

AXA: Financing War Crimes

—
The Global insurer's
involvement in the illegal
Israeli Occupation



Publisher

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Cover photo

Israeli artillery soldier helmet on
live M107 shells ready to be fired
on May 30 2005¹.

1. Human Rights Watch - "[Rain of Fire, Israel's Unlawful Use of White Phosphorus in Gaza](#)", VI. Legal Standards - 25 March 2009 : *"In the cases investigated, Israeli forces fired air-burst white phosphorus munitions from 155mm artillery. Human Rights Watch has long criticized the IDF's use of high explosive M107 shells in densely populated areas as being indiscriminate."*

AXA : Financing War Crimes

About SumOfUs

SumOfUs is a community of people from around the world committed to curbing the growing power of corporations. We want to buy from, work for and invest in companies that respect the environment, treat their workers well and respect democracy. And we're not afraid to hold them to account when they don't.

Barely a day goes by without a fresh corporate scandal making headlines. From polluting the environment to dodging taxes – when left unchecked, corporations don't let anything stand in the way of bigger profits.

In an age of multinational companies that are bigger and richer than some countries, it can be easy to feel powerless. But there is a chink in their armour. The biggest corporations in the world rely on ordinary people to keep them in business. We are their customers, their employees, and often their investors. When we act together, we can be more powerful than they are. Together, our community of millions acts as a global consumer watchdog – running and winning campaigns to hold the biggest companies in the world accountable.

More information on SumOfUs can be found at www.sumofus.org

About Profundo

Profundo is an NGO specialized in profound research and advice, with the aim of making a practical contribution to a sustainable world and social justice. Thematically, Profundo focuses on commodity chains, the financial sector and corporate social responsibility.

More information on Profundo can be found at www.profundo.nl

Authorship

SumOfUs commissioned the NGO Profundo, namely, researchers Melina van Scharrenburg and Ward Warmerdam, to investigate the financial links between AXA and Bank Hapoalim, Bank Leumi, Elbit Systems, First International Bank of Israel, Israel Discount Bank, and Mizrahi Tefahot Bank. Profundo delivered research notes in November 2018 and updated them in March 2019.

Consequently, the foreword, conclusion and executive summary of this report were written by SumOfUs.

Disclaimer

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SumOfUs is responsible for interpreting the findings and conclusions of this report.

Research notes by Profundo are presented on the following pages.

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Executive Summary

French insurance group AXA is involved in the illegal Israeli occupation -- which may expose the company to criminal prosecution for complicity in gross human rights violations, including war crimes under both French and International law.

AXA said they do not finance activities nor companies subject to international sanctions², yet it directly invests in banks that finance illegal Israeli settlements and, through its affiliate AXA Equitable Holdings (EQH), invests both in those banks and in Elbit Systems³, Israel's largest weapons manufacturer, which also makes banned weapons.

AXA has not been forthright about its financial links to Israeli banks, Bank Hapoalim, Bank Leumi, First International Bank of Israel, Israel Discount Bank, and Mizrahi Tefahot Bank, and to the weapons manufacturer Elbit Systems, all of which are deeply involved in the illegal and criminal activities perpetrated by the Israeli State.

In December 2018, AXA Investment Managers (AXA's subsidiary) divested from Elbit Systems. However, AXA still remains invested via its affiliate AXA Equitable Holdings, which invests over USD 1,2 million in Israel's biggest weapons company.

Elbit Systems manufactures cluster munitions which are banned under international law by the Convention on Cluster Munitions⁴ – to which France is a State Party. Furthermore, in 2010, the French government reasserted its condemnation of “any knowing financial assistance, directly or indirectly, in the production or trading of cluster munitions”⁵.

This report by consumer watchdog SumOfUs reveals AXA's investments in Israeli banks which in turn directly finance illegal Israeli settlements. It also highlights the ways in which Elbit Systems profits from supplying the Israeli military with a variety of banned and controversial weapons, as well as technologies used to sustain the occupation.

2. Insurance Business UK – “[Consumer group hits out at AXA over Israeli weapons maker investment](#)” - 18 April 2018: “AXA does not finance activities nor companies subject to international sanctions. Our investments in the Israeli banks targeted by this campaign represent around 0.004% of the Group's assets under management and are mainly assets managed for third party clients of our asset management subsidiaries. These investments have absolutely no vocation to finance the expansion of the “disputed territories”.

3. See links to related Unites States Securities and Exchange Commission filings at: <https://fintel.io/soh/us/eslt/axa>

4. Dublin Diplomatic Conference on Cluster Munitions at Dublin – “[The Convention on Cluster Munitions](#)” - 30 May 2008.

5. French National Assembly XIIIe législature - Extraordinary Session 2009-2010 - [Interpretative Statement by the Deputy Minister of Defense](#) - First seance Tuesday 6 July 2010: “Regarding financing, it is clear to us that any financial assistance, direct or indirect, knowingly related to an activity of manufacturing or trading in cluster munitions would constitute assistance, encouragement or incitement under criminal law in respect of complicity or the commission of the offences provided for in this bill.”

Key Findings

- **AXA and its affiliate AXA Equitable Holdings invest over USD 91 million in six Israeli companies that are involved in the Israeli occupation and apartheid enterprise.**
- **Through its shares in AXA Equitable Holdings, AXA is involved in the investment of over USD 1,2 million in Israel's largest weapons company, Elbit Systems**, which provides the Israeli military with weapons that are used against Palestinian civilians. The company also provides logistical support to the occupation's infrastructure, such as the Apartheid Wall cutting through the Occupied Palestinian Territory and which is deemed illegal by the International Court of Justice⁶. Elbit Systems manufactures cluster bombs, which are banned by international law, in addition to controversial weapons such as white phosphorus⁷ –used indiscriminately by the Israeli military against Palestinian civilians in 2009⁸.
- This report confirms **the ongoing involvement of AXA's affiliate, AXA Equitable Holdings, in investments in the controversial weapons manufacturer Elbit Systems** –a sector of activity that AXA had committed to divest from in 2007⁹.
- **AXA is involved in investing over USD 90 million in the five biggest Israeli banks, all of which directly invest in, and profit from, infrastructure and housing projects in illegal Israeli settlements in the Occupied Palestinian Territory:**
 - **Bank Hapoalim: USD 37.95 million**
AXA directly invests USD 300,000 and is complicit in the investment of USD 37.65 million by AXA Equitable Holdings.
 - **Bank Leumi: USD 38.35 million**
AXA directly invests USD 220,000 and is complicit in the investment of USD 38.13 million by AXA Equitable Holdings.
 - **Bank Mizrahi Tefahot: USD 1.54 million**
AXA directly invests USD 320,000 and is complicit in the investment of USD 1.22 million by AXA Equitable Holdings.

6. International Court of Justice Ruling - [International Court of Justice finds Israeli barrier in Palestinian territory is illegal](#) - 9 July 2004

7. Elbit Systems Ltd - "[Elbit Systems Annual Report 2013](#)", p: 26: "We also supply high explosive, white phosphorus (WP) and smoke mortars in 60mm, 81mm and 120mm calibers, equipped with point detonating, proximity and electronic time fuses."

8. Human Rights Watch - "[Israel: White Phosphorus Use Evidence of War Crimes](#)" - 25 March 2009; Investigate - [Elbit Systems LTD - Controversial/banned weapons production](#) : "Until 2012, Elbit Systems openly admitted to manufacturing white phosphorus munitions, but it no longer lists it among its products. *IMI Systems, now part of Elbit, still produces 76MM white phosphorus naval ammunition that it markets as "combat-proven" by the Israeli Navy.*"

9. Sylvain Vanston, Head of Corporate Responsibility for Axa – "[Un désinvestissement massif du pétrole et du gaz n'est pas du tout au programme d'Axa](#)" - Libération - 1 September 2016: "Nous avons aussi cessé en 2011 d'assurer des fabricants d'armes controversées, après avoir désinvesti du secteur en 2007."

- **First International Bank of Israel: USD 10,000**
AXA is complicit in the investment of USD 10,000 by AXA Equitable Holdings.
- **Israeli Discount Bank: USD 12.39 million**
AXA directly invests USD 1.46 million and is complicit in the investment of USD 10.93 million by AXA Equitable Holdings.
- **In June 2018, with its investments, AXA was the 5th largest European investor in Israeli banks, and the largest in France**, ahead of France's BPCE, Crédit Agricole and BNP Paribas¹⁰.

Our Recommendations

In order to come into alignment with International and French law, **AXA must terminate all business relationships** with these six Israeli companies: the weapons manufacturer Elbit Systems, Bank Hapoalim, Bank Leumi, Mizrahi Tefahot Bank, Israel Discount Bank and First International Bank of Israel.

- **AXA must persuade AXA Equitable Holdings to immediately divest from Israel's leading arms company Elbit Systems; if AXA is unable to do that, then it should totally divest from AXA EQH.** The weapons manufacturer **produces banned weapons, provides weapons used against civilians, and offers logistical support to the Israeli occupation and apartheid regime.** Elbit Systems is infamous for supplying cluster bombs and white phosphorus¹¹ to the Israeli army, which has used these weapons against Palestinian civilians in Gaza, killing and injuring hundreds of them¹². Elbit Systems produces 85%¹³ of the drones used by the Israeli military against Palestinians, and it also supplies electronic equipment for the Apartheid Wall in the occupied West Bank¹⁴. The Israeli army buys weapons from this company and tests them on Palestinian civilians to see how they kill, maim or injure; then, this company goes on to export its weapons under the label "battle tested" or "combat-proven"¹⁵.

