

RESPONSIBLE PROPERTY INVESTMENT GUIDELINE

This guideline aims to outline our strategic commitment to responsible property investing. It formulates a global framework.

BACKGROUND

1. Sustainability issues are a long-term driver for AXA Group, starting with the introduction of the concept of a Citizen Company in 1986. The Group's Sustainable Development philosophy is based on a balanced tripod consisting of Clients, Staff and Shareholders. This trilogy is promptly followed by the main stakeholders who are now included in the circle of Sustainability: the Environment, the Community and the Suppliers.

Such commitment towards sustainability is embodied in a range of initiatives, including the signing of the United Nations Global Compact since 2003. AXA Group is also a key partner and supporter of the Carbon Disclosure Project in France since 2005, as a co-producer of its annual survey and co-organiser of the presentation of the survey for four consecutive years. AXA co-chairs the UNEP Finance Initiative Insurance Group. Separately, the Group belongs to the main Sustainable Indexes, including the Dow Jones Sustainable Index (STOXX and World) and Footsie 4 Good (UK).

2. AXA Investment Managers (AXA IM), which is the parent company of AXA Real Estate Investment Managers (AXA REIM), has defined a sustainable development strategy with the objective to be a pro-active responsible asset manager and a sustainable corporate citizen. This strategy is supported by a significant dedicated team. As part of its strategy, AXA IM is a signatory of the United Nations "Principles for Responsible Investment" since 2007.

AXA REIM AMBITION

1. As part of the AXA IM Group, it is no surprise that AXA REIM has been promoting responsible property investing initiatives since it was created in 1999. Indeed we recognise the significant impact that the real estate asset management business is having on the environment in which it operates. As a manager of over € 42 billion of real estate assets, in Europe and increasingly in Asia, we now want to be much clearer and ambitious about the importance we place on sustainable issues.

This means moving away from a series of piecemeal initiatives to addressing pro-actively and in a consistent manner the implications of being a responsible property investor. Indeed we think that an industry leader should commit to deliver a responsible property investing strategy which is credible, consistent and ambitious.

Such ambition should meet clients' needs and employees' expectations and contribute to the sound development of the environment we work and invest in.

2. Our commitment is, as the Property Working Group within the United Nations Environmental Programme defines responsible property investing, to go beyond compliance with minimum legal requirements related to our activity, to address the risks and opportunities associated with Environmental, Social and Governance (ESG) issues in property investing. This is of course applicable wherever practicable and compatible with our fiduciary duties.

It is the objective of AXA REIM to progressively integrate ESG criteria into the real estate process. By doing so, we are not seeking to place new burden on business, not to limit new business ideas or scope of investment. What we want is to outline further disciplines which seek to maximise long term value. We think that long term investment performance and responsible property investing are mutually supporting if combined in a positive and pragmatic way.

Such a combination is critical in driving our business to anticipate the changes coming into this fast moving agenda. It creates opportunities to mitigate such risks for our clients as the obsolescence and capital value depreciation, liability issues, changes in the occupier demand impacting rental value, etc. In addition, a pragmatic exploitation of the opportunities offered by more sustainable practices, the enhancement of innovation, the exploration of new standards, all of these are key components of our ambition to deliver superior long term return to our clients.

STRATEGIC PRINCIPLES

Four strategic principles have been defined that serve as the platform for our approach to responsible property investing. They provide the basis of our initiatives. They direct that we should be:

- **Focussed.** Our primary consideration is to deliver long term value to our clients. Therefore, to be effective, we want to focus around a small number of issues which have an impact on our clients and business. Such priorities will be reviewed from time to time to ensure that we are exploiting the opportunities most important to protect our clients' interests ;
- **Open.** An intense dialogue with the stakeholders, including the supply chain (property managers, developers...), the regulators, professional bodies, local communities, tenants and users, is the ingredient of our commitment to sustainability. Also, this means working as partner with industry competitors and institutional investors when it comes to promoting responsible property investing initiatives ;
- **Pragmatic.** The property asset class is specific in the financial universe, with complex technical matters such as performance measurement, diversity of local regulation and standard, and more substantially the physical nature of the asset. This specifically is to be taken into account when defining sustainable disciplines. Also, we will be practical in addressing the implications of our commitment to sustainability. Indeed we believe that this commitment has significant implications and should be translated into reality in a progressive way. We do not believe that a "big bang" approach would make any sense ;

- Transparent. We will disclose our strategy and present progress made in delivery, at least once a year. This will contribute to promote a better understanding of sustainable issues in the real estate investment management industry

APPLICATION OF THE STRATEGIC PRINCIPLES

Based on these principles it is our aim to manage the responsible property investing initiatives with the following orientation:

In terms of Environmental Issues:

- Promote environmental best practice across all AXA REIM subsidiaries ;
- Continually review the implications of climate change risk for our business;
- Progressively implement an energy and water efficiency management system in properties under management throughout various AXA REIM territories ;
- Select and monitor the most critical initiatives on the market to protect our clients' interests ;
- Support the definition of practical and reliable metrics that could be used to assess the environmental performance of existing buildings ;
- Adopt global environmental tools for new buildings.

In terms of Social Issues:

- Implement robust Health & Safety guidelines and monitor the ability of Property managers and contractors to address these issues ;
- Strive to facilitate the access of our properties to the disabled ;
- Set up initiatives to encourage local employment of disadvantaged people in depressed areas ;
- Enhance dialogue with the communities in which we invest and with local associations ;
- Encourage high quality architecture as a driver both to create identification or brand image for the client or the tenants and to improve the beauty of our cities ;
- Develop projects investing in the regeneration of brown field sites or depressed neighbourhoods as a catalyst for revaluation of a whole area resulting in value release for the client.

In terms of Governance Issues:

- Establish a strong governance within AXA REIM to address responsible property investing issues ;
- Contribute pro-actively to some leading initiatives in the industry both locally and globally ;
- Support research or academic projects to improve the existing tools analysing the relationship between the financial performance, environmental or sustainable performance ;
- Disclose our objectives and report regularly and publicly on progress ;
- Comply with best practice and standard in the real estate industry in terms of the governance of the various funds which we manage on behalf of our clients (reporting, valuation, code of ethics...);
- Increase awareness amongst AXA REIM employees of responsible property investing issues.