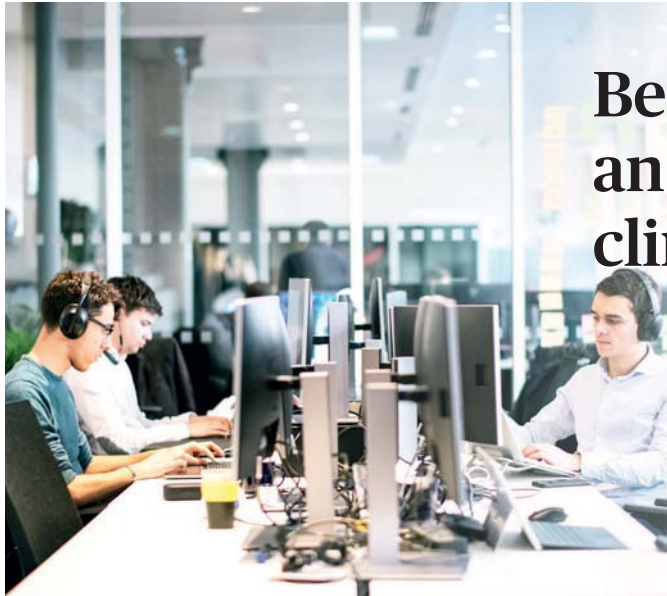
“The models we’re developing must enable global climate trends to be turned into skillful regional predictions.”



JOAQUIM PINTO
Meteorologist Joaquim Pinto is a specialist in extreme weather events and regional climate change. At the Karlsruhe Institute of Technology (KIT) in Germany, he is the holder of the AXA Research Fund Chair for Regional Climate and Weather Hazards, where he leads a group of 15 researchers.

It is generally well accepted that average temperatures are rising worldwide and some extreme weather events like heat waves are increasing in terms of frequency and intensity. However, this consensus does not answer the practical questions asked by decision-makers. For instance: How will the likelihood of heatwaves change in a town, village or farming region over the next 10 years? How intense can droughts potentially be when they hit a specific farm or tourist area? The models we're developing contribute to answering these questions, enabling global climate trends to be turned into skillful regional predictions with an estimation of the involved uncertainties.

In particular, we've contributed to the German 'MiKlip' project for decadal climate predictions. Led by KIT, the regional component of this project is aimed specifically at developing a 10-year forecasting system with a spatial resolution of just a few kilometers.”



Being an expert in climate risk

In the frontline of the environmental and agricultural transition, farmers need to serve the planet and feed consumers while complying to all the legal and financial constraints. How can AXA offer them visibility and security to meet these objectives? How can our knowledge of climate risks be turned into a tool for driving transformation in this key sector? We met with teams from AXA Climate, the Group's parametric insurance division that generates 50% of its business from protecting the agricultural sector.

"Today, we know how to immediately compensate farmers for climate hazards (drought, frost, etc.). Tomorrow, we will help them anticipate these events and equip themselves better to mitigate the impact." In these few words, Antoine Denoix, CEO of AXA Climate, sums up the aim of this division focused on parametric insurance. "Our goal is to transform a technical tool into a way to support general-interest sectors that depend directly on climate conditions, starting with agriculture."

This tool is a parametric insurance solution based on objective criteria (rainfall levels, drought durations, etc.), which automatically triggers payment



"Parametric insurance enables farmers to receive compensation immediately after a climate event."

— Adrien Cassegrain, Senior Underwriter at AXA Climate

when set thresholds are exceeded. Customers no longer need to submit claims statement or wait for payment. "Parametric insurance enables farmers to receive compensation immediately after a climate event, without waiting for a damage assessment. It's fast, avoids paperwork and enables them to hold down their loss or immediately reinvest in new crops," explains Adrien Cassegrain, Senior Underwriter at AXA Climate.

Among the customers served by this division are cooperatives that cultivate high-value crops, such as Bordeaux wine grapes. "Mid-cycle compensation enables them to find solutions to save their seasonal crops and not waste a production year," continues Adrien Cassegrain.

Collecting precise, objective data

"What makes this solution effective is clearly our ability to capture objective data," explains Alice Legrix de la Salle, Head of

Operations at AXA Climate. To this end, AXA Climate works with partners (public organizations and private suppliers) that have authoritative meteorological and agronomic data. "Our aim is to identify the most reliable data for every risk. For hail, which is very local, we have to use local sensors in the field. For drought risks, we can use satellite data that measures soil moisture," she states.

In addition to the tool itself, the advice offered by AXA Climate makes all the difference. "More than 50% of our customers are governments that want to protect their populations in the event of natural disasters or weather anomalies that endanger lives, as well as the national economy. We are carrying out major





research and analysis work with them to define the risks to be covered, along with the thresholds and compensation levels,” says Alice Legrix de la Salle.

Public-private partnerships with governments

AXA is working with public authorities and participating in governmental initiatives in many countries. In India, where agriculture accounts for 17% of GDP and 55 million farmers already benefit from insurance coverage, AXA Climate has partnered with PFMBY,¹ bringing

expertise in modeling, pricing and satellite imaging.

In Cameroon, Senegal and Côte d’Ivoire, AXA Climate insures nearly 90,000 farmers against droughts through public-private partnerships with these countries’ governments.

“We mainly cover small farmers whose crops feed both their families and their local markets. Since the insurance penetration rate is very low among these populations, a climate event can not only plunge them into poverty but also threaten national food security,” says Kristian Mangold, Public Service Business Developer at AXA Climate.

After a two-year analysis phase carried out hand in hand with local insurers, AXA Climate has developed a tailored scheme enabling participating farmers



to receive compensation if seasonal rain falls short of a certain threshold. “We ask them to sign up and pay a small share of insurance (about 10%) to ensure they are aware of subscribing to this solution. The remaining 90% is provided by the authorities. The money paid to these farmers can be used to buy the food they need to compensate for their losses or to reinvest in new crops,” explains Kristian Mangold. Meanwhile, governments become more resilient to climate risks

¹ Pradhan Mantri Fasal Bima Yojana, an Indian government-sponsored crop insurance scheme

“By breaking down crop cycles, we can improve our understanding of the variations linked to weather events and inform our clients.”

Adrien Cassegrain, Senior Underwriter at AXA Climate

By alerting and compensating farmers, we enable them to buy and use intrants more efficiently and at the right time,” explains Adrien Cassegrain.

AXA Climate can also better guide customers in their choices, better protect the crops required for global food security “and in doing so switch from the role of a parametric insurance provider to a partner in climate risk intelligence for the agriculture and the food industries,” concludes Antoine Denoix.

without having to build specific reserves. This solution would never have been possible without parametric insurance or an international company like AXA, which has access to global markets and a wide range of expertise.

An expert in climate risk knowledge

Developed by AXA Climate, the CYMO natural catastrophe platform draws on the skills of about 50 experts and a network of satellites, planes and drones to alert our customers at the right time - neither too early nor too

late - in the event of natural disasters and enable them to visualize any damage within a few hours.

This technology and expertise enables the risks of natural events to be analyzed and anticipated. With the data collected in the field, AXA Climate can help its customers, and in particular farmers, to prevent climate risks. “By breaking down crop cycles, we can improve our understanding of the variations linked to weather events and inform our clients. We know, for example, that excessive rainfall washes the soil and reduces the effect of fertilizer.