10. See Profundo report - June 2018 - "[Doing Business with the Occupation](#)": chapter 8 "[Banking services](#)", p: 48 to 53.

11. Elbit Systems Ltd - "[Elbit Systems Annual Report 2013](#)", p: 265: "We also supply high explosive, white phosphorus (WP) and smoke mortars in 60mm, 81mm and 120mm calibers, equipped with point detonating, proximity and electronic time fuses."

12. Investigate - [Elbit Systems LTD - Killer and surveillance drones and their use against civilians](#);
Human Rights Watch - "[Israel: White Phosphorus Use Evidence of War Crimes](#)" - 25 March 2009;
Human Rights Watch - "[Precisely Wrong](#)" - 30 June 2009;
United Nations Human Rights Council - "[HUMAN RIGHTS IN PALESTINE AND OTHER OCCUPIED ARAB TERRITORIES Report of the United Nations Fact-Finding Mission on the Gaza Conflict](#)" - 22 September 2009;
Al Jazeera - "[Gaza: Life and death under Israel's drones](#)" - 20 November 2013;
Al-Haq, the Palestinian Center for Human Rights, Al Dameer Association for Human Rights, and Al Mezan Center for Human Rights - "[Operation Protective Edge in Numbers - A Statistical Report on Civilian Casualties and Destruction of Property by the Israeli Occupation Forces between 7 July and 26 August 2014](#)" - 2015

13. Israel Defense - "[Elbit Systems' Hermes 900 UAV Headed to a Fifth Country](#)" - 13 December 2012 : "About 85% of the UAVs used by the IDF are made by Elbit Systems".

14. Investigate - [Elbit Systems LTD - Walls and border surveillance in occupied Palestine and Golan heights](#)

15. Elbit Systems : "[Hermes 450 is a mature and combat-proven UAS with over 300.000 operational flight hours and a class-leading safety and reliability record.](#)"

- **AXA must stop investing in banks that finance the expansion of Israel's illegal settlements, whether this investment is direct, or indirect –via its affiliate AXA Equitable Holdings.** Reports¹⁶ by several NGOs have confirmed that all Israeli banks are involved in the Israeli settlement industry –e.g. they provide special loans for companies, governmental or individual projects in the OPT.

Conclusion

The findings of this report show that AXA is exposed to potential prosecution under both International and French law.

The Israeli military occupation of the Palestinian Territory, including the West Bank, East Jerusalem, and the Gaza Strip, is internationally recognized as a situation of armed conflict that is governed by international humanitarian law, international human rights law and numerous UN Security Council resolutions. Israeli settlements in the Occupied Palestinian Territory (OPT) are illegal under international law¹⁷. The United Nations¹⁸ has strongly condemned the serious violations of international humanitarian law and war crimes committed by the State of Israel with its illegal occupation and settlements, including appropriation and destruction of Palestinian land, resources and property, forcible transfer of populations and military violence against Palestinian civilians.

Many EU Member States, including France, have published recommendations warning against the financial, legal and reputational risks of doing business in settlements. Moreover, France has passed laws requiring companies to demonstrate heightened due diligence when doing business in regions, such as the OPT, where human rights are violated¹⁹.

As long as these companies support the expansion and maintenance of illegal Israeli settlements and the unlawful use of armed force against Palestinians, AXA will remain complicit in serious violations of international humanitarian law, human rights, it will also be potentially responsible for French law violations, and definitely in contradiction with its ethical commitments. As per the UN Guiding Principles on Business and Human Rights²⁰, business enterprises, including financial institutions, have a legal obligation to respect human rights as well as international humanitarian law (IHL).

Customers, employees and investors, as well as business partners and spokespeople of AXA, should be made fully aware of the company's part in the brutal Israeli occupation and the sale of banned weapons.

16. These reports include: Human Rights Watch - "[Occupation, Inc.](#)"; Who Profits - "[Financing Land Grab](#)"; AFPS, CCFD - Terre Solidaire, Fair Finance France, FIDH, LDH, Solidaires, CGT and Al-Haq - "[French Banks Dangerous Liaisons with the Israeli Settlement Enterprise](#)"; Human Rights Watch - "[Bankrolling Abuse](#)"; 11.11 and Profundo - "[Doing Business with the occupation](#)".

17. Including, among others, the Hague Regulations (1907), the 4th Geneva Convention (1949), customary humanitarian law, and the Rome Statute (1998)

18. See United Nations Security Council resolutions 242 (1967), 338 (1973), 446 (1979), 452 (1979), 465 (1980), 476 (1980), 478 (1980), 1397 (2002), 1515 (2003), 1850 (2008) and 2334 (2016).

19. [French law n° 2017-399 - 27 march 2017](#) - "Loi relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre"

20. United Nations Human Right Office of the High-Commissioner - "[Guiding Principles on Business and Human Rights](#)" - June 2011

Methodology & Terminology

Methodology

For one year, SumOfUs tried to engage in a dialogue with the AXA Group to give it the opportunity to explain the exact nature of its investments and its responsible investment policy.

Indeed, for years AXA has denied “directly or indirectly financing the production of weapons prohibited under international law”²¹, and has downplayed its investments in Israeli banks when confronted about them²².

To shed light on these investments, SumOfUs commissioned Profundo, a research NGO in the Netherlands, in September 2018, to investigate links between AXA Group and six Israeli companies: Bank Hapoalim, Bank Leumi, Elbit Systems, First International Bank of Israel, Israel Discount Bank, and Mizrahi Tefahot Bank; these six companies are identified as involved in the support of illegal settlements and the production of banned and controversial weapons.

Profundo researched AXA's shareholdings in these companies using the Thomson EIKON financial database. On the basis of fund level data and management data, Profundo identified which of AXA's subsidiaries and which of the funds managed by AXA are invested in the six Israeli companies.

Profundo researched AXA's bond holdings in the selected companies using the Thomson EMAXX financial database. First, Profundo researched the bonds issued by the selected companies. Then, this information was used to identify AXA's holdings of those bonds.

During the making of this report, in December 2018, AXA sold its direct investments in Elbit Systems and it sold part of its investments in AXA Equitable Holdings, which was previously AXA's subsidiary and is now an affiliate, in March 2019. For this reason, we decided to update the data we had received from Profundo. The report contains the data on AXA's investments in the six complicit companies from September 2018 and March 2019.

21. Twitter AXA Switzerland – 20 November 2018: “[No, that's not true. The AXA Group does not directly or indirectly finance the production of weapons prohibited under international law.](#)”; AXA reactive statement - June 2018: “*In accordance with this policy that we apply rigorously, the AXA Group does not finance, directly or indirectly, the production of weapons banned by the international law*”

22. Insurance Business UK – “[Consumer group hits out at AXA over Israeli weapons maker investment](#)” - 18 April 2018: “*AXA does not finance activities nor companies subject to international sanctions. Our investments in the Israeli banks targeted by this campaign represent around 0.004% of the Group's assets under management and are mainly assets managed for third party clients of our asset management subsidiaries. These investments have absolutely no vocation to finance the expansion of the “disputed territories”*”

Terminology

In this report, SumOfUs has chosen to adopt the following terms and bases its choice on the international legal corpus and reports by leading human rights NGOs.

Occupation & Settlements:

According to Article 42 of the 1907 Hague Regulations, a “territory is considered occupied when it is actually placed under the authority of the hostile army. The occupation extends only to the territory where such authority has been established and can be exercised.”²³

United Nations Security Council Resolution 2334 (2016) “reaffirms that the establishment by Israel of settlements in the Palestinian territory occupied since 1967, including East Jerusalem, has no legal validity and constitutes a flagrant violation under international law and a major obstacle to the achievement of the two-State solution and a just, lasting and comprehensive peace” ; it also “reiterates its demand that Israel immediately and completely cease all settlement activities in the Occupied Palestinian Territory, including East Jerusalem, and that it fully respect all of its legal obligations in this regard.”

Under the Rome Statute of the International Criminal Court, war crimes are constituted of “extensive destruction and appropriation of property not justified by military necessity and carried out unlawfully and wantonly” and the “transfer, directly or indirectly, by the Occupying Power of parts of its own civilian population into the territory it occupies, or the deportation or transfer of all or parts of the population of the occupied territory within or outside this territory”.²⁴

Apartheid:

The word apartheid does not just describe the system of institutionalised racial segregation that existed in South Africa from 1948 until the early 1990s. The crime of apartheid is defined by the Rome Statute (1998²⁵), which established the International Criminal Court, as a crime against humanity. Initially, apartheid has been proscribed by the 1965 International Convention on the Elimination of All Forms of Racial Discrimination, International Humanitarian Law²⁶, various resolutions of the United Nations Security Council (1984²⁷) and General Assembly (1966²⁸) for the situation in South

23. International Committee of the Red Cross - “[Occupation and international humanitarian law: questions and answers](#)” - 4 August 2004

24. Art. 8 - War crimes, “[Rome Statute of the International Criminal Court](#)” - 17 July 1998

25. Art. 7(1)(j), “[Rome Statute of the International Criminal Court](#)” - 17 July 1998

26. Art. 85(4)(c), “[Protocol Additional to the Geneva Conventions](#)” - 12 August 1949, and “[Relating to the Protection of Victims of International Armed Conflicts](#)” - 8 June 1977

27. United Nations Security Council - “[Resolution 556](#)” - 23 October 1984

28. United Nations General Assembly - “[Resolution 2202 \(XXI\)](#)” -16 December 1966

Africa. The 1973 Convention on the Suppression and Punishment of the Crime of Apartheid defines it as “an institutionalized system of systematic oppression and domination by one racial group over any other racial group or groups and with the intention of maintaining that system”. The situation of oppression imposed by the State of Israel on the Palestinians, both within its national territory and in the occupied territory, meets this legal definition - as reaffirmed by the 2017 United Nations report establishing, “on the basis of scholarly inquiry and overwhelming evidence, that Israel is guilty of the crime of apartheid.”²⁹

Apartheid Wall:

“Apartheid” meaning “separation”, the Apartheid Wall refers to the illegal wall Israel started to build in the occupied West Bank in the year 2000 - it is commonly called Apartheid Wall by Palestinians and the international solidarity movement for Palestinian human rights because it is symbolic of Israel's apartheid regime. In 2004 the International Court of Justice condemned the wall, saying it “was illegal”, “its construction must stop immediately” and “Israel should make reparations for any damage caused”³⁰.

