

Minutes of the Bureau Meeting held on 13 February in Matignon

Presentation of the XL CS SE organization evolution project



Doina PALICI-CHEHAB (Executive Chairman of AXA Corporate Solutions, AXA Matrix and AXA Art) and **Bruno LAVAL** (European Regional Director of AXA XL) recalled the context and objectives of this project:

Closing of the acquisition on 12 September 2018 and in October 2018, launch of the first phase of consultation with the legal authorities to result in the transfer of the business and employees to a single entity in February 2019. The new structure and key elements of this organization are presented today. It is a change in operational mode, close to the more agile XL model, more innovative in terms of market share and with a more transversal organization by business lines. AXA CS, Matrix and ART were more strongly organized by geography.

The proposed organization would be based on a transnational matrix between

Geographies (World / Region / Country) spread over 5 regions: United Kingdom, Asia, Latin America, Europe, North America.

The Global P&C product lines (Property, Liability, Financial Lines, Construction) and Specialised Risks: Marine, Aviation, Space, Crisis and Political Risk Management, Works of Art...

Support functions: finance, HR, actuarial, etc. allow for greater coherence in global monitoring and follow-up

This new organization will be based on a simplification of structures:

Consolidation, centralization and offshoring, already in place at XL, to optimize integrated resources in a service company, improve operational efficiency in all activities with the establishment of centres of expertise and the use of shared service centres located in India Poland.

Alignment of IT processes and tools and legal simplification of the various existing structures.



Sandrine GIRSZYN (Human Relations Director of XL CS SE) then presented the social impacts of this new organization: 711 positions eliminated in Europe and the UK, including 595 positions held and 116 vacant. At the same time, 224 positions will be created with new skills.

The details of which are as follows:

UK: 275 posts abolished, including 230 occupied posts and 45 vacant posts, and 75 new posts created.

France: 222 posts abolished, including 182 occupied posts and 40 vacant posts, and 79 posts created.

Germany: 140 posts abolished, including 110 occupied posts and 30 vacant posts, and 26 posts created.

Italy: 41 posts abolished, 41 of which were occupied and 13 posts created.

Rest of Europe (Switzerland, Nordic countries, Spain): 33 posts abolished, including 32 occupied posts and one vacant position and creation of 31 positions

For this social management, the Management will be based on the agreement on Anticipating change, internal mobility within the entity or Group but also on a set of proposals that will be defined in a voluntary departure plan for entities in the Europe region.

The organization was presented to local elected officials in all impacted entities on February 12. The consultations will now begin.

The members of the Secretariat then spoke:

Mario PROIETTO raised tensions in Italy following this announcement and stressed the need to communicate the voluntary nature of departures and the proposed mobility plan.

Daniel FOLGADO shares Mario's comments on the challenges for Management to find good practices for employees and for the success of this project

Andrea WOLF regrets not having received the presentation support beforehand, this allows to prepare the questions. One subject caught his attention: isn't the number of management levels in the organization in contradiction with the ambition of agility proposed by this new organization?

Peter FLÜGGE wants the Management to be as attentive to the conditions of support in countries where there are fewer or no employee representatives

Steve BLEASE expressed his concern about the particular fate of British employees in the face of this reorganization. Management in the United Kingdom is not used to social dialogue practices with trade unions, especially since they have not been quickly identified within XL's structure. Management has taken this point and will pay particular attention to it.

Patricia NUNEZ began by saying that it is not easy for employee representatives to hear management announce "an adjustment of resources to optimize the company's objectives" and hoped that reclassifications would be preferred for those who did not wish to leave. She also insists on the workload that will impact remaining employees until the organization is finalized. Finally, it invites the Management to examine the issues in greater depth locally so that this organization is as clear as possible for employees.



AXA Group Corporate Responsibility: priorities 2019-2020



Céline SOUBRANNE (Group Director of Corporate Responsibility) presented an update on AXA's Corporate Responsibility for the next two years with four priorities

- Climate change (impacts on biodiversity)
- Health and prevention (Tobacco, Obesity and Diabetes)
- Responsible data
- Social inequalities and economic inclusion (AXA Hearts in Action)

Hedi BEN SEDRINE asked if the social aspect such as the level of social dialogue are criteria of Corporate Responsibility. Management confirms that they are viewed by rating agencies

Stratos KEFALAS informs the Management that this subject has long been put into practice by Greek employees with a significant impact on their behaviour in terms of water and fuel management.

Presentation of the topics dealt with by the EWC Secretariat

Hedi BEN SEDRINE presented the 2019 provisional budget for the functioning of the EWC, approved by the members of the Secretariat. One of the lines of this budget concerns local articulation meetings, which are very important in a context of accelerated transformation of the Group, particularly this year due to the impact of the integration of XL in the various entities, or to explain the work carried out within the Secretariat.

The subject of the impacts of Brexit was again raised and elected officials would like a solution to be found quickly.

Sophie HUMBERT reiterated that Management's intentions are clear: the UK delegation must remain within the AXA EWC but information on exit options from the UK is still too vague to determine how Management can finalise its proposal.

Steve BLEASE said that other major European groups have already secured their British delegation in their EWC without delay. This position is also that of UNI.

Patricia NUNEZ noted that the Directorate is taking a defensive position rather than seeking an upstream solution that would secure the position of British delegates no matter what. She stressed that the EWC must keep its spirit of cultural diversity

Management reaffirms its intention to find the simplest solution without having to anticipate an uncertain situation, which would make the subject more complex.

Hedi BEN SEDRINE agreed with the Management's desire to keep the British delegates, but he wanted to be reassured that he would not be forced to leave because he had waited too long.



Next meeting: 13 march in Paris

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