

AXA Investment Managers' Public Affairs Charter¹



The role of AXA Investment Managers' Global Regulatory Developments and Public Affairs function is to identify and assess major asset management trends, as well as related wider emerging policies and regulatory initiatives that are relevant for global asset managers. The Global Regulatory Developments and Public Affairs department positions AXA Investment Managers on these issues in close collaboration with internal and external experts and stakeholders, so as to contribute constructively and substantively to global, European and national policy debates and policymaking by engaging with key external stakeholders.

The added value delivered by the Global Regulatory Developments and Public Affairs department is to ensure that AXA Investment Managers provides 'thought leadership' on existing and future regulatory developments and public policies matters relevant to AXA Investment Managers ('AXA IM') business and operations.

This AXA IM's Public Affairs Charter also embeds and complies with the provisions of AXA Group's own Public Affairs Charter, which can be found at www.axa.com/en/about-us/stakeholder-dialogue

1. Governance

The AXA IM Global Regulatory Developments and Public Affairs department is composed of a dedicated team. The department reports to the AXA IM General Secretary & CFO and Global Head of Compliance. The Global Regulatory Developments and Public Affairs strategy and actions are regularly discussed and validated at AXA IM's Management Board level, as well as within other key internal management bodies, to align positions and priorities.

¹ The charter outlined below reflects the situation as of November 2022. It is subject to change and will be updated as appropriate.

The development of the Global Regulatory Developments and Public Affairs strategy requires a multidisciplinary approach involving diverse professional families and entities across AXA Investment Managers as well as AXA Group. As such, the department engages closely and on an ongoing basis with the other departments at AXA IM as well as AXA Group level to ensure timely information, effective alignment and robustness of envisaged positioning. A close interaction between the AXA IM Global Regulatory Developments and Public Affairs department and dedicated teams or representatives in local AXA IM entities also takes place on a regular basis, including through a Public Affairs Network (PAN) animated by AXA IM Global Regulatory Developments and Public Affairs department, comprising those representatives and serving as an interactive communication arena between AXA IM's Global Regulatory Developments and Public Affairs department and AXA IM's local entities. In addition, the department is in close contact with AXA Group's Public Affairs department, as well as - generally through membership - with third-party organisations, think-tanks and trade associations (see Appendix), which can also conduct public activities on topics of interest to AXA IM.

Given the highly regulated nature of the asset management sector and its natural positioning at the intersection of economics, society, and finance, numerous exchanges are taking place with public authorities and decision-makers. The department also engages with various external communities and experts to develop AXA IM's positions on long-term issues and emerging public policy questions with a view to provide a constructive input based on rigour and conceptual soundness.

In particular, the department strives to integrate a forward-looking perspective in order to account for emerging trends (e.g. technological, political, economic, or financial changes) that are likely to change the nature and landscape, including regulatory, of the asset management business over the coming years. Jointly with relevant internal and external experts, AXA IM Public Affairs' representatives engage with public authorities with a view to co-build an adequate framework to capture the benefits and address any risk stemming from such changes.

2. Core topics of interest²

Being a global leader in asset management with legal entities in more than 20 countries and distribution at worldwide level more widely, AXA IM is naturally impacted by numerous policy and regulatory initiatives. As previously mentioned, a close coordination takes place between AXA IM SA and the local entities that remain primarily responsible for handling local developments. Therefore, the list of topics being provided below only concerns the key AXA IM's Public Affairs priorities that are currently pursued at AXA IM SA level, namely: financial regulation, sustainable finance, digital developments and consumer protection. These core priorities mainly relate to European and global level initiatives.

As a general guiding principle, AXA IM Public Affairs' strategy aims at stressing the key role of asset management and financial services in the economy and society. AXA IM Global Regulatory Developments and Public Affairs' representatives and experts engage with external stakeholders to make sure that relevant policy and regulatory initiatives embed the core features of the asset management business model and meet the key needs for regulatory stability, proportionality, balance and predictability.

²This section reflects the topics addressed at AXA Investment Managers SA level. It does not necessarily include all national public affairs issues pursued by AXA Investment Managers SA's country entities.

a. Financial regulation of fund managers and their investment vehicles

On those topics, AXA IM mainly advocates soundness and consistency and contributes to a better technical understanding of the business model as well as the role of asset managers. AXA IM promotes the importance of the long-term nature of asset managers' role and the specificity of the asset management activities.

The European Union's "UCITS" and "AIFM" Directives

In the context of the ongoing review of the UCITS ('Undertakings for Collective Investment in Transferable Securities') and AIFM ('Alternative Investment Fund Managers') Directives, which both aim to set and regularly upgrade the EU regulatory framework applicable to EU fund managers, AXA IM is constructively engaging with authorities, directly or through professional associations, to investigate areas where improvements to the framework could actually be achieved consistently with the objectives of ensuring consumer protection and financial stability. Without pursuing a complete overhaul of the framework, being supportive of the fundamentals and its efficiency, AXA IM focuses on proposing fine tunings where it believes the economics of the asset management business, to the benefit of AXA IM's clients, could be better reflected. In particular, AXA IM is participating to this debate so as to ensure that the EU asset management regulatory framework set by the UCITS and AIFM Directives does neither unduly penalize the long-term nature of the asset management business, nor adds 'red tape' which might generate costs disproportionate as compared to its benefits and those of its clients.