Oppression:

The report uses the term oppression to refer to the various forms of oppression that Palestinians are experiencing because of three cumulative oppressive situations:

- Military occupation of their land and the destruction of their property, the plundering of their resources, the restrictions on their basic rights, summary executions, checkpoints, administrative detentions, amongst many others;
- Colonization by the State of Israel with the appropriation of the Palestinian Territory with settlements and the Apartheid Wall cutting through their lands;
- The apartheid regime with a variety of segregating laws ruling their daily-lives with restrictions, whether they live in West Bank, East Jerusalem, Gaza or are Arab-Israeli citizens.

Parent Company:

A parent company is a company that owns enough of another company's stocks to enable it to control the other company. The term parent company only refers to subsidiaries and not to affiliates. The parent company is required to combine its subsidiary's financial statements with its own. This is only required with subsidiaries, not with affiliates³¹.

29. United Nations Economic and Social Commission for Western Asia (ESCWA) - [“Israeli Practices towards the Palestinian People and the Question of Apartheid”](#) - March 2017

30. UN News - [International Court of Justice finds Israeli barrier in Palestinian territory is illegal](#) - 9 juillet 2004

31. Bizfluent - [“Difference Between an Affiliate & Subsidiary”](#) - 26 September 2017

Subsidiary:

A subsidiary is a company that belongs to another company, usually referred to as the parent company or the holding company. The parent holds a controlling interest in the subsidiary company, meaning it owns or controls more than half of its stock. This gives the parent company majority control over the subsidiary, giving it the power to make decisions, such as naming a board of directors. In cases where a subsidiary is 100% owned by another firm, the subsidiary is referred to as a wholly-owned subsidiary. A subsidiary is always an affiliate; however an affiliate is not always a subsidiary.³²

Affiliate:

An affiliate company is similar to a subsidiary; however, with affiliates, one company owns less than 50 percent of the affiliate company's stock. The company that owns less than 50 percent is said to have minority control over the affiliate company and, depending on the percentage owned, has some level of control over the affiliate. If two companies are subsidiaries of a company, they are affiliates of each other³³.

32. Bizfluent - "[Difference Between an Affiliate & Subsidiary](#)" - 26 September 2017, Investopedia - "[Subsidiary vs. Affiliate: What's the Difference?](#)" - 14 April 2019

33. Bizfluent - "[Difference Between an Affiliate & Subsidiary](#)" - 26 September 2017

Foreword

“Considering the weight of the international legal consensus concerning the illegal nature of the settlements themselves, and the systemic and pervasive nature of the negative human rights impact caused by them, it is difficult to imagine a scenario in which a company could engage in listed activities in a way that is consistent with the Guiding Principles and international law.”³⁴

Office of the UN High Commissioner for Human Rights - 31 January 2018

AXA invests in banks that are the financial backbone of construction in illegal Israeli settlements, and via an affiliate in Elbit Systems, AXA invests in Israel's biggest and most notorious weapons manufacturer. This could expose the company to prosecution under French and International law.

On its own website, the global insurer publishes its investments in companies complicit with the Israeli apartheid over the Palestinian people, such as the top 5 Israeli banks, in addition to Elbit Systems, Caterpillar, HP³⁵, Israel Electric Corporation, Heidelberg Cement³⁶ and many

others. This report and campaign focus on some of the most complicit companies: the Israeli banks and Elbit Systems.

Until now, AXA has been denying what many human rights organizations and international watchdogs have already stated: the top 5 Israeli banks, in which AXA is involved, are financing and maintaining illegal settlements, just as Elbit Systems is directly involved in and is profiting from the military occupation.

The Israeli military occupation of the Occupied Palestinian Territory, including West Bank, East Jerusalem and the Gaza Strip, is internationally recognized as an illegal occupation that is governed by International Humanitarian Law³⁷, international human rights law and numerous UN Security Council resolutions³⁸.

For the last three years, reports³⁹ from international human rights watchdogs have analysed financial institutions' relations with and investments in the Israeli occupation.

These reports analyse the ways in which Israeli banks and Israeli companies directly provide

34. Office of the UN High Commissioner of Human Rights – [“Database of all Business Enterprises Involved in the Activities Detailed in Paragraph 96 of the Report of the Independent International Fact-finding Mission to Investigate the Implications of the Israeli Settlements on the Civil, Political, Economic, Social and Cultural Rights of the Palestinian People Throughout the Occupied Palestinian Territory, Including East Jerusalem. A/HRC/37/39, 37th session”](#), p. 11 - 28 February 2018

35. AXA website - [ATM International Managed Volatility Portfolio](#) - Annual report - 31 December 2018

36. 11.11.11 - [“New report exposes financial relationships between Europe and illegal Israeli settlements”](#) - 27 June 2018

37. [Hague Regulations](#) - 1907 & [4th Geneva Convention](#) - 1949

38. See United Nations Security Council resolutions [242](#) (1967), [338](#) (1973), [446](#) (1979), [452](#) (1979), [465](#) (1980), [476](#) (1980), [478](#) (1980), [1397](#) (2002), [1515](#) (2003), [1850](#) (2008) and [2334](#) (2016).

39. These reports include: Human Rights Watch - [“Occupation, Inc.”](#); Who Profits - [“Financing Land Grab”](#); AFPS, CCFD - Terre Solidaire, Fair Finance France, FIDH, LDH, Solidaires, CGT and Al-Haq - [“French Banks Dangerous Liaisons with the Israeli Settlement Enterprise”](#); Human Rights Watch - [“Bankrolling Abuse”](#); 11.11.11 and Profundo - [“Doing Business with the occupation”](#).

financial and material support so that the Israeli government can perpetuate its human rights abuses against the Palestinian people.

This report reveals the nature, and amount, of investment that the French multinational insurance company AXA has in companies that are directly involved in the illegal Israeli occupation and in Israel's apartheid regime. AXA invests in the following companies mentioned in this report, either directly, through its subsidiary AXA Investment Managers, or via its affiliate AXA Equitable Holdings:

- **The five biggest Israeli banks:** Hapoalim, Leumi, Mizrahi Tefahot, First International Bank of Israel and Israel Discount Bank – all directly investing in and profiting from military infrastructure and housing projects in illegal settlements on Palestinian land;
- **The weapons manufacturer Elbit Systems,** Israel's biggest weapons company – providing the Israeli military with weapons used against civilians and logistical support to the occupation infrastructure, such as the Apartheid Wall. Elbit Systems also manufactures banned weapons, including cluster bombs.

SumOfUs had been campaigning for a year, calling on AXA to drop its investments in the Israeli occupation. During this time, AXA refused to provide clear and transparent information about its investments. Therefore,

SumOfUs decided to undertake deeper investigations; we hired the NGO Profundo⁴⁰ to research and detail AXA's financial activities with the Israeli occupation, in order to bring to light the truth about its investments. This report contains the most up-to-date information on AXA's investments in the above-mentioned companies.

During the making of this report, AXA IM (AXA's subsidiary) sold its position in the weapons manufacturer Elbit Systems in December 2018. However, AXA remains linked to Elbit Systems through the investments of its affiliate, AXA Equitable Holdings, through its subsidiary AllianceBernstein and through individual funds.

In March 2019, AXA confirmed to SumOfUs that they no longer control AXA Equitable Holdings; AXA's ownership of EQH's common stock decreased from 60.1% to 48.3%⁴¹. Just before the publishing of this report, on the 7th June 2019 AXA announced the successful completion of a secondary public offering of EQH. Following this sale, AXA's ownership in EQH has decreased from 48.3% to 40.1%⁴². Though AXA has now moved to a minority position in AXA Equitable Holdings, the French multinational it is still a leading shareholder⁴³, and it is still responsible for its affiliate's investments in the five Israeli banks and arms manufacturer.

Moreover, this recent change does nothing to diminish the direct investments, amounting to over USD 2.3 million, held by AXA IM in four of the five Israeli banks.

40. SumOfUs hired the NGO Profundo to investigate the financial links between AXA and Bank Hapoalim, Bank Leumi, Elbit Systems, First International Bank of Israel, Israel Discount Bank, and Mizrahi Tefahot Bank.