Helping farmers face climate risks

Protecting government, companies and individuals

- In China, AXA Climate is bringing its expertise to **product design and pricing** to reinsure the farming sector. In partnership with local insurers, the division is helping insure 150 million Chinese farmers.
- In India, AXA Climate is supporting the **national agricultural system** by offering the government its expertise in models, pricing tools and satellite imagery. In this way, 55 million farmers benefit from insurance.
- On the African continent, AXA Climate is developing **insurance programs** for six governments: Cameroon, Ivory Coast, Rwanda, Ethiopia, Senegal and Zambia. Approximately 300,000 farmers benefit from insurance against climate risks and their impacts.



Protect

Companies
Governments
Individuals



Our parametric insurance model

- Analyze risks
- Identify and collect data
- Design tailored products
- Monitor data in real time
- Send preventative alerts
- Trigger automatic compensation



Four major farming risks

- Frost
- Drought
- Low yields
- Cold spells

Insuring major farming risks

- To insure **Saint-Emilion vineyards (France) against the frost risks**, AXA Climate analyzes the daily minimum temperatures recorded by the neighboring weather station. The contract defines the risk period, the minimum temperature and the threshold for triggering compensation.
- AXA Climate insures a **German dairy cooperative against drought risks**. The cumulative quarterly rainfall is compared with the annual average and compensation is automatically triggered if it is lower.
- The **yield protection insurance proposed to cooperatives** is based on the customer's historic yield data and an index of average regional output.
- In Canada, AXA Climate insures a **fish farm piscicole** against losses related to cold spells. Compensation is triggered as soon as the surface temperature of the sea drops below -15°C for more than 15 days.



► Preventing risks in real-time with CYMO

- Developed by AXA Climate, **CYMO is a platform that identifies, analyzes and prevents the risks** of natural disasters linked to climate hazards. The aim is to support the customers who are most vulnerable to these extreme events.
- Available 24/7/365, **CYMO draws on the combined skills of more than 50 experts** worldwide and a network of satellites, aircraft and drones that crisscross the globe to accurately identify risks and damage.
- **CYMO has three features for supporting customers at every step:** SMS or phone alerts at any hour when a risk is identified, a precise visualization of the damage incurred within hours of an event, and automatic action to safeguard goods and people, including compensation.



Our impact



**Our sustainable
value creation**

Our indicators

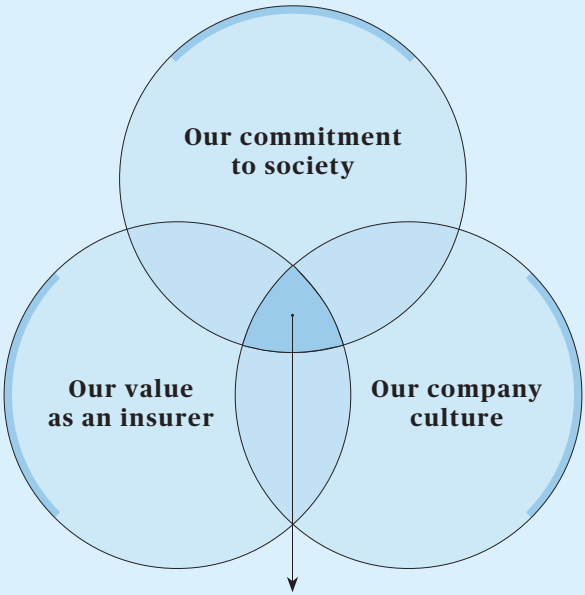
Our levers



2019

Our purpose

In formulating our purpose, our aim is to put into words what drives AXA and its teams, expressing both our role in the business economy and our commitments as a responsible company serving society. Using a collaborative process throughout the Group, the people behind AXA have chosen these words to describe our action.



We asked members of the Partners Group and eight categories of Group stakeholders for their opinions. Their responses and the 160,000 quotes provided in the Pulse survey were analyzed to throw light on the key features of AXA's identity. This work was then followed by contributions from the Group's 1,000 top managers during AXA Days, which led to the formulation of a purpose that was submitted to the Board of Directors of the Group. Finally, the AXA Conversation platform has enabled AXA employees to discuss and adopt this purpose.

**Acting for human progress
by protecting what matters**

Acting for human progress...

AXA works with and for individuals and communities, from NGOs, to cities and governments. The essence of our insurance profession – pooling risks – makes us a critical link in mutual support and social ties. Our understanding of risks enables all these stakeholders to anticipate the future and become more resilient. Through our investment choices, we foster positive directions for society. In this way, we encourage responsible innovation and make it universally accessible.

... by protecting...

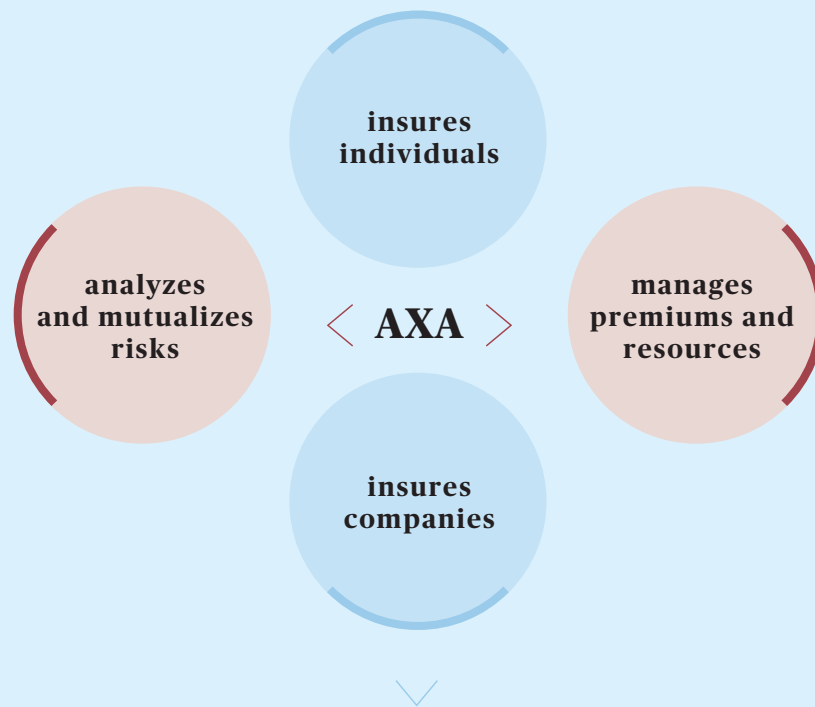
Being there for our customers and protecting them is at the heart of everything we do. We are at their side to help them get back on their feet and return to normal. We facilitate their everyday lives by facilitating their access to health services, savings and long-term care. We manage the risks they need to face to soften the impact. Through all these actions, we help customer overcome challenges and achieve their goals.

