

AXA
Essentials

 2022 Edition

Editorial by Thomas Buberl

Chief Executive Officer of AXA



In addition to producing very good results, the year 2021 was a turning point for AXA. Our new model showed its value and potential, marking the success of the Group's fundamental transformation since 2016.

In five years, we have repositioned our business on insurance risks, rather than financial risks. We have also simplified our portfolio's footprint by focusing on the most promising business lines in our historic countries and strategic markets. And we have built on our "from payer to partner" strategy to transform the customer experience.

This transformation has come at a fast pace: it took just five years to achieve these fundamental shifts while delivering very solid financial results.

In my opinion, it is critical to rely on the Group's DNA, particularly by focusing on its distribution networks. I am proud of the new AXA we have built, which can today truly spread its wings. AXA XL has proven its ability to reach its business targets and is fully operational to generate profitable growth in the future. Our positions are strong and clear in all our markets. And we continue to take pioneering action against climate change. Our business is all about anticipating, analyzing and managing current and emerging risks. We were very quick to integrate climate change into our strategic thinking. Well before the pandemic, healthcare had become a major development priority for the Group. Today, we must work to better protect our customers from new risks like cybercrime. Our challenge is to continue being a forerunner on every topic that matters: healthcare, the economy, the environment, etc. For this, we need to innovate, as we did with our Digital Healthcare Platform, which combines technology, services and data analysis to offer our customers an integrated health protection ecosystem. We are also convinced

"Our challenge is to continue being a forerunner on every topic that matters: healthcare, the economy and the environment."

these innovations must serve the widest possible audience, which is why group health insurance and inclusive protection are among our priorities.

To innovate and constantly enhance our services to closely meet our customers' needs, AXA draws on a major strength, our employees, who demonstrate boldness and initiative at every level of the company.

Our decentralized model and simplified organization since 2016 encourage this entrepreneurial spirit. We benefit from energy and agility at a local level while capitalizing on cooperation at an international scale through our One AXA philosophy. We share a very strong corporate culture and values that cement our employees' commitment. AXA knows how to integrate talents, including during acquisitions, by focusing on the unique qualities they bring to the organization and combining them with powerful teamwork. And I would like to thank Denis Duverne, who has been a mentor for many of us in the Group. I have been lucky enough to share the leadership of AXA with him for six years. He has pushed me further at every step and guided us as a group towards better performance.

Sharing our views



Frédéric de Courtois,

AXA Deputy CEO in charge of finance, risk management, strategy, ceded reinsurance and operations

and we provide assistance across all these solutions. In each of these segments, we have huge ambitions. We're already the global leader in P&C commercial lines, and we want to become the leader in group health and protection. We are further reinforcing our position as a leader in key insurance markets for individuals and SMEs. And we're developing our asset management expertise, especially in the alternative segment, to become a major player in this sector.

Protecting what matters in a context of heightened, unstable risks means always doing our job better. For this, we're drawing on the expertise of our talents and our mastery of data and new technologies, and we're capitalizing on our strengths as a global group that is decentralized but united by the goal of identifying and sharing best practices.

There's a much stronger aversion to risk: all stakeholders, starting with companies, want to protect themselves from a very wide range of risks.

AXA is organized to meet this demand by focusing its activity mainly on insurance risks rather than financial risks and developing a strong, diversified business portfolio. We offer health insurance, protection and savings solutions, we cover property and casualty (P&C) for companies and individuals,

In Hong Kong, where AXA is one of the health insurance leaders, healthcare is provided by the public system, but the wait can be very long! Many employers provide group insurance cover to their employees, so they can opt for private healthcare networks. As a leader in the group insurance market, AXA has a very wide and precise vision of patient needs. We partner with top private hospitals, well equipped healthcare facilities and a broad range of doctors, enabling our customers to enjoy a simplified settlement

procedure. We offer an integrated digital services platform, Emma, to support our customers with 24/7 access to policy information and services as well as a complete healthcare journey including teleconsultation, symptom checking, a mind-health network, digital counselling, a nutrition program, etc. This app also brings precious indications on ways to further improve their healthcare journey and protection.