41. AXA website - "[AXA S.A. announces the successful completion of a Secondary Common Stock Offering of AXA Equitable Holdings, Inc. and related Share Buyback](#)" - 25 March 2019

42. AXA Press Release - "[AXA S.A. announces the successful completion of a Secondary Offering of AXA Equitable Holdings, Inc.'s Common Stock](#)" - 7 June 2019

43. Fintel - "[EQH / AXA Equitable Holdings, Inc. - Institutional Ownership and Shareholders](#)": "Largest shareholders include Axa, BlackRock Inc., Norges Bank, Vanguard Group Inc, Canada Pension Plan Investment Board (...)"
Bourse Direct - "[AXA : lancement d'une offre secondaire d'actions ordinaires d'Axa Equitable Holdings](#)" - 19 March 2019: "(...) Axa aura une représentation minoritaire au conseil d'administration d'EQH, **conservant le droit de nommer trois des neuf administrateurs.**"

Elbit Systems and AXA's Commitment to Divest from Weapons Manufacturers



Israeli tanks and armored personnel carriers in open area near the fence with Gaza, in southern Israel, 26 March 2019. (Activestills)

AXA has a "Group Policy on Controversial Weapons"⁴⁴ which specifies that it has taken steps to terminate business ties with manufacturers of cluster bombs, cluster munitions, chemical and biological weapons and/or key components thereof. In addition, "AXA Investment Managers (IM) has taken the decision to divest holdings that it manages in companies that produce or sell (...) cluster bombs⁴⁵"; the weapons industry is a sector of activity that AXA group had committed to leaving in 2007⁴⁶.

44. AXA website - Redefining standards - [AXA Group Policy on Controversial Weapons](#)

45. AXA - "[Group Policy on Controversial Weapons](#)" : (quote)

"AXA's "controversial weapons" divestment list contains:

- Companies involved in the development, production, use, maintenance, offering for sale, distribution, import or export, storage or transportation of controversial weapons and their key components.
- Companies owning 50% or more of an excluded company are also blacklisted.
- Affiliates of an excluded company are not blacklisted, unless involved in the production / use / distribution of controversial weapons. If an affiliate is found to be involved in controversial weapons, whether directly (manufacturing) or indirectly (financing a manufacturer), it will feature on the blacklist."

46. Sylvain Vanston, Head of Corporate Responsibility for Axa - "[Un désinvestissement massif du pétrole et du gaz n'est pas du tout au programme d'Axa](#)" - Libération - 1 September 2016: "Nous avons aussi cessé en 2011 d'assurer des fabricants d'armes controversées, après avoir désinvesti du secteur en 2007."

The 2008 Convention on Cluster Munitions⁴⁷ bans the use, production, and financing of cluster munitions. Though France is a former user and manufacturer of cluster munitions, the French government has destroyed its stockpile, and officially condemns “any knowing financial assistance, directly or indirectly, in the production or trading of cluster munitions”⁴⁸.

Despite AXA's own commitments and the French government's condemnation, our report shows that AXA is still, via its affiliate AXA Equitable Holdings, providing financial assistance of over USD 1,2 million to Israel's leading arms company Elbit Systems, **which makes cluster bombs and has supplied the Israeli army with white phosphorus⁴⁹, which was used against Palestinian civilians in Gaza, killing and injuring hundreds of them⁵⁰.**

Elbit Systems also produces 85%⁵¹ of the “killer drones”⁵² used by the Israeli military against Palestinians⁵³. The company also supplies surveillance technologies and electronic equipment for the Apartheid Wall in the occupied West Bank⁵⁴, which was deemed illegal by the International Court of Justice in 2004. Elbit Systems uses its sales to the Israeli army to then export its weapons with the coveted label “battle tested”⁵⁵ – testing ground being their use against Palestinians. Israel's security forces have used such weapons for brutal and illegal violence against Palestinian civilians, including extrajudicial executions, attacks on unarmed protesters, house demolitions using armoured equipment, mass arrests, in addition to the military blockade and large-scale bombings of the Gaza Strip in 2009, 2012 and 2014⁵⁶.

47. Dublin Diplomatic Conference on Cluster Munitions at Dublin – [“The Convention on Cluster Munitions”](#) - 30 May 2008.

48. [Interpretative statement by the Deputy Minister of Defense - French National Assembly XIIIe législature - Extraordinary Session 2009-2010 - First seance Tuesday 6 July 2010](#): “Regarding financing, it is clear to us that any financial assistance, direct or indirect, knowingly related to an activity of manufacturing or trading in cluster munitions would constitute assistance, encouragement or incitement under criminal law in respect of complicity or the commission of the offences provided for in this bill.”

49. Elbit Systems Ltd - [“Elbit Systems Annual Report 2013”](#), p: 26. : “We also supply high explosive, **white phosphorus (WP)** and smoke mortars in 60mm, 81mm and 120mm calibers, equipped with point detonating, proximity and electronic time fuses.”

50. Human Rights Watch - [“Israel: White Phosphorus Use Evidence of War Crimes”](#) - 25 March 2009

51. Israel Defense - [“Elbit Systems' Hermes 900 UAV Headed to a Fifth Country”](#) - 13 December 2012 : “About 85% of the UAVs used by the IDF are made by Elbit Systems”.

52. War On Want report - [“Killer Drones: UK's complicity in Israel's crimes against the Palestinian people”](#) - page 6 - December 2013 : “The principal armed drones used by the Israeli military are Elbit's Hermes 450 drone (described in more detail below) and the Heron, which is produced by Israel Aerospace Industries. Both aircraft can carry missiles for use in combat operations, and both were deployed in Israel's assault on Gaza in 2008/09”. “Israel's 2014 assault on Gaza (“Operation Protective Edge”), was used as a testing ground for Elbit's Hermes 900 drone, which was still in development stages at the time. During the assault, Israel conducted over 6,000 airstrikes in Gaza, killing 2,251 Palestinians, of whom 1,462 were civilians and 551 were children.”;

Investigate - [“Elbit Systems: Killer and surveillance drones and their use against civilians”](#)

53. Human Rights Watch - [“Israel: Precisely Wrong : Gaza Civilians Killed by Israeli Drone-Launched Missiles”](#) - 30 June 2009

54. Investigate - [“Elbit Systems: Walls and border surveillance in occupied palestine and golan heights”](#)

55. [Elbit Systems](#): “Hermes 450 is a mature and combat-proven UAS with over 300,000 operational flight hours and a class-leading safety and reliability record.”

56. Who Profits - [“Elbit Systems”](#)



A view on the Apartheid Wall built near the road 60, in the the Bir Ouna neighborhood, in Beit Jala, West Bank, 6 April 2019. The construction of the illegal Wall has left much of Beit Jala's agricultural land on the other side of the Wall. (Activestills)

When campaigners⁵⁷, on August 4th 2016, asked about AXA's investments and activities in Elbit Systems, Alice Steenland, AXA's head of Corporate Responsibility, replied that AXA did an evaluation and found that "Elbit Systems doesn't make controversial weapons" – a bewildering answer given the existing reports pointing out that Elbit Systems was providing surveillance technologies to the Apartheid Wall in the occupied West Bank and was the Israeli army's supplier of white phosphorus⁵⁸,

which was used during attacks on civilians in 2009⁵⁹.

Furthermore, in 2017, in what should have tipped off AXA again, the Israel Defense Forces (IDF) rejected a contract with a German weapons manufacturer because the German government insisted that Israel is not to use this German weapon system to deliver cluster munitions. Instead, Israel decided to purchase an artillery system made by Elbit Systems,

⁵⁷. French campaigners from the Boycott, Divestment, Sanctions (BDS) movement - Palestinian-led movement for freedom, justice and equality

⁵⁸. Elbit Systems Ltd - "[Elbit Systems Annual Report 2013](#)", p: 26: "We also supply high explosive, **white phosphorus (WP)** and smoke mortars in 60mm, 81mm and 120mm calibers, equipped with point detonating, proximity and electronic time fuses."

⁵⁹. Human Rights Watch - "[Precisely Wrong](#)" - 30 June 2009

apparently because this delivery system will allow it to use cluster munitions in the future⁶⁰.

In December 2018, following a campaign by a coalition of British NGOs against its investments, HSBC bank decided to divest from Elbit Systems because of its involvement in the production and commercialization of cluster munitions⁶¹.

It was then AXA's turn to take the path of divestment. Thus, AXA Investment Managers (a wholly-owned subsidiary of AXA) sold its shares in the arms manufacturer on December 31, 2018.

However, as mentioned before, AXA, via the investments of its affiliate AXA Equitable Holdings, continues to invest in the notorious Israeli arms company.

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**AXA, via the
investments
of its affiliate
AXA Equitable
Holdings,
continues to
invest in the
notorious Israeli
arms company
[Elbit Systems].**

60. Human Rights Watch - "[Why Clinging to Cluster Munitions is Fatal to Public Acceptance](#)" - 31 August 2017
Haaretz - "[Israeli Army Buying Local Cannons to Sidestep International Ban on Cluster Bombs](#)" - 8 August 2017

61. Al Jazeera - "[HSBC 'divests' from Israeli arms company Elbit Systems](#)" - 27 December 2018;
The Jerusalem Post - "[Elbit rejects HSBC's BDS disclaimer stating: 'we don't produce cluster bombs'](#)" - 3 January 2019: "*HSBC's decision was based on our long-standing defense policy whereby we do not invest in companies linked to the production or marketing of cluster munitions. We test our shareholdings against this policy, assisted by an external, evidence-based ratings provider,*" - Stuart Levey, HSBC's chief legal officer and group managing director;
More divestment from Elbit Systems can be found here: Investigate - [Elbit Systems](#)

AXA and the Five Israeli Banks Involved in the Israeli Occupation



| *A view on the illegal Israeli settlement of Beitar Illit, West Bank, 11 March 2019 (Activestills)*

Reports⁶² by several NGOs confirmed that all Israeli banks are involved in the Israeli settlement industry – e.g. they provide special loans for companies, governmental or individuals projects in the Occupied Palestinian Territory, etc. The five Israeli banks in which AXA is a shareholder are no exception.