... what matters

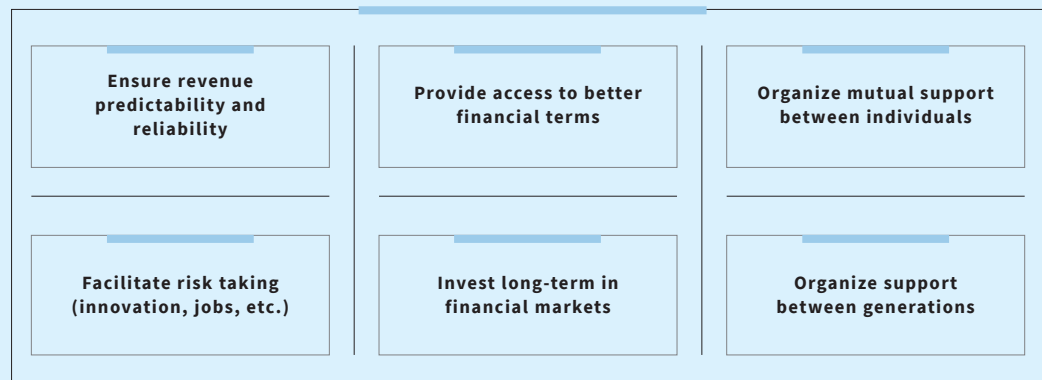
We enable individuals and communities to move forward by protecting their basic needs: environmental protection, access to healthcare, prosperity and quality of life. Our decisions and commitments are based on objective scientific data. We also consider society as a whole, inclusively: what is good for an individual must also serve the public interest. As a global leader, we act on a very large scale, making a significant impact on economies and societies.

Our profession

Insurance is a major catalyst for economic development and progress in society. It also plays a key role in the distribution of wealth, the allocation of economic resources and the resilience of individuals in the face of risks. AXA's aim is to extend the scope of insurance action to reinforce its positive role.



OUR IMPACT - SUSTAINABLE VALUE CREATION



1. Pushing the boundaries of underwriting

Insurers analyze the impact and frequency of risks to set prices. Pooling creates a system of mutual support, through which the good fortune of the many benefits the few who encounter difficulties. AXA is developing ways to extend the scope of insurance coverage. The Group is innovating to enable populations who have traditionally been less well protected (such as emerging consumers or women) to access insurance. It is also creating solutions to cover new types of risks: cybercrime, weather risks, and so on. Like natural disaster insurance schemes that are jointly managed by the State and insurance companies, AXA is working to create a pandemic insurance regime as a public-private partnership.

2. Promoting positive-impact investment

Insurers invest the premiums they receive in financial markets to cover their customers' risks in the future. Often focused on the long term, these investments are essential for funding the economy. AXA aims to meet two objectives with its investment choices. First of all, it looks for quality, to bring its customers and shareholders guarantees of solidity and durability. Second, the Group aims to steer business stakeholders in directions that are positive for society. Its commitment to divesting from the coal and tobacco industries, in particular, and the creation of positive-impact funds enable AXA to direct financial flows to business sectors that take a more responsible approach to the environment and healthcare.

3. Offering useful new solutions

In line with its "Payer to Partner" strategy, AXA is developing new services. In this way, the Group is expanding the insurance value chain to enable customers to prevent or reduce the impact of negative events. With the support of AXA Next, the division focused on innovation, all the Group's business lines are developing additional solutions for their customers. In addition to its health insurance offering, for example, AXA is developing a whole range of services enabling customers to prevent health problems, access quality practitioners and simplify treatment follow-up. AXA is also pioneering new e-health applications and opened its first integrated medical centers in 2019.

CUSTOMERS

We serve both corporate and individual customers. They bring us the revenues we need to act, through their premiums and payments.

INVESTORS

AXA shareholders and bondholders provide the funds required for our business.

EMPLOYEES

Our employees' diverse range of profiles and professional expertise enables AXA to be effective, profitable and well managed.

DISTRIBUTORS

We work in close cooperation with distributors: agents, brokers and bankers.

PARTNERS

We buy products and services from external providers.

GOVERNMENTS AND REGULATORS

These authorities set the rules for the insurance sector: prudential regulation and taxes on our products and services.

CIVIL SOCIETY

We require the trust and support of our stakeholders to operate our business effectively.

WE IDENTIFY, ASSESS AND POOL RISKS RELATED TO PEOPLE AND BUSINESSES FOR A MORE STABLE WORLD. WE HELP OUR CUSTOMERS MANAGE THEIR RISKS.

WE COMMIT TO CUSTOMERS, PARTNERS AND INVESTORS AND REINVEST PART OF OUR PROFITS IN OUR BUSINESS, IN OUR HUMAN RESOURCES AND IN OUR COMMUNITIES.

WE CREATE PRODUCTS AND SERVICES THAT ENABLE OUR CLIENTS TO TRANSFER THEIR RISKS.

CUSTOMERS

Our service before, during and after claims provide financial security and peace of mind. Our preventative action helps them to live a better life.

INVESTORS

The dividends and interests we pay them generate regular returns.

EMPLOYEES

We pay our employees fairly, while developing their skills and employability.

DISTRIBUTORS

We pay our distributors according to our established agreements and support them with training throughout their careers.

PARTNERS

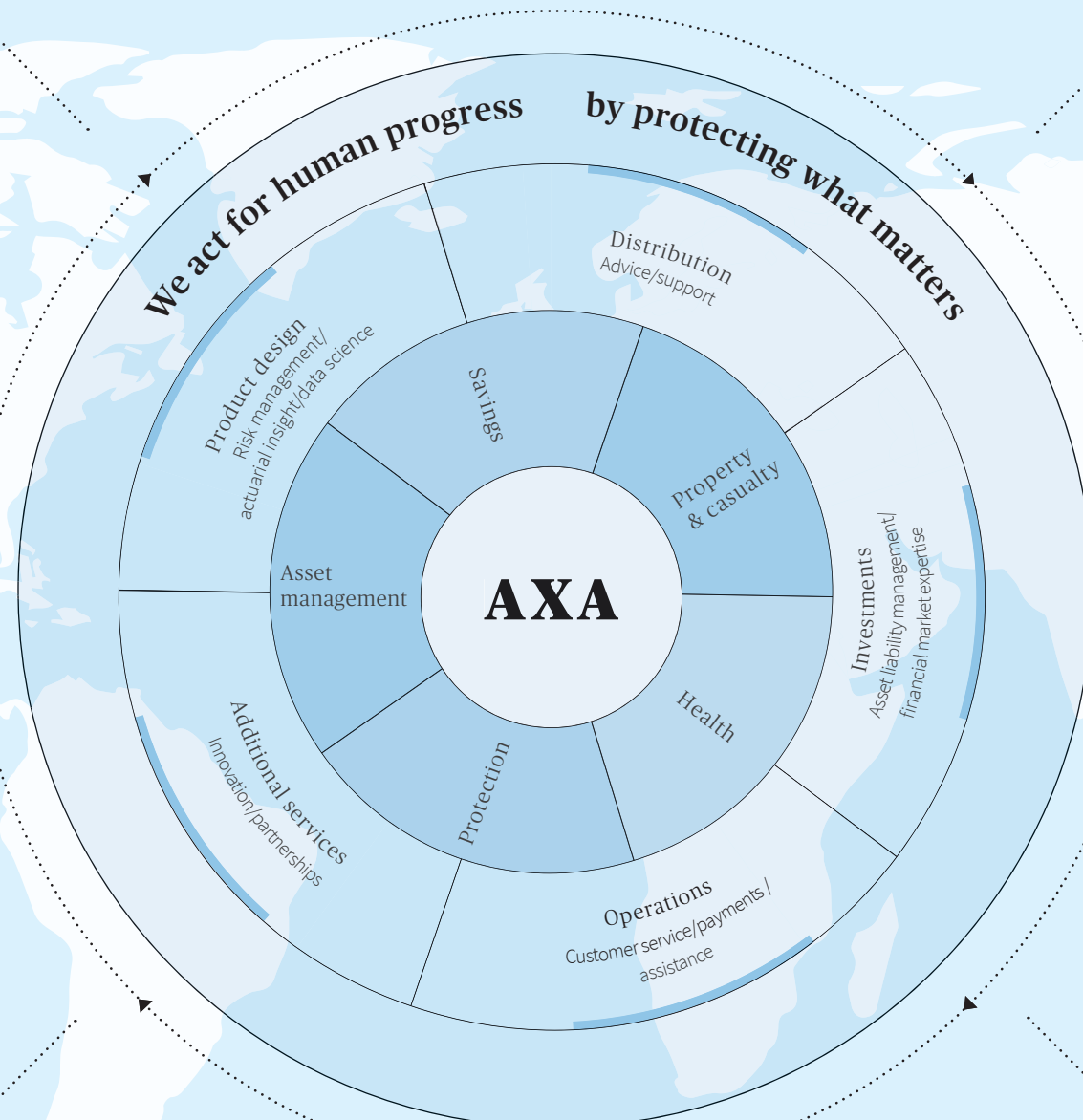
As a reliable partner, we help the companies we work with and invest in, to grow.