Patrick Cohen,

CEO of AXA France



I am convinced AXA France has significant sustainable and profitable growth potential to tap into. In commercial lines, in the SME segment, we have a complete offering, unique expertise and a strong local network, and we are able to help company leaders to face new risks like cybercrime. Today, half of all SMEs that undergo a paralyzing cyberattack fail within six months! We also want to accelerate in health insurance, especially group insurance. Occupational diseases are booming and companies are a key entry point for improving people's health, especially through prevention. In this market, our ambition is to become one of the leaders by leveraging innovative services like Data MAP, which analyzes a large quantity of data for building customized action

plans to improve well-being at work. Our third development priority is savings. We're notably focusing on 'Eurocroissance,' a true alternative to general account, that offers a term guarantee and attractive returns despite low interest rates. And we're developing innovative unit-linked products (in asset classes like infrastructure and private equity), which are less sensitive to financial markets and enable our customers to finance the economy and the energy transition. To seize these opportunities, we need to offer a customer experience in line with the highest market standards. That means we must be simpler and more agile, and fully express the bold, winning mindset that has always been part of AXA France's DNA.

Sally Wan,
CEO, AXA
Greater China



Alban de Mailly Nesle,
AXA Group Chief Financial Officer



Given our activity as an insurer and asset manager, AXA has significant assets that we invest, in line with a principle of caution and responsibility to our customers. In 2021, we reinvested €40 billion in the economy, mainly in government and corporate bonds, but also in private debt, real estate, shares, infrastructure, etc. This financing capacity enables us to make a big impact on society. But our insurance business also imposes major responsibilities: we invest our customers' premiums and savings, so we owe it them to avoid taking excessive risks and secure their returns by

diversifying our investments. In other words, we must choose investments that are compatible with the commitments we've made to them. The climate emergency is clearly one of the responsibilities imposed by our role as an insurer. We cannot be content to simply exclude the most polluting industries. We must also ensure that our investments are drivers of ecological transformation.



Ulrike Decoene,
Group Chief Communications,
Brand & Sustainability Officer

Our purpose expresses both the meaning behind our business, "to protect what matters", and the collective impact we want to have on society, "acting for human progress." This guides our action. We've known for a long time that protecting a world suffering the consequences of excessive global warming would be an impossible challenge: the costs to people, States and insurers would be prohibitive. We can, however, act today as an investor and insurer to support the ecological transition. Put simply, we can make a collective impact if the climate matters to all of us at AXA and not just a few teams with advanced knowledge of

the challenges. To take our commitment to this next level, we've placed our climate objectives at the heart of our strategy. And because we can only manage what we can measure, in 2021, we set up the AXA for Progress Index. This sets concrete targets with figures, dates and key indicators for the Group. In 2022, we're adding two that concern our commitments to inclusive protection and green insurance: progress must be fair and take people into account.

AXA IM Alts manages more than 80% of AXA's assets, and AXA represents around half of our alternative asset base. Our partnership is a virtuous circle: AXA's size and support enable us to innovate in our choice of investments, and this benefits not only the Group but all our customers. Being part of the same group also enables us to share strong values and convictions, especially regarding the climate emergency. Our responsibility as an asset manager is to steer investment flows towards assets enabling the construction of a low-carbon future. In addition to the decarbonization of our

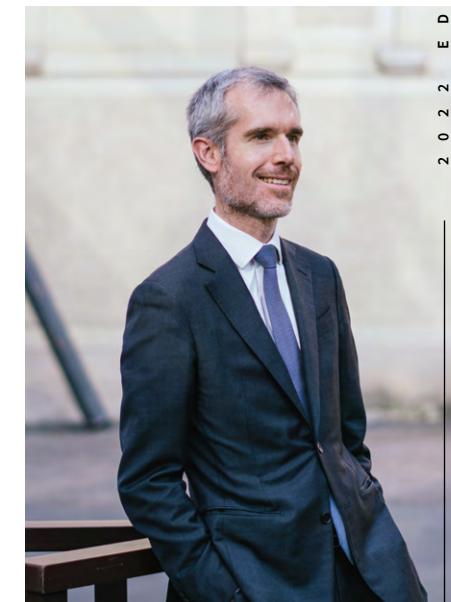
assets, we're financing the energy transition through our investments in renewable energies and we're contributing to carbon sequestration through major investments in forests and other natural assets. ESG is fully integrated into our investment policy and we're renowned for that on the global market.