For example, Bank Hapoalim, one of Israel's largest banks - in which AXA's affiliate, AXA Equitable Holdings, invests tens of millions of dollars - finances the construction of housing projects in illegal Israeli settlements in the

Occupied Palestinian Territory. It also acts as a guarantor and provides loans to major contractors and construction companies that build in the OPT. The bank is a guarantor of state loans to the companies that built the Jerusalem Light Rail, which is designed to connect the settlement neighborhoods around illegally occupied East Jerusalem with the city center. The bank also provides mortgages for homebuyers in, and financial services to local authorities of, illegal settlements⁶³. Bank Hapoalim also discriminates against Palestinian citizens of Israel, refusing to transfer accounts

62. Human Rights Watch - "[Occupation, Inc.](#)"; Who Profits - "[Financing Land Grab](#)"; AFPS, CCFD - Terre Solidaire, Fair Finance France, FIDH, LDH, Solidaires, CGT and Al-Haq - "[French Banks Dangerous Liaisons with the Israeli Settlement Enterprise](#)"; Human Rights Watch - "[Bankrolling Abuse](#)"; 11.11.11 and Profundo - "[Doing Business with the occupation](#)".

63. Investigate - [Bank Hapoalim](#) - 2018

of Palestinian citizens to branches located in what they consider “Jewish populated areas”⁶⁴.

The other banks have similar discriminatory practices against Palestinians and are also part of the backbone of the Israeli settlement enterprise. Once again, when asked in July 2018 by SumOfUs about both its investments in the Israeli banks and in the weapons manufacturer, the AXA group⁶⁵ answered that after a “careful examination” by their “teams involved in the decisions relative to [their] responsible investment policy”, they “concluded that these companies did not fall within the exclusion framework of [their] responsible investment policy, one of the most advanced and transparent in the financial sector” –whereas AXA’s responsible investment policy does in fact condemn them:

“Some activities and products may be in conflict with AXA’s corporate responsibility goals of protecting people over the long term and may be detrimental to AXA’s global brand and reputation. Within this context, AXA has

developed specific ‘sector guidelines’ that seek to address those issues. These policies currently include the following topics:

- *Controversial weapons*
- *Sanctioned countries and/or countries identified as having high levels of corruption or political risk.”⁶⁶*

It is indeed “detrimental to AXA’s global brand and reputation” to maintain financial relations with companies that are involved in the illegal Israeli occupation and to invest in a weapons manufacturer⁶⁷ that has been boasting for years on its website about producing cluster munitions⁶⁸.

Despite all this proof, AXA failed to mention its investments in these Israeli companies as a risk of Human Rights violations in its 2017 financial report⁶⁹. AXA’s 2018 compliance plan - a mandatory publication for the largest companies established in France⁷⁰ - is barely any better. For that year, AXA declares as a

64. On 5 June 2013, the Israeli news channel 10 published an investigative report regarding discrimination of Palestinian customers with an Israeli ID by Bank Hapoalim. See Times of Israel’s - [“Anti-Arab discrimination exposed at Bank Hapoalim”](#) - 5 June 2013

65. The answer was from the AXA group but wasn’t signed.

66. [AXA Group global responsible investment policy](#) - Sensitive ESG investments - page 5

67. HSBC has stated that its decision to divest was prompted by Elbit’s acquisition of IMI Systems - the main cluster bombs producer used by the Israeli military - and was based on the bank’s existing policy not to invest in cluster bomb manufacturers. See The Jerusalem Post - [“Elbit rejects HSBC’s BDS disclaimer stating: ‘we don’t produce cluster bombs’”](#) - 3 January 2019 : *“HSBC’s decision was based on our long-standing defense policy whereby we do not invest in companies linked to the production or marketing of cluster munitions. We test our shareholdings against this policy, assisted by an external, evidence-based ratings provider,”* - Stuart Levey, HSBC’s chief legal officer and group managing director;

68. IMI Systems has produced amongst others the M85, M970, M971, RAM cluster munitions and continued to advertise several types of cluster munitions on its website until December 2018. We could find on its website until March 2019: [120MM M329, 76mm Naval Ammunition](#) : (website quote) *“IMI offers a family of naval munitions for OM 76/62mm guns Variants include: High-Explosive (HE) for blast and fragmentation effects; White-Phosphorus (WP) Smoke & Training Practice (TP) The ammunition is combat-proven by the Israeli Navy.”* Even though IMI Systems seems to have removed cluster munitions from its website, there is no hard proof that it isn’t still producing them.

69. AXA – [“Document de Référence 2017 - Rapport financier annuel - 7.6 Plan de Vigilance”](#) : *“Le Groupe AXA considère que ses activités ne génèrent pas de risques majeurs ou graves de manquements aux droits humains”*

70. French Corporate Duty Of Vigilance Law - Law n° 2017-399 - 27 march 2017 - [Loi relative au devoir de vigilance des sociétés mères et des entreprises donneuses d'ordre](#)

general statement that its “internal reporting” process has “identified a few minority entities whose internal practices and policies were not, in some specific points, strictly in compliance with the provisions of the Compliance Plan”⁷¹.

The French corporate duty of vigilance law (French Vigilance Law) establishes a legally binding obligation for parent companies to identify and prevent adverse human rights and environmental impacts resulting from their own activities, from activities of companies they control, and from activities of their affiliates and suppliers with whom they have an established commercial relationship.

As explained in the UN Guiding Principles on Business and Human Rights⁷², business enterprises, including financial institutions, have a legal obligation to respect human rights as well as international humanitarian law (IHL). Companies are to demonstrate due diligence by means of policies that assess, prevent or mitigate adverse human rights impacts. Where the latter is not possible, companies are to terminate their business activities. The above certainly applies to business in the context of Israel's activities in the Occupied Palestinian Territory. To use the terminology of the UN Guiding Principles on Business and Human Rights, this is a “conflict affected area” with a “high risk of gross human rights abuses” where businesses are to perform “enhanced due diligence” in order to ensure they respect IHL and human rights.

This report reveals the nature of the AXA investments that make the multinational insurer complicit in International Law violations, and in violating its own responsible investment commitments and declarations.



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71. [AXA Document de Référence 2018](#) - Rapport financier annuel

72. United Nations Human Right Office of the High-Commissioner – [“Guiding Principles on Business and Human Rights”](#) - June 2011

AXA: Financing War Crimes

1. AXA and the Five Israeli Banks Involved in the Israeli Occupation

The AXA Group ("AXA S.A.") is a worldwide insurance, asset management and banking group, operating primarily in five geographies, defined as follows by AXA: France, the rest of Europe, Asia, the US and International (including the Middle East, Latin America, and Africa)⁷³. The group is active in 5 sectors: Life & Savings insurance, Property & Casualty insurance, Health insurance, Asset Management and Banking. The subsidiaries mentioned in this report all fall under the Asset Management activities of the AXA Group. The Asset Management comprises, amongst others, AXA Investment Managers (part of the European business lines) and AllianceBernstein (part of the US-based business lines).⁷⁴

There are two investor parents that manage funds invested in the six researched Israeli companies, with most recent filing dates ranging from December 2018 to March 2019, namely **AXA** and **AXA Equitable Holdings**.

- **AXA is the largest shareholder in AXA Equitable Holdings (AXA EQH).**

On 15th March 2019 AXA announced that its ownership in the AXA Equitable Holdings decreased from 60.1% to 48.3%⁷⁵. On 7th June 2019 AXA's ownership in EQH decreased from 48.3% to 40.1%⁷⁶. Therefore, AXA Equitable Holdings is no longer AXA's subsidiary, but it remains its affiliate; AXA is a leading shareholder of AXA EQH and has the right to appoint three of EQH's nine board directors⁷⁷.

AXA Equitable Holdings, Inc. is comprised of two complementary and well-established principal franchises: AXA Equitable Life Insurance Company and AllianceBernstein.

73. AXA Group "[Annual Financial Report 2017](#)", p.12 - March 2018

74. AXA Group, "[AXA plans to list U.S. insurance, asset management business in 2018](#)" - 10 May 2017

75. AXA Equitable Holdings, [AXA Equitable Holdings, Inc. Announces Closing of Secondary Common Stock Offering By AXA S.A](#) - 25 March 2019

76. AXA Press Release - "[AXA S.A. announces the successful completion of a Secondary Offering of AXA Equitable Holdings, Inc.'s Common Stock](#)" - 7 June 2019

77. Bourse Direct – "[AXA : lancement d'une offre secondaire d'actions ordinaires d'Axa Equitable Holdings](#)" - 19 March 2019 : "Axa aura une représentation minoritaire au conseil d'administration d'EQH, conservant le droit de nommer trois des neuf administrateurs."