GOVERNMENTS AND REGULATORS

We work with authorities as a responsible, ethical company and contribute to the countries in which we operate by paying our taxes.

CIVIL SOCIETY

We generate a positive impact on society through our investments and our universally accessible products, and by helping solve major environmental and social issues through our business and commitments.



WE INVEST RESPONSIBLY ON BEHALF OF BOTH OUR CUSTOMERS AND OUR SHAREHOLDERS.

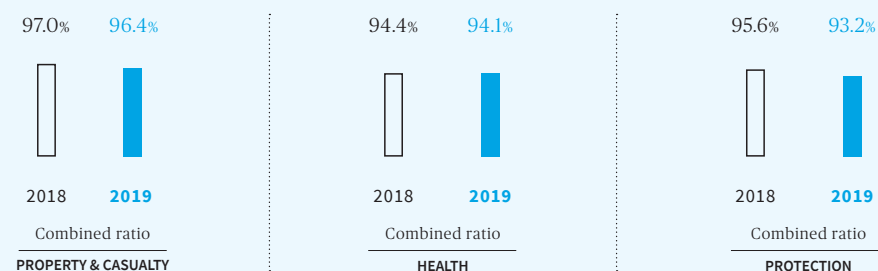
Our sustainable value creation

Our 2019 financial results

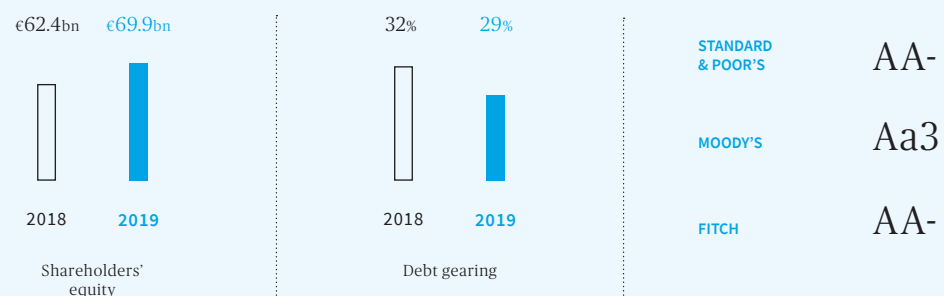
Revenues



Technical profitability



Financial strength

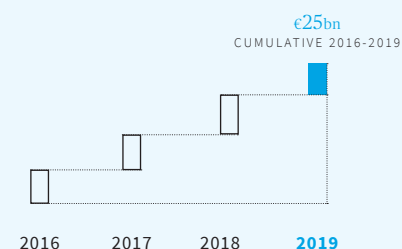


"AXA pursued organic growth and high underwriting profitability in 2019, driven by its key segments: corporate property and casualty, health and protection. With its increasing equity and decreasing debt ratio, the Group's balance sheet is robust."

ÉTIENNE BOUAS-LAURENT
AXA Group Chief Financial Officer

AMBITION 2020

Free cash flows



Underlying earnings per share



€25bn
CUMULATIVE
2016-2019

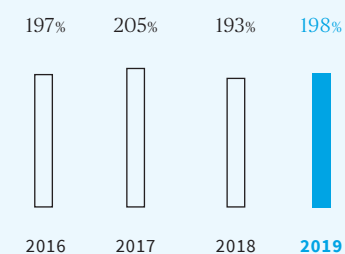
Ambition 2020
€28bn - €32bn
CUMULATIVE
2016-2020

+5%
CAGR*
2015-2019

Ambition 2020
3% - 7%
CAGR*
2015-2020

*Compound annual growth rate

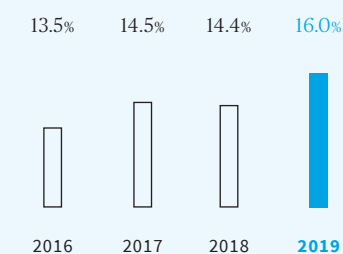
Solvency II ratio



198%
2019

Ambition 2020
170% - 220%
TARGET RANGE

Adjusted return on equity



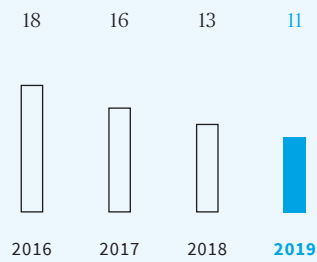
16%
2019

Ambition 2020
14% - 16%
TARGET RANGE

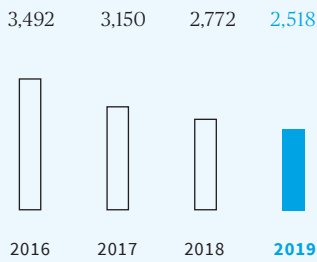
Our environmental impact

OUR FOOTPRINT

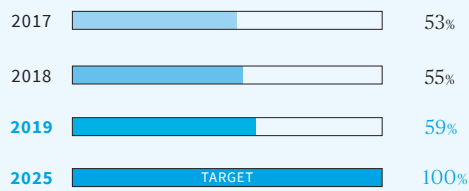
Paper consumption (kg/FTE*)



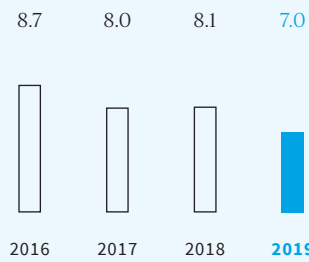
Energy consumption (kWh/FTE*)



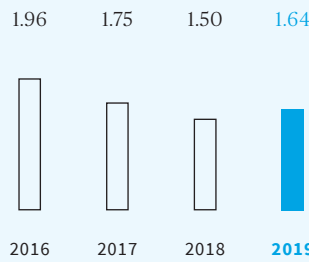
Share of electricity consumption from renewable sources



Water consumption (m³/FTE*)



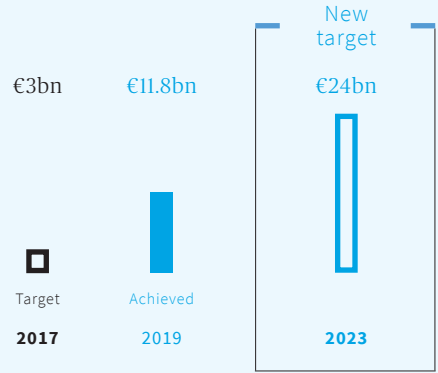
CO₂ emissions (tCO₂/FTE*)



In 2002, AXA introduced an environmental reporting process. Implemented in its divisions through a network of 300 employees and environmental managers, this process enables the Group to assess and manage its carbon footprint, consumption of natural resources, including water and energy, and production of waste. In addition to the action driven by its investment and underwriting policies, AXA also aims to continually improve its environmental footprint.

