



AXA agrees landmine ban

AXA advised the European Works Council (EWC) meeting in Madrid that it has agreed to ban investments in companies that manufacturing landmines, but categorically refused to withdraw from investments in other non-ethical weapons producers or companies with dubious ethical practices in areas such as human rights abuse.



AXA Management Board member Claude Brunet stated that **AXA** had withdrawn investment in three U.S. companies manufacturing landmines, contrary to the international *Ottawa Convention*. However, he told the **EWC** that **AXA** was reluctant to withdraw from investments in companies that produced weapons such as cluster bombs and white phosphorous shells and that it was not possible for **AXA** to ensure that the companies it invested in did not breach human rights in the face of an ever changing political map across the world.

In fact, despite evidence that **Total** had been guilty of using forced labour in the construction of one of its pipelines in Burma, **AXA** stated at the May Shareholders AGM that *"(Total is) a company whose code of ethics and management team we (AXA) respect."*

The **EWC** was extremely concerned with **AXA's** approach, not only from an ethical stand point, but also from the potential damage to the **AXA** brand and job security.

AXA "great" - but not in Life...

AXA Chairman Henri de Castries gave an upbeat message to the Madrid EWC stating that 2005 had been a *"really great year"* for the company and that 2006 looked like it would be *"another strong year"*.

However he did voice his concerns over the Life operations in both the United Kingdom and Germany and stated that they needed *"to turn the corner"*.

He said that the profitability in both the British and German Life operations was half that in the rest of the Group and that this was *"unacceptable"*.



Offshoring to be "accelerated" ...

Henri de Castries told the EWC that offshoring was likely to be accelerated in all European countries in order to improve the AXA Group's competitiveness.

Offshoring to operations in Argentina, India, Morocco and Poland was underway and the EWC was advised that whilst this *"had"* to continue, the aim was to expand the business and create new work to protect jobs in Europe.

In response to questions on quality, Henri de Castries stated categorically that if offshored operations missed quality targets then the work would be have to be repatriated to protect customers.

Staff top HDC's 2012 agenda

Henri de Castries presented a challenging vision of how **AXA** would reach its 2012 targets emphasising the requirement to engage staff and advising that he has taken personal ownership of this part of the *2012 Ambition* programme.

He recounted to the **EWC** examples of unacceptable management practices including one case where an employee had not received an annual review for over five years, *"(the last review) was so old you needed an archaeologist to understand it!"*

The Chairman stated that annual reviews must be carried out with *"candour and respect"* and not *"bullying and rudeness"*.

He stated that employee engagement was his *"single most important priority"* and managers must demonstrate *"exemplary leadership values"*.