- **AXA Equitable Holdings Inc. includes:**
 - AXA Equitable, AXA's New York-based Life & Savings business unit.
 - AXA's interest in AllianceBernstein L.P., the operating partnership that runs the AllianceBernstein money management business.
 - AXA's interest in AllianceBernstein Holding LP, the publicly traded partnership that shares control of the money management business with AllianceBernstein L.P.
- **AXA Investment Managers (AXA IM) is part of the AXA Group.**⁷⁸

The AXA subsidiary has approximately EUR 759 billion assets under management as of 30 June 2018⁷⁹. As of 31 December 2017, approximately 79% of the shares were publicly owned, approximately 14% were held by Mutuelles AXA, and the rest by subsidiaries, employees and agents.⁸⁰

2. AXA bond and shareholdings in companies that are complicit with the Israeli occupation

This section provides details on the bond and shareholdings of the two parent investors in the six companies that are complicit with the Israeli occupation.

2.1. Total AXA bond and shareholdings

The total holdings of the two parent investors in the six companies are USD 91.45 million. All of these holdings were in shares as shown in Table 1 below. The majority, (i.e. 97.48%), is held by AXA Equitable Holdings.

Table 1. Total AXA holdings (September 2018 - March 2019)

Parent Investor	Shareholding (USD million) September 2018	Shareholding (USD million) March 2019
AXA Equitable Holdings	59.2	89.15
AXA	7.1	2.30
Total	66.3	91.45

Source: Thomson Reuters Database, viewed in September 2018 and updated on March 2019.

⁷⁸. AXA Investment Managers, "[Welcome to AXA Investment Managers global website](#)" - 2019

⁷⁹. AXA Investment Managers, "[AXA IM Key Figures](#)" - 2019

⁸⁰. AXA, "[Capital Ownership](#)" - 31 December 2017

2.1.1. Shareholdings fund level

Table 2 provides an overview of the AXA funds with shares in the six companies.

Table 2. AXA fund level investments in companies that are complicit with the Israeli occupation

Investor Parent	Fund manager	Fund Name	Bank Hapoalim	Bank Leumi	Bank Mizrahi Tefahot	First International Bank of Israel	Israeli Discount Bank	Elbit Systems
AXA	AXA Rosenberg Investment Management Ltd.	AXA Rosenberg Global Small Cap Equity Alpha Fund					X	
		AXA SIF - Eq Global ex Switzerland Class2			X			
		AXA WF Global Factors Sustainable Equity	X	X	X			
	AXA WF Global Factors Sustainable Equity ESG	AXA WF Global Factors Sustainable Equity ESG	X					
AXA Equitable Holdings	AllianceBernstein Hong Kong Ltd.	AB International Strategic Equities	X					
	AllianceBernstein L.P.	AB All Market Income Portfolio			X			
		AB All Market Total Return Portfolio			X			
		AB Conservative Wealth Strategy Fund			X			
		AB FlexFee International Strategic Core Port			X			
		AB International Small Cap Portfolio						X
		AB SICAV I-All Market Income Portfolio			X			
		AB SICAV I-All Market Total Return Portfolio			X			
		AB SICAV I-Alternative Risk Premia Portfolio			X			
		AB SICAV I-Emerging Markets Multi-Asset Portfolio			X			
		AB Tax-Managed All Market Income Portfolio			X			
		AB Tax-Managed Wealth Appreciation Strategy		X	X			X
		AB Wealth Appreciation Strategy Fund		X	X			X
		AllianceBernstein All Market Real Return Portfolio			X			

2.1.1. Shareholdings fund level

Investor Parent	Fund manager	Fund Name	Bank Hapoalim	Bank Leumi	Bank Mizrahi Tefahot	First International Bank of Israel	Israeli Discount Bank	Elbit Systems	
AXA Equitable Holdings	AllianceBernstein L.P.	AllianceBernstein Blended International Portfolio		X					
		AllianceBernstein Fund-Dynamic All Market Portfolio	X	X	X	X	X		
		AllianceBernstein Variable Balanced Wealth Strategy Portfolio	X	X				X	
		AllianceBernstein Variable Dynamic Asset Allocation Portfolio	X	X	X				X
		Bernstein Tax-Managed International Portfolio		X					
		Brighthouse AB Global Dynamic Allocation Portfolio	X	X	X				X
		EQ/AB Dynamic Growth Portfolio	X	X	X				X
		EQ/AB Dynamic Moderate Growth Portfolio	X	X	X				X
		Meritas International Equity Fund		X					
	Bernstein Global Wealth Management	AB International Strategic Core Portfolio			X				
		AB SICAV I-Low Volatility Equity Portfolio			X				
	AXA Equitable Funds Management Group	ATM International Managed Volatility Portfolio	X	X	X				X
		1290 SmartBeta Equity Fund;A	X	X	X				
		1290 VT SmartBeta Equity Portfolio	X	X	X				
		EQ/International Managed Volatility Portfolio	X	X	X				X

2.2. Bank Hapoalim

No bond holdings have been identified for AXA in Bank Hapoalim, only shareholdings, as shown in Table 3 below. AXA's direct and indirect shareholdings have both decreased.

Table 3. AXA holdings in Bank Hapoalim (September 2018 - March 2019)

Parent Investor	Shareholding (USD million) September 2018	Shareholding (USD million) March 2019
AXA Equitable Holdings	46.50	37.65
AXA	1.74	0.30
Total	48.24	37.95

Source: Thomson Reuters Database, viewed in September 2018 and updated March 2019

2.3. Bank Leumi

No bond holdings have been identified for AXA in Bank Leumi, only shareholdings, as shown in Table 4 below. From September 2018 to March 2019, AXA has hugely increased its investments through AXA Equitable Holdings, with over USD 35 million, but it has decreased its direct investments.

Table 4. AXA Holdings in Bank Leumi (September 2018 - March 2019)

Parent Investor	Shareholding (USD million) September 2018	Shareholding (USD million) March 2019
AXA Equitable Holdings	1.7	38.13
AXA	2.2	0.22
Total	3.9	38.35

Source: Thomson Reuters Database, viewed in September 2018 and updated March 2019

2.4. Elbit Systems

In Elbit Systems, no bond holdings for AXA have been identified, as shown in Table 5 below. AXA IM divested from Elbit Systems in December 2018. AXA Equitable Holdings also sold some of its funds, but the value of the six remaining funds investing in Elbit has increased.

Table 5. AXA holdings in Elbit Systems (September 2018 - March 2019)

Parent Investor	Shareholding (USD million) September 2018	Shareholding (USD million) March 2019
AXA Equitable Holdings	0.9	1.21
AXA	0.8	0
Total	1.7	1.21

Source: Thomson Reuters Database, viewed in September 2018 and updated March 2019

2.5. First International Bank of Israel

No bond holdings for AXA have been identified in First International Bank of Israel; shareholdings are listed in Table 6 below. AXA Investment Managers does not hold any shares, whereas AllianceBernstein, owned by AXA Equitable Holdings, has a holding of USD 10,000.

Table 6. AXA holdings in First International Bank of Israel (September 2018 - March 2019)

Parent Investor	Shareholding (USD million) September 2018	Shareholding (USD million) March 2019
AXA Equitable Holdings	0.005	0.01
Total	0.005	0.01

Source: Thomson Reuters Database, viewed in September 2018 and updated March 2019

2.6. Israeli Discount Bank

Table 7 below shows that AllianceBernstein, which is owned by AXA Equitable Holdings, has the largest shareholding in Israeli Discount Bank, followed by AXA Investment Managers, fully owned by AXA. Bond holdings have not been found for any AXA subsidiary or affiliate.

Table 7. AXA holdings in Israeli Discount Bank (September 2018 - March 2019)

Parent Investor	Shareholding (USD million) September 2018	Shareholding (USD million) March 2019
AXA Equitable Holdings	9.7	10.93
AXA	1.5	1.46
Total	11.2	12.39

Source: Thomson Reuters Database, viewed in September 2018 and updated in March 2019

2.7. Mizrahi Tefahot Bank

In Mizrahi Tefahot Bank, no bond holdings for AXA have been identified. AXA Investment Managers has the largest shareholding, followed closely by AllianceBernstein, as can be seen in Table 8 below.

Table 8. AXA holdings in Mizrahi Tefahot Bank (September 2018 - March 2019)

Parent Investor	Shareholding (USD million) September 2018	Shareholding (USD million) March 2019
AXA Equitable Holdings	0,5	1,22
AXA	0,8	0,32
Total	1.3	1.54

Source: Thomson Reuters Database, viewed in September 2018 and updated in March 2019

3. AXA's shareholdings overview, including names of all funds and number of shares

3.1. Total AXA bond and shareholdings

Sum of Per Investor Value (in US\$ mln)		Reporting date	
Investor Parent	Group	31-12-2018	31-03-2019
AXA	Bank Hapoalim	0,29	0,30
	Bank Leumi	0,20	0,22
	Israeli Discount Bank	1,46	1,46
	Mizrahi Tefahot Bank	0,30	0,32
AXA Total		2,25	2,30
AXA Equitable	Bank Hapoalim	35,00	37,65
	Bank Leumi	17,83	38,13
	Elbit Systems	1,12	1,21
	First International Bank of Israel	0,01	0,01
	Israeli Discount Bank	9,64	10,93
	Mizrahi Tefahot Bank	1,04	1,22
AXA Equitable Total		64,64	89,15
Total		66,89	91,45