OUR IMPACT

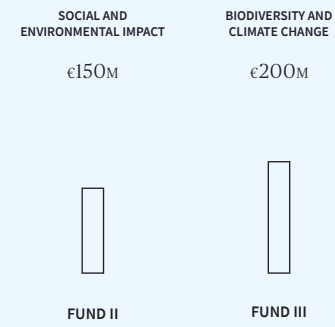
Green investments



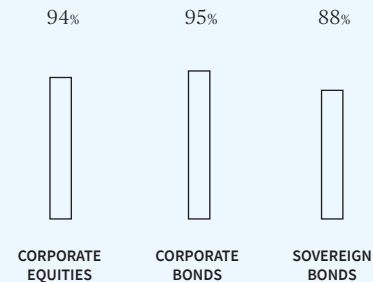
Assessment criteria

- **Green bonds:** externally labelled (e.g. by the Climate Bonds Initiative) + additional AXA criteria and reviews
- **Infrastructure:** Climate Bonds Initiative criteria/focus on renewable energies, water treatment and clean transport
- **Impact funds:** the share of AXA impact funds targeting a climate impact
- **Real estate:** excellent or gold environmental certification and B or above energy performance certificate
- **Commercial real estate securities:** strict green criteria/excellent or gold environmental certification criteria

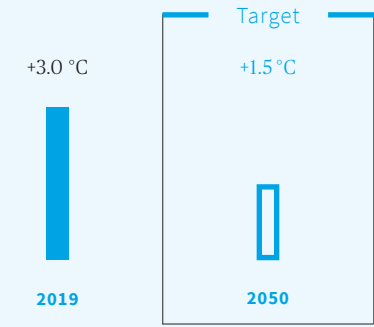
Environmental impact funds



Share of the investment portfolio covered by ESG analysis (2018)



Global warming potential of the investment portfolio



The Paris Agreement, ratified by 189 countries, sets a target of containing global warming below +2°C by the end of the century, while urging member states to pursue efforts to achieve a maximum of +1.5°C above pre-industrial levels. AXA is committed to measuring the warming potential of its investment portfolio and aligning it with the trajectory set out in this agreement. The method used to calculate warming potential is based on economic and corporate accounting data, as well as the carbon intensity projections presented in the Paris Agreement.

*FTE: Full-Time Equivalent

Our social impact

FOOTPRINT

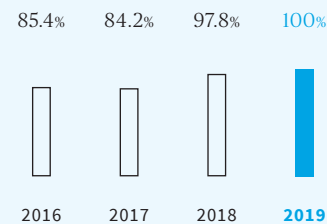
Number of employees in 2019

160,218 people
of which (120,869 salaried workforce
39,349 agents

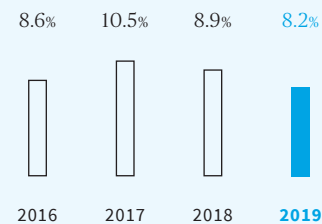
Salaried workforce diversity in 2019

46% Men 54% Women

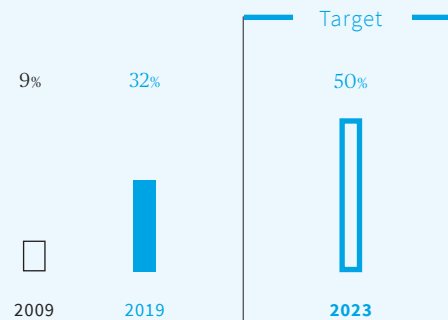
Share of employees who attended training in 2019



Internal mobility



Share of women among AXA Group Senior Executives

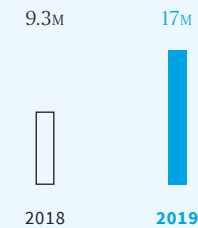


AXA has introduced a program to **achieve gender parity among its top managers by 2023**. AXA has also committed to eliminating all unjustified pay gaps, using dedicated budgets if necessary, to **reach gender pay parity** in every region of the world by 2023 at the latest.

IMPACT

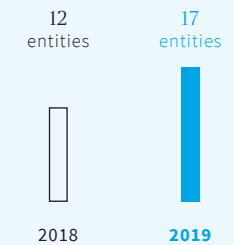
MAKING INSURANCE ACCESSIBLE TO ALL

Emerging customers



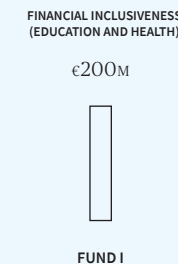
17 million emerging customers are insured by AXA through its local teams and partnerships in India, Indonesia, Thailand, Egypt, Malaysia, Morocco, Nigeria, Brazil and Mexico.

Women in Insurance initiative

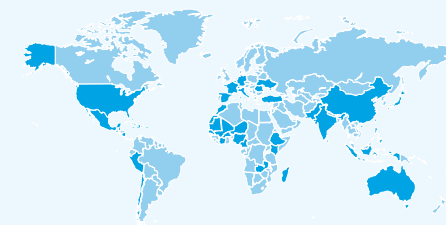


17 entities have made a strategic priority of growing the female segment. 26 products have been developed to better meet women's needs.

Impact fund



AXA Climate

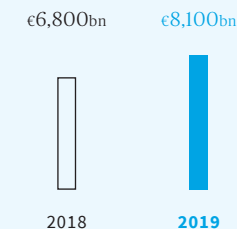


AXA Climate provides **immediate coverage to communities facing climate risks**. In 2019, 150 million customers in 40 countries benefitted from AXA Climate coverage.

