

Management of the social dialogue within the AXA Group in Europe

1. General background

The expertise, development and motivation of its employees are essential for the AXA Group as it aspires to be a company of reference in its industry. Aiming at developing every employee to their fullest, AXA intends to strongly establish a corporate culture and a code of ethics based on its Values of professionalism, innovation, pragmatism, team spirit and integrity.

It also seeks to maintain constructive labour relations in every country where it operates in keeping with different national labour relations cultures.

AXA has outlined its undertakings towards its employees in a document entitled "AXA's commitments" that has been communicated to each employee. Its purpose is to foster a work environment in which AXA employees are treated respectfully and in compliance with local codes and standards, as well as with international reference texts (such as the United Nations' Declaration of Human Rights, or the International Labour Organisation's guidelines). These commitments have worldwide scope and relevance within the AXA Group. Each AXA entity is responsible for spreading and implementing them, in keeping with local specificities. These commitments embody AXA's objective to be "an employer of choice".

2. Social dialogue in Europe

2.1. Guiding principles

Developing a mutually satisfactory social relations culture based on trust is a priority in the social dialogue that AXA intends to maintain in Europe, in particular within the European Works Council (EWC).

This culture reflects conducting a social policy alert to the needs of employees and of the company and taking into account trade union rights. This social policy applies especially in compliance with the Directive of the European Union Council and the Charter of Fundamental Rights of the European Constitution.

Within this framework, given the needs of security and stability expressed by its employees and aware of the key role that they play in the success of the company, the AXA Group pays special attention to informing them, developing their potential and properly managing the necessary changes that impact them.

2.2. Terms of reference

The European Works Council is an information-gathering and consulting body (as defined by the relevant European directive) that deals solely with trans-national or ad-hoc issues impacting at least half the workforce of a given country. The EWC does not replace local representative bodies which fully retain their powers and which handle local issues without interference or control.

3. Commitments towards employees, especially in case of major structural changes

In the event of major structural changes that impact jobs, the Group's management asks that each of its European entities takes actions to appropriately inform its workforce and maintain a constructive social dialogue.

In keeping with the above terms of reference, AXA entities, pursuant to their local obligations, must inform their staff in the successive stages (within an appropriate timeframe), as suggested below:

- a pre-decision-making review (general orientations),
- preparation of a plan of action,
- consultation on its enactment and its local impact,
- implementation and follow-up.

The above model aims to help employees and their representatives to understand changes and to contribute to the transparency that each phase demands.

In addition, AXA has developed a set of principles listed below to guide the different European entities in managing their local affairs. These principles have been established in consistence with the Group's values and in the interests of its workforce, clients and shareholders, and in order to maintain a constant social dialogue that reconciles the different cultures of staff representation that exist within the EWC.

Principle 1

When dealing with restructurings that impact jobs, AXA is committed to supply relevant information and, in keeping with local cultures and obligations, to consult employees and/or their representatives.

Principle 2

During the above-mentioned information-gathering and dialogue process, the data and information provided by AXA shall include, as appropriate, information on possible alternative solutions.

Principle 3

In keeping with the interests of its workforce, clients and shareholders, AXA undertakes to strive to maximum job deployment opportunities inside the company and, if necessary, outside the company, for all staff concerned by possible employment issues.

Principle 4

AXA shall do its utmost to prevent collective job redundancies and transfers by exploring other options. These shall involve:

- *taking opportunities offered by natural downsizing to facilitate employment issues,*

- *going to significant lengths to support staff in reviewing their skills and career development and to offer training/reassignment opportunities when this is necessary and possible,*
- *preferring voluntary redundancies and redeployment rather than collective job redundancies and transfers.*

The above alternative social measures give the company the leeway in making the desired changes and give staff a say in their future, even in a period of difficult restructuring.

Pursuant to the above principles, AXA undertakes to take into account the need to retain in-house skills and to seek profitability to sustain the future of the company. To do this, it shall encourage the workforce to be flexible and to consider accept job evolutions.

Principle 5

AXA undertakes to recognise workers' representatives (i.e. the partners recognised in legislation in force in each country or, failing this, under the customs and practices of the local entity relating to staff representation), and to respect their freedoms, rights and duties which derive from national laws and, if necessary, from agreements in force in their local entities.

Principle 6

Believing that all employees are entitled to work in conditions that ensure their health and security under local legislation, AXA prioritises preventive measures in health and security at the workplace as well as actions that enables staff to adapt to changes in the best possible way.

Principle 7

Geographic mobility, when required, must first be offered to employees who volunteer for it. It must be managed in such a way that staff can integrate into their new work environment as smoothly as possible.

Principle 8

Aware that training is an important investment both for employees and for the group as a whole, AXA undertakes to pursue a culture of continuous learning to enable its staff to develop their skills and wherever possible to satisfy their professional aspirations, and to fulfil the company's needs. To this end, each AXA company offers access to appropriate training and development programs, within the scope of its available resources.

Principle 9

AXA will not discriminate on grounds of gender, race, colour, ethnic origins, genetic features, disabilities, sexual orientations, language, religion or convictions, affiliation to or activities in trade unions or political opinions. The group undertakes to do all it can to ensure that each employee enjoys equal opportunities with regards to employment, jobs and compensation.

4. The EWC Bureau

The EWC may at any time review and discuss responsibly at its monthly meetings the enactment of the commitments taken by Management, as contained in the present document and in other documents such as “AXA’s commitments” with particular regard to the quality of the social dialogue. These points are central to the Group’s “Employer of Choice” policy and are evaluated each year by the company in its “Scope” survey.

5. EWC plenary meetings

Attendance by management (members of the Management Board and Executive Committee) at these meetings reflects the interest of AXA Management in such meetings and paves the way for a direct dialogue with social partners.

Moreover, the agenda at each annual plenary meeting shall include time to share views and information with the Group’s President or with his duly appointed representative.

6. Observation period

A monitoring period shall begin from December 2004. When the EWC agreement is renewed in 2005, the signatories shall negotiate the possible inclusion of the guidelines and principles set out in the present document.