3.2. AXA & AXA Equitable Holdings, including fund name (US\$ mln)

Sum of Per Investor Value (in US\$ mln)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Bank Hapoalim	AXA	AXA WF Global Factors Sustainable Equity	0,25	0,26
		AXA WF Global Factors Sustainable Equity ESG	0,04	0,04
	AXA Total		0,29	0,30
	AXA Equitable	1290 SmartBeta Equity Fund;A	0,03	0,03
		1290 VT SmartBeta Equity Portfolio	0,04	0,04
		AB International Strategic Equities	29,00	31,56
		AB Tax-Managed Wealth Appreciation Strategy	1,03	1,05
		AB Wealth Appreciation Strategy Fund	1,86	1,91
		AllianceBernstein Fund-Dynamic All Market Portfolio	0,03	0,04
		AllianceBernstein Variable Balanced Wealth Strategy Portfolio	0,22	0,22
		AllianceBernstein Variable Dynamic Asset Allocation Portfolio	0,09	0,10
		ATM International Managed Volatility Portfolio	0,70	0,75
		Brighthouse AB Global Dynamic Allocation Portfolio	0,70	0,60
		EQ/AB Dynamic Growth Portfolio	0,06	0,06
		EQ/AB Dynamic Moderate Growth Portfolio	0,27	0,28
		EQ/International Managed Volatility Portfolio	0,98	1,02
AXA Equitable Total		35,00	37,65	
Bank Hapoalim Total			35,28	37,95

3.2. AXA & AXA Equitable Holdings, including fund name (US\$ mln)

Sum of Per Investor Value (in US\$ mln)			Reporting date		
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019	
Bank Leumi	AXA	AXA WF Global Factors Sustainable Equity	0,20	0,22	
	AXA Total		0,20	0,22	
	AXA Equitable		1290 SmartBeta Equity Fund;A	0,02	0,02
			1290 VT SmartBeta Equity Portfolio	0,04	0,04
			AB All Market Income Portfolio		0,02
			AB All Market Total Return Portfolio		0,77
			AB Conservative Wealth Strategy Fund	0,04	0,13
			AB FlexFee International Strategic Core Port	0,02	0,04
			AB International Strategic Core Portfolio	0,71	1,19
			AB SICAV I-All Market Income Portfolio		0,15
			AB SICAV I-All Market Total Return Portfolio		0,02
			AB SICAV I-Alternative Risk Premia Portfolio		0,26
			AB SICAV I-Emerging Markets Multi-Asset Portfolio	0,25	
			AB SICAV I-Low Volatility Equity Portfolio		19,74
			AB Tax-Managed All Market Income Portfolio	0,03	0,03
			AB Tax-Managed Wealth Appreciation Strategy	0,16	0,18
			AB Wealth Appreciation Strategy Fund	0,29	0,31

3.2. AXA & AXA Equitable Holdings, including fund name (US\$ mln)

Sum of Per Investor Value (in US\$ mln)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Bank Leumi	AXA Equitable	AllianceBernstein All Market Real Return Portfolio	2,12	
		AllianceBernstein Blended International Portfolio	2,81	3,08
		AllianceBernstein Fund-Dynamic All Market Portfolio	0,04	0,05
		AllianceBernstein Variable Balanced Wealth Strategy Portfolio	0,11	0,04
		AllianceBernstein Variable Dynamic Asset Allocation Portfolio	0,10	0,11
		ATM International Managed Volatility Portfolio	0,94	1,08
		Bernstein Tax-Managed International Portfolio	6,61	7,23
		Bighthouse AB Global Dynamic Allocation Portfolio	0,94	0,83
		EQ/AB Dynamic Growth Portfolio	0,08	0,09
		EQ/AB Dynamic Moderate Growth Portfolio	0,36	0,39
		EQ/International Managed Volatility Portfolio	1,35	1,47
		Meritas International Equity Fund	0,81	0,89
	AXA Equitable Total	17,83	38,13	
Bank Leumi Total			18,03	38,35

3.2. AXA & AXA Equitable Holdings, including fund name (US\$ mln)

Sum of Per Investor Value (in US\$ mln)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Elbit Systems	AXA Equitable	AllianceBernstein Variable Dynamic Asset Allocation Portfolio	0,03	0,03
		ATM International Managed Volatility Portfolio	0,30	0,34
		Brighthouse AB Global Dynamic Allocation Portfolio	0,28	0,26
		EQ/AB Dynamic Growth Portfolio	0,02	0,03
		EQ/AB Dynamic Moderate Growth Portfolio	0,11	0,12
		EQ/International Managed Volatility Portfolio	0,39	0,43
	AXA Equitable Total	1,12	1,21	
Elbit Systems Total			1,12	1,21
First International Bank of Israel	AXA Equitable	AllianceBernstein Fund-Dynamic All Market Portfolio	0,01	0,01
	AXA Equitable Total		0,01	0,01
First International Bank of Israel Total			0,01	0,01

3.2. AXA & AXA Equitable Holdings, including fund name (US\$ mln)

Sum of Per Investor Value (in US\$ mln)			Reporting date		
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019	
Israeli Discount Bank	AXA	AXA Rosenberg Global Small Cap Equity Alpha Fund	1,46	1,46	
	AXA Total		1,46	1,46	
	AXA Equitable		AB International Small Cap Portfolio	8,70	9,88
			AB Tax-Managed Wealth Appreciation Strategy	0,30	0,34
			AB Wealth Appreciation Strategy Fund	0,56	0,62
			AllianceBernstein Fund-Dynamic All Market Portfolio	0,02	0,02
			AllianceBernstein Variable Balanced Wealth Strategy Portfolio	0,06	0,07
	AXA Equitable Total		9,64	10,93	
Israeli Discount Bank Total			11,11	12,39	

3.2. AXA & AXA Equitable Holdings, including fund name (US\$ mln)

Sum of Per Investor Value (in US\$ mln)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Mizrahi Tefahot Bank	AXA	AXA SIF - Eq Global ex Switzerland Class2	0,10	0,10
		AXA WF Global Factors Sustainable Equity	0,20	0,22
	AXA Total		0,30	0,32
	AXA Equitable	1290 SmartBeta Equity Fund;A	0,03	0,04
		1290 VT SmartBeta Equity Portfolio	0,03	0,04
		AllianceBernstein Fund-Dynamic All Market Portfolio	0,01	0,01
		AllianceBernstein Variable Dynamic Asset Allocation Portfolio	0,02	0,02
		ATM International Managed Volatility Portfolio	0,24	0,29
		Bighthouse AB Global Dynamic Allocation Portfolio	0,24	0,24
		EQ/AB Dynamic Growth Portfolio	0,02	0,02
		EQ/AB Dynamic Moderate Growth Portfolio	0,09	0,11
	EQ/International Managed Volatility Portfolio	0,36	0,44	
	AXA Equitable Total		1,04	1,22
Mizrahi Tefahot Bank Total			1,34	1,54
GRAND TOTAL			66,89	91,45

3.3. AXA & AXA Equitable Holdings, including fund name (no. of shares)

Sum of Fund Shares Held (As Reported)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Bank Hapoalim	AXA	AXA WF Global Factors Sustainable Equity	39 000	39 000
		AXA WF Global Factors Sustainable Equity ESG	6 000	6 000
	AXA Total		45 000	45 000
	AXA Equitable	1290 SmartBeta Equity Fund;A	4 000	4 000
		1290 VT SmartBeta Equity Portfolio	6 000	6 000
		AB International Strategic Equities	4 581 150	4 581 150
		AB Tax-Managed Wealth Appreciation Strategy	163 318	157 958
		AB Wealth Appreciation Strategy Fund	293 102	287 527
		AllianceBernstein Fund-Dynamic All Market Portfolio	5 342	5 342
		AllianceBernstein Variable Balanced Wealth Strategy Portfolio	33 969	32 925
		AllianceBernstein Variable Dynamic Asset Allocation Portfolio	14 749	14 749
		ATM International Managed Volatility Portfolio	111 002	112 564
		Bighthouse AB Global Dynamic Allocation Portfolio	109 902	90 217
		EQ/AB Dynamic Growth Portfolio	9 111	9 111
		EQ/AB Dynamic Moderate Growth Portfolio	41 882	41 882
		EQ/International Managed Volatility Portfolio	154 106	154 106
		AXA Equitable Total		5 527 633
Bank Hapoalim Total			5 572 633	5 542 531

3.3. AXA & AXA Equitable Holdings, including fund name (no. of shares)

Sum of Fund Shares Held (As Reported)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Bank Leumi	AXA	AXA WF Global Factors Sustainable Equity	33 000	33 000
	AXA Total		33 000	33 000
		1290 SmartBeta Equity Fund;A	3 000	3 000
		1290 VT SmartBeta Equity Portfolio	6 000	6 000
		AB All Market Income Portfolio		2 820
		AB All Market Total Return Portfolio		117 590
		AB Conservative Wealth Strategy Fund	6 153	20 360
		AB FlexFee International Strategic Core Port	3 990	5 590
		AB International Strategic Core Portfolio	117 940	179 130
		AB SICAV I-All Market Income Portfolio		22 690
		AB SICAV I-All Market Total Return Portfolio		2 540
		AB SICAV I-Alternative Risk Premia Portfolio		39 260
		AB SICAV I-Emerging Markets Multi-Asset Portfolio	41 540	
		AB SICAV I-Low Volatility Equity Portfolio		3 010 483
		AB Tax-Managed All Market Income Portfolio	4 410	4 410
		AB Tax-Managed Wealth Appreciation Strategy	26 461	27 094
		AB Wealth Appreciation Strategy Fund	47 751	48 028