The European Union's "ELTIF" Regulation

The current review of the ELTIF ('European Long Term Investment Fund') Regulation is for AXA IM an opportunity to make that EU fund vehicle successful at last, knowing that at domestic level in several Member States similar ones are already positively allowing all investors – in particular retail ones – to get access to long term assets (e.g. infrastructures, real estate, private equity). The advantage of the ELTIF is that it would allow for a 'retail passport' and thus an EU-wide offer of long-term invested funds to EU retail investors as EU Single Market level, complementary to the retail passport already allowed through the UCITS Directive regarding transferable securities.

Regulatory debates at global level with the FSB and IOSCO

At worldwide level, AXA IM is engaged on an ongoing basis with global regulatory settlers such as the FSB ('Financial Stability Board') and IOSCO (the 'International Organization of Securities Commissions'), to ensure that the evolution of the worldwide framework applicable to investment funds evolves over time in the most appropriate manner and does not generate inappropriate orientations which might ultimately hit our clients' interests as well as financial stability.

b. Sustainability

AXA IM's goal is to be the world's leading responsible asset manager. Sustainable developments therefore warrant AXA IM's attention as having a direct impact on our activities as an investor and business, on behalf of our clients and stakeholders - as well as regarding AXA IM's contribution to the achievement of objectives set at political level in many regions and globally.

In particular, with the European Green Deal the EU institutions have been sending a clear signal making transition towards sustainability with regards to ESG as a top political priority. The European Commission's plan is to make Europe the first climate neutral continent by 2050 and to lead a just transition. In order to achieve the ambitious EU climate targets, the EC intends to mainstream sustainability in all EU policies with a focus for sustainable finance. The EC expects financial institutions (including asset managers) to play a key role in 1) contributing, through their client investments, to

reorientate the capital flows towards sustainable investments as defined by the EC, 2) mainstreaming sustainability into risk management, 3) fostering transparency and long termism and 4) avoiding 'greenwashing' by ensuring that asset managers and investors disclose in a fair manner their investments to allow for transparency and compliance with sustainability objectives and avoid 'mis-selling'. AXA IM is strongly supporting these objectives and is engaged to contribute to these developments by sharing many years of voluntary commitment.

c. Digital developments and cyber risk

The digital economy is developing rapidly worldwide and brings strong opportunities as well as challenges that regulators and supervisors want to address.

From AXA IM's perspective, innovations such as the blockchain technology or risks posed by cyber-security issues introduce changes in the asset management business.

From a trading and post-trading perspective, AXA IM considers that blockchain might provide many benefits if technologically and regulatorily well framed: safer contracts, cheaper processes and faster transactions – both regarding fund assets and fund units.

From a cyber-security perspective, AXA IM considers as key to preserve data protection (be it AXA IM's or clients' data) and its ability to pursue due diligences on external service providers: AXA IM collaborates with various data protection and regulatory authorities and stakeholders on such topics.

d. Investor protection

Over the last twenty-five years, the approach to investor protection changed fundamentally to embed concepts such as value for money. The need for such developments has been further reinforced by the Covid-19 crisis. The objective for regulators is to strengthen the rules encompassing the entire fund life cycle, to ensure that the investor always gets the best value for money before, during and after fund selling. These include measures on staff qualifications, distributors' remuneration policies, and disclosures and sales standards, but also measures on the funds themselves as the investor-centric nature of their design will have to be proven.

AXA IM supports the overarching objective of policymakers, believing that measures designed to boost investor trust in financial markets are mutually beneficial.

Our commitments

The AXA IM's Global Regulatory Developments and Public Affairs department is committed to promoting a transparent, substantive and constructive contribution to the public debate, in line with applicable laws, AXA IM's Corporate Responsibility commitments³ and our Compliance and Ethics Guide,⁴ which lays down the standards of conduct that apply to all our employees, including rules related to gifts, entertainment and other inducements.

As a consequence, we shall abide by the following rules.

1. We update the AXA IM Public Affairs Charter, including the core positions and topics on which we work on a regular basis, and disclose it on axa-im.com and through internal means of communications among our employees.
2. We are transparent in the organisation of our AXA IM Public Affairs activities by submitting an official demand for registration to public authorities and disclosing it, when applicable. Moreover, we are in full compliance with the code of conducts these registrations imply.
3. We guarantee a high level of qualification of the staff in charge of AXA IM Public Affairs, notably by recruiting highly skilled professionals and by mobilising the organisation's technical expertise.
4. We provide public decision-makers with reliable, verifiable, and updated information.
5. We regularly communicate and update the list of main AXA IM's memberships in trade organisations and think-tanks and strive to promote these commitments among them.
6. As a company, we do not make discretionary contributions to political parties except in countries where it is customary, in which case we would disclose these contributions.
7. We do not accept any political mandate at national or international level; nor do we accept any mandate as a parliament associate, as a counsellor to a minister, or as a civil servant at national or international level.⁵
8. We communicate to all AXA IM companies ('entities'), starting with those represented in our Public Affairs Network, the importance of applying the principles of our Charter at their national levels.