2019 AXA Climate coverage

COMMITTING TO COLLECTIVE ACTION

Tobacco-Free Finance Pledge



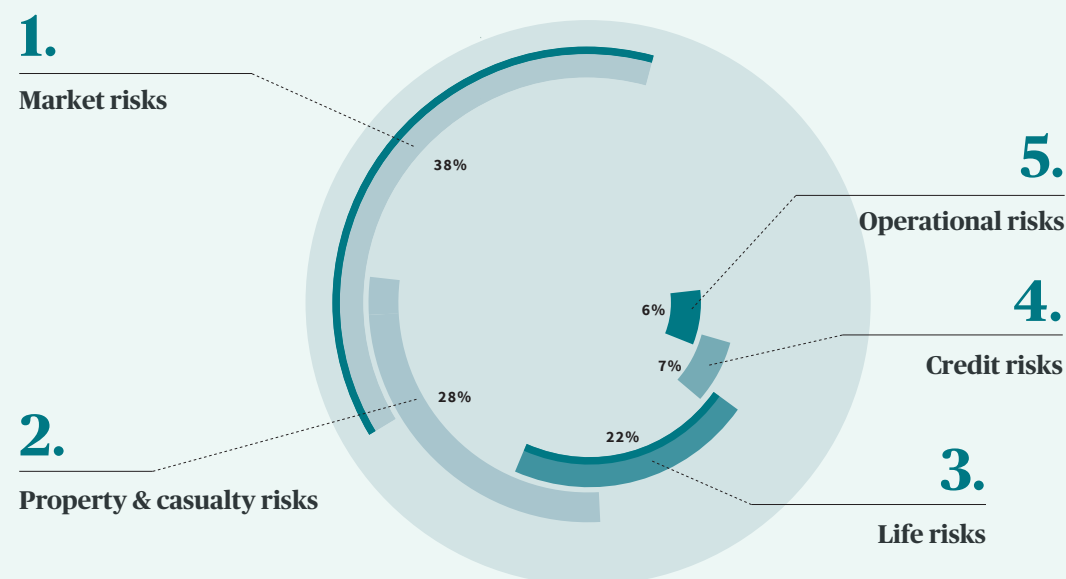
Assets under management by the signatories of the Tobacco-Free Finance Pledge

Inclusive economy

- AXA has been a founding member of the "Coalition pour une économie inclusive," a **coalition of companies supporting an inclusive economy** in France since December 2018.
- AXA has also been a founding member of the **Business for Inclusive Growth (B4IG)** coalition coordinated by the OECD since August 2019.

Understanding, anticipating and managing risks

To measure its exposure to risks, AXA uses a robust internal model that calculates the required capital to withstand an extreme shock.



1 / MARKET RISKS

These risks are mainly fluctuations in interest rates and share prices impacting AXA's business, variations in exchange rates and the management of currency exposure and holding company debt.

2 / PROPERTY & CASUALTY RISKS

AXA is exposed to risks linked to premiums (fluctuations in insured events) and the assessment of technical provisions (variations in the frequency and cost of damage). The Group is also exposed to disaster risks. Damage risks are mitigated by diversification across geographic areas and business lines.

3 / LIFE RISKS

A change in mortality trends, either upwards or downwards, can have an impact on the amounts paid by AXA to its insurance customers.

4 / CREDIT RISKS

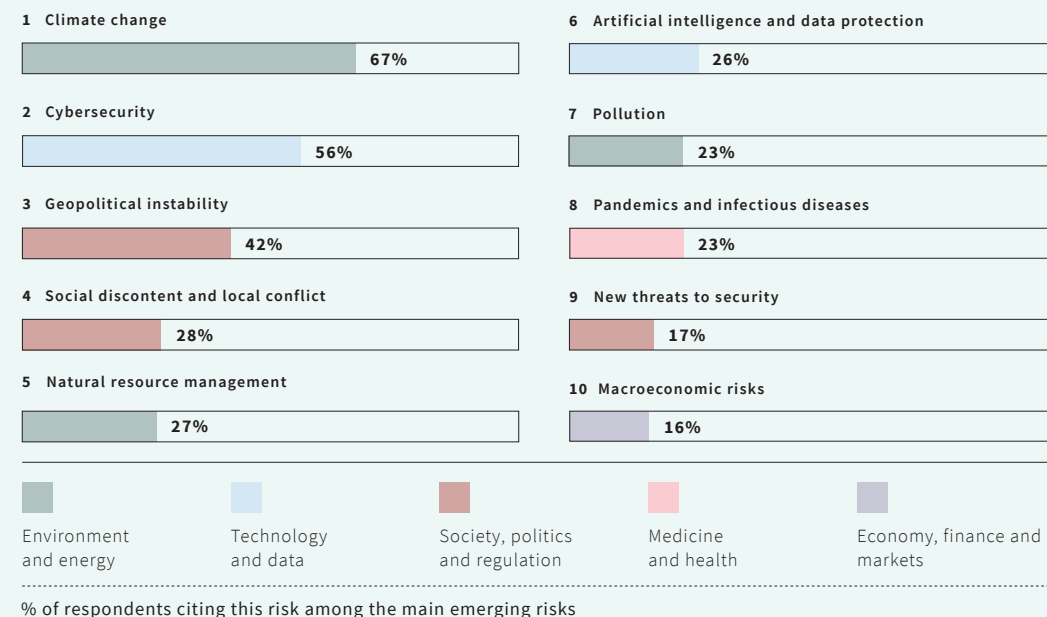
Credit risks, or potential loan defaults, mainly concern investment portfolios, reinsurer debt and exposure to third-party debtors.

5 / OPERATIONAL RISKS

These are risks of losses from unsuitable or ineffective internal processes, human error or external events (fraud, cyberattacks, etc.).

AXA uses a risk management framework to systematically identify, measure, manage and control risks. With its Ambition 2020 plan, the Group significantly reduced its exposure to financial risks in 2018 and 2019, while increasing its exposure to insurance risks.

Every year, AXA produces a barometer of emerging risks. In 2019, in partnership with Eurasia Group, 1,700 experts from 58 countries were surveyed on their perceptions of emerging risks.



1 / CLIMATE CHANGE

- **Evolution:** 67% in 2019 / 63% in 2018 / 39% in 2017.
- **Main threat:** the vast majority of respondents emphasized the physical risks linked to global warming (88%), before responsibility and transition risks.

2 / CYBERSECURITY

- **Evolution:** 56% in 2019 / 54% in 2018 / 34% in 2017.
- **Main threats:** disruption to essential services and critical infrastructure is the most cited threat (44%), before extortion (15%) and identity theft (15%).

3 / GEOPOLITICAL INSECURITY

- **Evolution:** 42% in 2019 / 31% in 2018 / 20% in 2017.
- **Main threat:** the responses vary between regions, reflecting the current situation: American respondents mostly cite populist threats, whereas those in Asia, Africa and the Middle East cite tensions between nation states.

4 / SOCIAL DISCONTENT AND LOCAL CONFLICTS

- **Evolution:** 28% in 2019 / 25% in 2018 / n.d. in 2017.
- **Main threat:** for around half of all respondents, pay gaps are creating the worst tension. Migration and territorial issues are also cited by 23% of respondents, mainly from America.

Anticipating emerging risks enables AXA to play its role as an insurer, make the right decisions and provide society with expert insights on risks. **The growing interconnectivity of risks** validates the Group's cross-functional approach and consistent, integrated risk management. Even though they are not at the top of the survey's ranking, several **medical and health risks** are directly connected to environmental, technological and political developments. This analysis validates AXA's focus on health insurance as a priority segment.

Find the **Future Risks Report** on [axa.com](https://www.axa.com) (Newsroom > Publications).

Entering a new phase in our climate strategy

In the financial sector, AXA has been a pioneer in its action to limit global warming. The Group was the first to commit to divesting from the coal sector in 2015, followed by oil sands in 2017. In 2019, the Group initiated an ambitious new phase in its climate strategy.

2019: a new phase in AXA's commitment

In 2019, AXA entered a new phase in its climate commitment, drawing on its expertise to offer new, even more effective and impactful measures. AXA also set a new ambition: to help drive transition in industry, as well as the finance sector.