Isabelle Scemama,
Global Head of AXA IM Alts



Through our insurance profession, we're already protecting our customers and society against extreme climate risks. AXA's very strong expertise in these issues enables us to act at two complementary levels: limiting global warming by supporting the transition to a low-carbon economy and society, and preparing for this adaptation by helping our customers reduce their exposure and vulnerability to these risks. With this in mind, we're working on systems to incentivize customers to adopt more responsible and resilient behavior: it's a concrete way of demonstrating the alignment between our interests and

those of our customers and the planet. Our philosophy is to support the transition through encouragement rather than penalties, but when scientific experts are categorical about the risk generated by an activity, we can decide to exclude it from our insurance policies and investments. We did this in 2021 with the oil and gas sector.



Renaud Guidée,
Group Chief Risk Officer

Achieving our purpose

FORMULATING OUR PURPOSE

“Act for human progress by protecting what matters”

MANAGING OUR PROGRESS

AXA's purpose is both a compass for the strategic decisions taken by the Group and its entities, and an everyday framework for our employees. Because we can only manage what we can measure, the Group has introduced a tool for monitoring our action and reinforcing our impact: the AXA for Progress Index.

This index reflects the twofold ambition of AXA's sustainable development strategy: to be both a leader in the fight against global warming and an inclusive insurer. It is composed of seven commitments that the entities can refer to and the Group can provide data on to monitor the progress achieved.

These commitments cover three fields of action in which AXA intends to set an example:

- **As an investor,** we want to help our customers and society transition to a low-carbon economy.
- **As an insurer,** we want to protect populations, particularly the most vulnerable, from risks.
- **As a model company,** we want to act together to reduce our footprint and increase our positive impact.

Two new indicators are integrated into the AXA for Progress Index in 2022 to reinforce the Group's commitments as an insurer.

- **An indicator on inclusive protection:** in the face of growing inequality since the start of the health crisis, AXA wants to reassert its ambition of bringing accessible protection to vulnerable populations by creating services and solutions tailored to their needs, as well as by seeking innovative distribution models to reach these audiences who have traditionally been excluded from insurance.
- **An indicator on green insurance:** AXA wants to accelerate the creation of insurance solutions having a positive impact on the environment through their contribution to one of more of these four objectives: reducing greenhouse gas emissions, helping customers adapt to the effects of climate change, supporting the transition to a circular economy, and limiting biodiversity loss and pollution.

Measuring our steps forward: the AXA for Progress Index

ACT AS AN INVESTOR

1 / Reduce the carbon footprint of AXA's general account assets by 2025

TARGET FOR 2025 VS. 2019 -20%

2 / Increase the amount of green investments

TARGET FOR 2023 €26Bn

ACT AS AN INSURER

3 / Increase premiums on green insurance products

TARGET FOR 2023 €1.3Bn

4 / Increase the number of customers covered by inclusive protection

TARGET FOR 2023 12M

ACT AS A MODEL COMPANY

5 / Train AXA employees in climate issues

TARGET FOR 2023 100%

6 / Achieve carbon neutrality by 2025 by reducing emissions from our operations (energy, travel and digital solutions) and offsetting residual emissions

TARGET FOR 2025 VS. 2019 -20%

MAINTAIN OUR LEADERSHIP AS A RESPONSIBLE COMPANY

87/100

DJSI/CSA SCORE

Measuring our impact

OUR FINANCIAL INDICATORS

	2021	Variation vs 2020	2023 Driving Progress Target
Gross revenues	€100Bn	+6%	
Property & casualty revenues	€49.3Bn	+3%	
Life & savings revenues	€33.3Bn	+9%	
Health revenues	€15.2Bn	+5%	
Asset management revenues	€1.5Bn	+20%	
Underlying earnings	€6.8Bn	+61%	
Underlying earnings per share	€2.75	+7% (rebased)	3-7% average annual growth
Cash at holding	+€4.5Bn	+€0.3Bn	2021-2023 combined: €14Bn
Underlying return on equity	14.7%	+5.1 pts	Target range: 13-15%
Solvency ratio	217%	+17 pts	Target: 190%
Dividend proposed per share	€1.54	+8%	

FINANCIAL RATINGS

		Outlook
Standard & Poor's	AA-	Stable
Moody's	Aa3	Stable
Fitch	AA-	Positive

OUR SOCIAL AND SOCIETAL IMPACT

	2021
Investments in the economy	€40Bn
In payments made by AXA to its customers in 2021	€50Bn
Taxes and social charges paid	€10.7Bn