³ [Corporate Responsibility | Sustainability|AXA IM Corporate \(\[axa-im.com\]\(http://axa-im.com\)\)](#)

⁴ [Ethics | AXA](#)

⁵ This should not be seen as preventing AXA IM employees from participating in working groups comprised of regulators and industry representatives, which are formed at public authorities' initiative to help inform the development of regulatory policy.

Appendix

1. AXA IM's membership in professional organisations and think-tanks⁶

I. Through AXA IM SA or its affiliates:

International Level, in particular:

- **The International Capital Markets Association (ICMA), in particular its Asset Management and Investors Council (AMIC)**
- **United Nations Principles for Responsible Investment (UNPRI)**
- **International Swaps and Derivatives Association (ISDA)**

European level, in particular:

- **The European Fund and Asset Management Association (EFAMA)**
- **EurofiAssociation for Financial Markets in Europe (AFME)**
- **European Sustainable Investment Forum (EUROSIF)**

American level, in particular:

- **Sustainability Accounting Standards Board (SASB)**

At national levels:

- **Membership to local fund associations.**

II. Through AXA Group:

At French level:

- **Paris Europlace** (www.paris-europlace.com): finance association created in 1993 to promote and develop the Paris financial place. Through Europlace, AXA participates to the Finance for Tomorrow forum which is a French climate finance association promoting climate and sustainable finance with French business and policymakers.
- **Observatoire de la Responsabilité Sociétale des Entreprises** (www.orse.org/): non-profit aiming at facilitating best practice sharing among companies in the field of Corporate Responsibility. The Orse also publishes research papers and raises awareness among Public Authorities about Corporate Responsibility. AXA is a Board member.
- **Admical**: www.admical.org/: French non-profit aiming at promoting Corporate Philanthropy in France. On top of sharing best practices among its members, Admical regularly lobbies in favor of a French regulation benefiting corporate philanthropy, notably in terms of Tax deduction. AXA is a Board member.
- **Association d'Economie Financière** (www.aef.asso.fr): French association promoting relationship between financial studies research and finance, bank and insurance professionals.

⁶ This section lists the main French, European and international organizations of which AXA is a member at Group level - therefore not including, for example, the specific organizations to which AXA's or AXA IM's country entities (including AXA France) are members.

At European level:

- **Chief Compliance Officers Forum (CCO Forum):** <https://globalccoforum.org/> : The CCO Forum is a group of professional Chief Compliance Officers from the insurance and reinsurance industry that focuses on developing and promoting industry best practices in compliance. The Forum currently consists of Chief Compliance Officers from large multi-national (re)insurance companies from Europe, Switzerland, the USA and Asia. It aims to represent the members' views on key compliance topics, including emerging regulatory developments that impact compliance. AXA is currently the Chair of the CCO Forum.
- **Chief Financial Officers Forum (CFO-Forum):** www.cfoforum.nl : The European Insurance CFO Forum ('CFO Forum') is a high-level discussion group formed and attended by the Chief Financial Officers of major European listed, and some non-listed, insurance companies. Its aim is to influence the development of financial reporting, value based reporting, and related regulatory developments for insurance enterprises on behalf of its members, who represent a significant part of the European insurance industry.
- **Chief Risk Officers Forum (CRO-Forum):** www.thecroforum.org/ : The CRO Forum is a group of professional risk managers from the insurance industry that focuses on developing and promoting industry best practices in risk management. The Forum consists of Chief Risk Officers from large multi-national insurance companies. It aims to represent the members' views on key risk management topics, including emerging risks.
- **European Financial Services Round Table (EFR):** www.efr.be: Association of chairs and chief executives of leading European banks and insurers. AXA is currently Vice-Chair of EFR.
- **Eurofi** (www.eurofi.net): European think-tank dedicated to financial regulation and supervision
- **Pan European Insurance Forum (PEIF)** (<https://www.peif.eu/>): Informal forum for the chief executives of 12 major European insurers. AXA Group CEO is currently the Chair of PEIF.

At Global level:

- **Geneva Association (GA):** www.genevaassociation.org: International association of the most important insurers in Europe supporting the study of insurance economics. AXA is a member of the Board of the GA.
- **Institute of International Finance (IIF):** www.iif.com: International association of the financial sector
- **UN Principles for Sustainable Insurance (UNPSI):** www.unepfi.org/psi: Global sustainability framework for the insurance sector and initiative of the UN Environment Programme Finance Initiative

2. AXA IM's official registration on public institutions' lobbying registers

European Transparency Register:

[Registre des représentants d'intérêts \(europa.eu\)](http://registre-des-representants-dinterets.europa.eu)

France Transparency Register:

<https://www.hatvp.fr/fiche-organisation/?organisation=572093920>