At the heart of these new commitments is AXA's aim of limiting the warming potential of its investment portfolio to +1.5°C, in line with the Paris Agreement. Currently, this potential stands at +3.0°C, which is significantly better than the sector average due to the divestments made since 2015, but still too high to help build a sustainable world.

AXA's portfolio reflects the state of the economy. That is why the Group is aiming to help industrial companies achieve transformation by creating transition bonds, a new asset class for funding transition projects led by companies that are

not yet eligible for green bonds. At the same time, AXA is continuing to increase its green investments, aiming to reach €24 billion by 2023. The Group's new climate policy also includes a complete withdrawal from the coal industry by 2030 in European and OECD countries, and by 2040 in the rest of the world. This objective naturally aligns with the gradual exit strategy launched by the Group in 2015.

Driving adaptation to climate change

As a driver of the energy transition, AXA also aims to drive adaptation, drawing on its expertise as an insurer to better mitigate the impact of climate change.

The Group aims to be an ally in climate change adaptation, by providing solutions like CYMO (a surveillance system by satellite or drone that issues alerts and evaluates damage in real time) and by offering authorities information to aid decision making.

Collective action

It has always been AXA's conviction that efforts to limit climate change require a commitment to major collective action. That is why AXA has joined the Net Zero Asset Owner Alliance, a group of investors committed to transitioning their portfolio to net-zero greenhouse gas emissions by 2050.

AXA will contribute in particular by sharing its expertise in climate finance methodology. AXA has also partnered with C40, a coalition of the world's largest cities working to boost their resilience to natural disasters.

1. Aligning our portfolio with a +1.5°C scenario

AXA measures the warming potential of its investment portfolio and commits to reducing it to +1.5°C by 2050. Part of the €50 billion reinvested annually by AXA will thus follow low-carbon and warming-potential criteria.

2. Supporting the energy transition

Transition bonds are a new asset class designed to finance companies engaged in transition projects. A first €100 million fund has been launched in partnership with Crédit Agricole. This will finance energy providers in emerging countries that are switching from coal to gas, and maritime transportation companies that are replacing their diesel fleets with ships powered by liquified natural gas.

3. Fully withdrawing from coal

To reach its objective of fully exiting the coal industry, AXA is reinforcing its exclusion criteria, discontinuing business with any customers that are developing new coal projects exceeding a capacity of 300 MW (compared to 3 GW previously). It is also adding a new criterion: a maximum total output of 10 GW.

4. Contributing to climate resilience

Through its knowledge and understanding of risks, AXA can help identify the right measures for strengthening resilience to climate change. However, these measures often concern facilities and infrastructure operated by public authorities, making public-private cooperation essential. AXA's involvement in the C40 network supports this approach.

Co-building with our stakeholders

AXA maintains regular dialogue with its stakeholders. The Group has also set up discussion forums to anticipate and integrate society’s needs into its business decisions and commitments.

Extra-financial ratings

DOW JONES SUSTAINABILITY INDEX 3 rd place <small>Score: 83/100</small>	MSCI (ESG rating) AAA	UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT (SCORE) A+
VIGEO EIRIS Sector leader	CDP (SCORE) A -	FTSE4GOOD <small>Included in the index since</small> 2008

Why we engage in dialogue	Who we engage in dialogue with	How we engage in dialogue	Some examples of our action
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Anticipating trends and transitions

AXA has set up dialogue to obtain input on the major transitions underway and understand the short, medium and long-term impacts. This helps the Group anticipate emerging risks and understand the opportunities for its customers and society.

- EMPLOYEES:** our experts from all over the world bring an in-depth and international vision of issues.
- PARTNERS:** we can discuss and share our ideas with peers asking similar questions.
- GOVERNMENTS AND REGULATORS:** we work with international institutions and governments leading collective initiatives.
- CIVIL SOCIETY:** experts and NGOs provide insights on the major transitions underway.

- PARTNERSHIPS WITH NGOS:** AXA is building partnerships with NGOs to work in depth on major issues.
- INTERNATIONAL SUMMITS AND CONFERENCES:** AXA takes part in international events that enable the Group to discuss issues with the international community.
- STAKEHOLDERS ADVISORY COMMITTEE:** AXA has set up a committee of civil society stakeholders that meet at least once a year with the Group’s governing bodies to share their perspectives on the transitions underway.

AXA’s decision to withdraw from the tobacco industry was driven by our work with the Tobacco Free Portfolios (TFP) NGO. The Group was one of the first signatories of the Tobacco-Free Finance Pledge at the United Nations headquarters in 2018.

In line with its climate and biodiversity commitments, AXA has been working with The Nature Conservancy for the past two years to create blue carbon credits. Tied to the carbon credit system, these assets place a price on the services rendered to biodiversity by coastal wetlands.

Founding member of the Task Force on Climate-related Financial Disclosures (TCFD), a working group on financial information related to climate performance, and a leader in measuring the impact of climate change. AXA is the first company in the financial sector to have published a TCFD report.

Co-building action

Day to day, AXA builds solutions and processes to meet the needs of its stakeholders. Through regular dialogue, the Group can integrate and validate its choices to best serve its beneficiaries.

- INVESTORS:** we discuss regularly with our shareholders and investors, and take their constructive feedback into account.
- CUSTOMERS:** our individual and corporate customers provide us with tangible information on their needs.
- EMPLOYEES:** our employees share their needs and report on the needs of the customers and partners they work alongside day to day.
- PARTNERS:** the business partners we co-build our solutions with bring views and expertise to complement our own.
- GOVERNMENTS AND REGULATORS:** contacts with them can help us comply with complex regulation.

- SPECIALIST COMMITTEES:** AXA organizes dialogue with groups of direct stakeholders (such as shareholders) to guide decisions on specific topics.
- LABOR RELATIONS:** AXA has set up formal labor relations with employee representatives worldwide, particularly within the Group’s European Works Council.
- INTERNAL CO-CREATION:** AXA regularly collects employee feedback through the AXA Pulse survey and uses the AXA Conversation platform to promote constructive exchanges.
- INTERNAL AND EXTERNAL SURVEYS:** similar to its emerging risk barometer, AXA has developed a number of other surveys to monitor its clients and other stakeholders’ changing needs.

AXA has set up a network of experts to move forward on ethics and data protection issues and prepare for new legislation.

Through the AXA Conversation platform, AXA has opened in-depth dialogue with employees on the expression of its purpose, enabling each individual to adopt this purpose.

In 2019, AXA France launched monassurancecitoyenne.com, a crowdsourcing platform to define the priorities for citizen savings. After this public consultation, the Épargne Citoyenne label was created and four certified products have already been launched.

Drawing on strong governance

Board of Directors 31/12/2019



**DENIS
DUVERNE**

Chairman of AXA's
Board of Directors



**THOMAS
BUBERL**

Chief Executive Officer
of AXA



**PATRICIA
BARBIZET**



**MARTINE
BIÈVRE**

Employee
Representative



**JEAN-PIERRE
CLAMADIEU**

Senior Independent
Director



**BETTINA
CRAMM**

Employee
Representative



**IRENE
DÖRNER**



**RACHEL
DUAN**



**ANDRÉ
FRANÇOIS-PONCET**



**ANGELIEN
KEMNA**



**STEFAN
LIPPE***



**FRANÇOIS
MARTINEAU**



**RAMON
DE OLIVEIRA**



**DOÏNA
PALICI-CHEHAB**

Employee Shareholders
Representative



**ELAINE
SARSYNSKI**

*It is with great sadness that AXA announced the death of **Stefan Lippe** on April 24, 2020. The Board of Directors and the Management Committee of AXA are grateful for his many decisive contributions to the Group during his eight years on the Board.