OUR ROLE AS AN EMPLOYER

	2021
Total workforce	149,000
of which employees	110,500
External recruitments	12,500

OUR ENVIRONMENTAL IMPACT

	2021	Target
Green investments	€22.6Bn	€26Bn in 2023
CO ₂ emissions linked to AXA operations	-61%*	-20% between 2019 and 2025

* Between 2019 and 2021

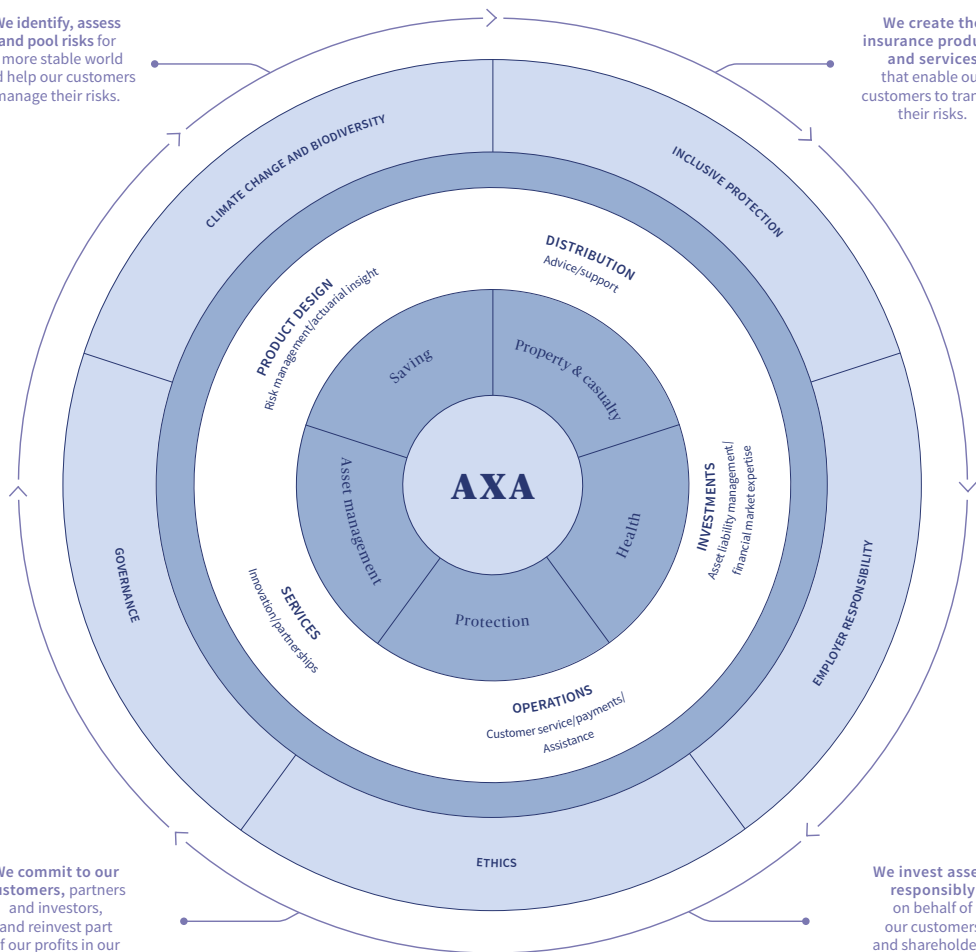
SOCIAL RATINGS AND ETHICAL INDICES

DJSI	MSCI	CDP	VIGEO
4 th place Score: 87/100	AAA	A-	Sector leader
PRI	EcoVadis	BBG	Sustainalytics
A+ UNPRI scorecard	Score: 75/100	Included in the Bloomberg Gender Equality Index in 2021	Ranked 6th out of 295 insurers in 2021

Creating sustainable value

We identify, assess and pool risks for a more stable world and help our customers manage their risks.

We create the insurance products and services that enable our customers to transfer their risks.



We commit to our customers, partners and investors, and reinvest part of our profits in our human resources and our communities.

We invest assets responsibly on behalf of our customers and shareholders.

Our value-creation process integrates every aspect of sustainable development (see Chapter 4 of AXA's URD) and considers the risk factors applied to our business (see Chapter 5 of the URD).



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