Composition of the Board

60%

independent
directors

53%

women
members*

8

nationalities

61

average age

*46% of women excluding employee representative

Board members' skills and expertise

Experience in businesses and industries



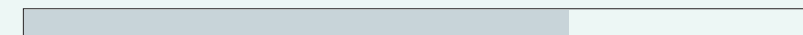
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Experience and knowledge of regulatory and legal matters



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Financial expertise



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Extensive experience of customer services and digital strategies



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Experience in growing and emerging markets



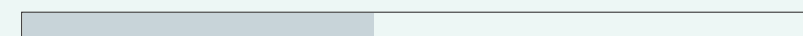
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Strong leadership and senior management experience



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Oversight of sustainability and environmental stewardship



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Committee activity in 2019

AUDIT

6

meetings

Attendance: 90%

FINANCIAL

5

meetings

Attendance: 100%

COMPENSATION AND GOVERNANCE

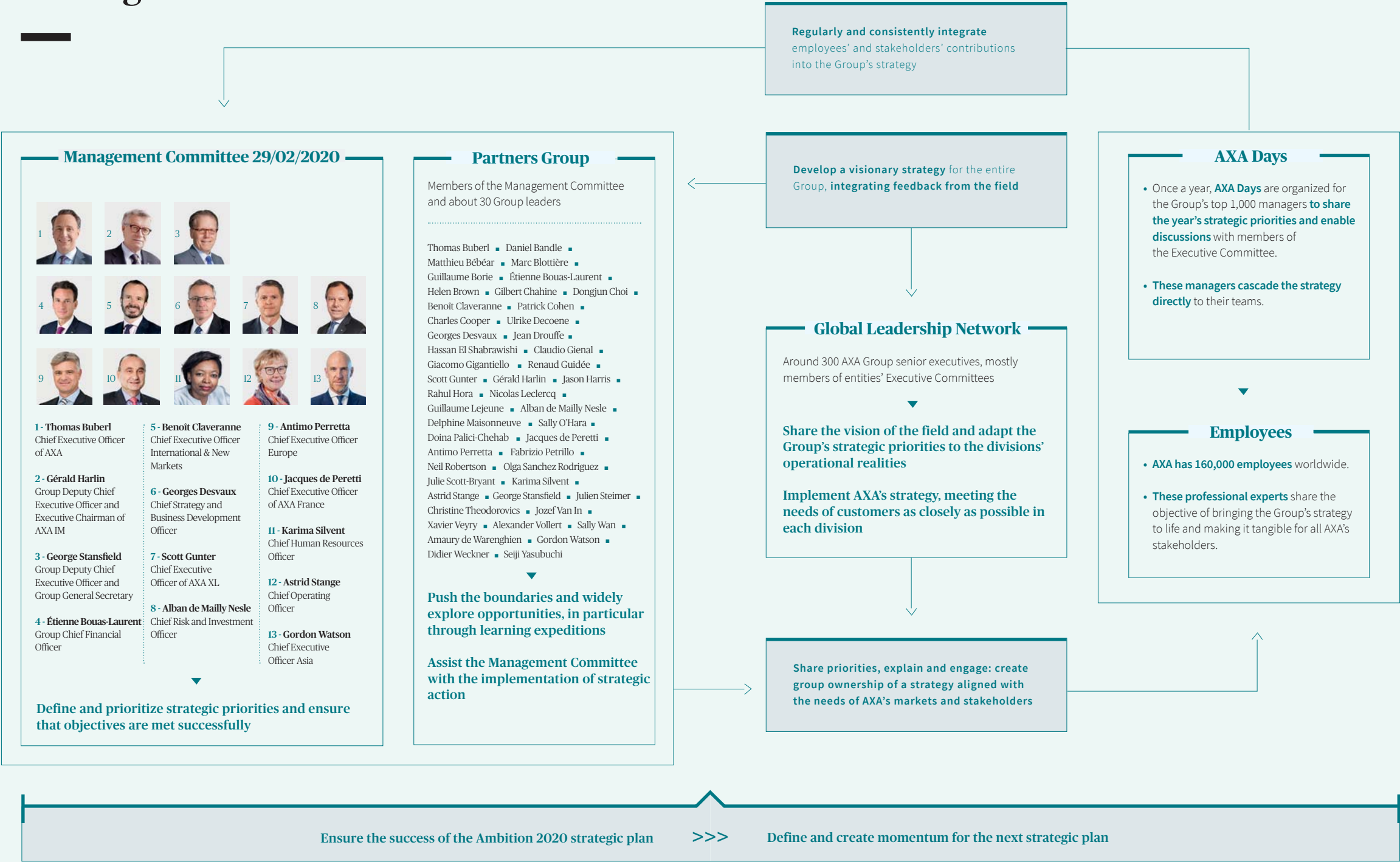
5

meetings

Attendance: 100%

Driving strategic momentum

OUR IMPACT - LEVERS



Acknowledgements

This Integrated Report was designed collaboratively with employees from AXA headquarters and our different entities worldwide. The design and editorial were managed by Sophie Bourlanges, Head of Individual and Employee Shareholder Communications, and Jean Bigalion, Individual and Employee Shareholder Communications Officer, under the supervision of Ulrike Decoene, Group Head of Communications, Brand and Corporate Responsibility.

- **Stephen Appleyard**, Chief of Distribution Hub in Asia
- **Anne Barret**, Head of Marketing Women Program for AXA France
- **Marie Bogataj**, Head of AXA Research Fund
- **Anne Boring**, Economy, Laboratory for Interdisciplinary Evaluation of Public Policies (LIEPP)/AXA Women in Business Chair at Science Po Paris
- **Nadia Boughaba**, Senior Project Manager for AXA Emerging Customers
- **Stephen Brenzek**, Healthcare Management Director at AXA Germany
- **German Canale**, Customer Experience Manager for AXA PPP Wellbeing
- **Adrien Cassegrain**, Senior Underwriter for AXA Climate
- **Somesh Chandra**, Chief Health Officer of AXA for European Markets
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- **Sandrine Coulange**, Health programs Director, International and new markets
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- **Philippe Gouraud**, Head of Strategic Distribution at AXA XL
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- **Philippe Ly Van Luong**, Head of Health for AXA International and New Markets
- **Alexandre Maisonneuve**, Doctor and co-founder of Qare
- **Kristian Mangold**, Public Sector Business Developer for AXA Climate
- **Daniel Maurer**, Head of International Casualty for AXA XL
- **Sergio Pierro**, Cyber and Professional Indemnity Underwriter for AXA XL
- **Joaquim Pinto**, Meteorology - Karlsruhe Institute of Technology (KIT)/Holder of the AXA Chair for Regional Climate and Weather Hazards
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- **Céline Soubranne**, Group Chief Corporate Responsibility Officer
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Suivez-nous

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Responsable de la publication : Direction de la communication d'AXA. **Crédits photos :** Franck Juery, Getty images, AFP, Shutterstock, DR. **Conception et réalisation :** **Angie** (réf. : RAAX019)