3.3. AXA & AXA Equitable Holdings, including fund name (no. of shares)

Sum of Fund Shares Held (As Reported)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Bank Leumi	AXA Equitable	AllianceBernstein All Market Real Return Portfolio	349 850	
		AllianceBernstein Blended International Portfolio	464 750	464 750
		AllianceBernstein Fund-Dynamic All Market Portfolio	7 249	7 249
		AllianceBernstein Variable Balanced Wealth Strategy Portfolio	17 530	5 426
		AllianceBernstein Variable Dynamic Asset Allocation Portfolio	16 778	16 778
		ATM International Managed Volatility Portfolio	155 304	164 796
		Bernstein Tax-Managed International Portfolio	1 092 510	1 092 510
		Bighthouse AB Global Dynamic Allocation Portfolio	155 201	126 292
		EQ/AB Dynamic Growth Portfolio	13 266	13 266
		EQ/AB Dynamic Moderate Growth Portfolio	59 145	59 145
		EQ/International Managed Volatility Portfolio	223 553	223 553
		Meritas International Equity Fund	134 590	134 590
		AXA Equitable Total		2 946 971
Bank Leumi Total			2 979 971	5 830 350

3.3. AXA & AXA Equitable Holdings, including fund name (no. of shares)

Sum of Fund Shares Held (As Reported)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Elbit Systems	AXA Equitable	AllianceBernstein Variable Dynamic Asset Allocation Portfolio	250	250
		ATM International Managed Volatility Portfolio	2 602	2 646
		Bighthouse AB Global Dynamic Allocation Portfolio	2 450	1 988
		EQ/AB Dynamic Growth Portfolio	209	209
		EQ/AB Dynamic Moderate Growth Portfolio	924	924
		EQ/International Managed Volatility Portfolio	3 355	3 355
	AXA Equitable Total	9 790	9 372	
Elbit Systems Total			9 790	9 372
First International Bank of Israel	AXA Equitable	AllianceBernstein Fund-Dynamic All Market Portfolio	223	223
	AXA Equitable Total		223	223
First International Bank of Israel Total			223	223

3.3. AXA & AXA Equitable Holdings, including fund name (no. of shares)

Sum of Fund Shares Held (As Reported)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Israeli Discount Bank	AXA	AXA Rosenberg Global Small Cap Equity Alpha Fund	510 000	510 000
	AXA Total		510 000	510 000
	AXA Equitable	AB International Small Cap Portfolio	2 811 447	2 811 447
		AB Tax-Managed Wealth Appreciation Strategy	98 179	95 480
		AB Wealth Appreciation Strategy Fund	180 554	175 752
		AllianceBernstein Fund-Dynamic All Market Portfolio	5 830	5 830
		AllianceBernstein Variable Balanced Wealth Strategy Portfolio	19 509	19 253
	AXA Equitable Total		3 115 519	3 107 762
Israeli Discount Bank Total			3 625 519	3 617 762

3.3. AXA & AXA Equitable Holdings, including fund name (no. of shares)

Sum of Fund Shares Held (As Reported)			Reporting date	
Group	Investor Parent	Fund Name	31-12-2018	31-03-2019
Mizrahi Tefahot Bank	AXA	AXA SIF - Eq Global ex Switzerland Class2	5 400	5 400
		AXA WF Global Factors Sustainable Equity	11 700	11 700
	AXA Total		17 100	17 100
	AXA Equitable	1290 SmartBeta Equity Fund;A	1 800	1 800
		1290 VT SmartBeta Equity Portfolio	1 800	1 800
		AllianceBernstein Fund-Dynamic All Market Portfolio	700	700
		AllianceBernstein Variable Dynamic Asset Allocation Portfolio	1 057	1 057
		ATM International Managed Volatility Portfolio	14 001	14 297
		Bighthouse AB Global Dynamic Allocation Portfolio	14 287	11 838
		EQ/AB Dynamic Growth Portfolio	1 179	1 179
		EQ/AB Dynamic Moderate Growth Portfolio	5 493	5 493
		EQ/International Managed Volatility Portfolio	21 413	21 413
	AXA Equitable Total		61 730	59 577
	Mizrahi Tefahot Bank Total			78 830
GRAND TOTAL			12 266 966	15 076 915

Conclusion

AXA, through its subsidiary AXA IM and as the parent investor of AXA Equitable Holdings, invests over USD 91 million in Israel's largest weapons manufacturer, Elbit Systems, in addition to five banks financing illegal Israeli settlement construction: Bank Hapoalim, Bank Leumi, Bank Mizrahi Tefahot, First International Bank of Israel and Israeli Discount Bank.

Looking at data analysis, AXA has taken a step in the right direction in December 2018 by ending its direct investments in the weapons manufacturer Elbit Systems through AXA IM. However, AXA still remains complicit via its affiliate AXA Equitable Holdings, which invests over USD 1.2 billion in Israel's biggest weapons company. Furthermore, AXA Equitable Holdings' investments in Bank Leumi have multiplied by twenty⁸¹. The other significant change in AXA's activities in last months has been its decrease in its direct and indirect shareholding in Bank Hapoalim. **Although AXA has partially divested from some complicit companies in the past year, its general invested amount has increased, going from USD 66 million in September 2018 to over USD 91 million by March 2019⁸².**

The six companies and their business activities play a key role in enabling illegal Israeli settlements in the Occupied Palestinian Territory and allowing the use of illegal armed forces against Palestinian civilians by the Israeli military. The six mentioned companies in which AXA invests, contribute directly to the maintenance and development of the illegal settlements⁸³, including Israel's illegal 800 km long Apartheid Wall⁸⁴ cutting through occupied Palestinian land, as well as unlawful appropriation and transfer of property rights over occupied Palestinian land and natural resources.

These six companies also generate profits from wrongfully acquired rights and titles, and from the subordination of the Palestinian economy in the Occupied Palestinian territory to Israel's economy, thus consolidating and sustaining the continuous violations of international law that underpin the Israeli system of annexation of occupied Palestinian territory and violation of the right to self-determination of the Palestinian people.

As explained in the UN Guiding Principles on Business and Human Rights⁸⁵, business

81. AXA's Equitable Holdings investments in Bank Leumi represented USD 1.7 million in September 2018 and reached USD 38.13 million in March 2019.

82. AXA direct investments through AXA IM have decreased from USD 7.1 million in September 2018 to USD 2.3 million in March 2019, but AXA's affiliate AXA Equitable Holdings has increased its investments from USD 59.2 million in September 2018 to USD 89.15 million in March 2019.

83. United Nations Human Rights Council - "[Report of the independent international fact-finding mission to investigate the implications of the Israeli settlements on the civil, political, economic, social and cultural rights of the Palestinian people throughout the Occupied Palestinian Territory, including East Jerusalem](#)" - 22nd session - Agenda item 7 - page 20 - 22 March 2013

84. "[International Court of Justice finds Israeli barrier in Palestinian territory is illegal](#)" - 9 July 2004

85. United Nations Human Right Office of the High-Commissioner - "[Guiding Principles on Business and Human Rights](#)"

enterprises, including financial institutions, have a legal obligation to respect human rights as well as international humanitarian law (IHL). Companies are to demonstrate due diligence by means of policies that assess, prevent or mitigate adverse human rights impacts. Where the latter is not possible, companies are to terminate their business activities. This certainly applies to business in the context of Israeli occupation, including settlements and the military occupation of the Palestinian Territory; according to the terminology of the UN Guiding Principles on Business and Human Rights, this is a “conflict affected area” with a “high risk of gross human rights abuses” where businesses are to perform “enhanced due diligence” in order to ensure they respect IHL and human rights.

In March 2017, France adopted the landmark “Vigilance Duty Law”, mandating companies to publish an annual “compliance plan” identifying the risks of serious violations of human rights, environmental destruction and safety of persons, caused by their direct and indirect

activities, their suppliers and subsidiaries, and detailing the preventive measures put in place to remedy them. Since 2019, associations in France are able to sue multinationals if a link is established between a serious abuse and a defect in the compliance plan and its application. Despite all of that, AXA fails to even mention its investments in Israeli companies as a risk of Human Rights violations⁸⁶.

Furthermore, the 2008 Convention on Cluster Munitions⁸⁷ (“Dublin Convention”) bans the use, production and financing of cluster munitions. The French government reasserted its condemnation of “any knowing financial assistance, directly or indirectly, in the production or trading of cluster munitions”⁸⁸ in 2010⁸⁹.

Over the past ten years, many pension funds, as well as banks - the latest of which was HSBC⁹⁰ in December 2018 - have divested from Elbit Systems due to its involvement in profiting from human rights abuses and from international law violations in the Occupied

- June 2011

86. AXA - [“Document de Référence 2017 - Rapport financier annuel - 7.6 Plan de Vigilance”](#): “Le Groupe AXA considère que ses activités ne génèrent pas de risques majeurs ou graves de manquements aux droits humains”

87. Dublin Diplomatic Conference on Cluster Munitions - [Convention on Cluster Munitions](#) - 30 May 2008.

88. [Interpretative statement by the Deputy Minister of Defense - French National Assembly XIII^e législature - Extraordinary Session 2009-2010 - First seance Tuesday 6 July 2010](#): “Regarding financing, it is clear to us that any financial assistance, direct or indirect, knowingly related to an activity of manufacturing or trading in cluster munitions would constitute assistance, encouragement or incitement under criminal law in respect of complicity or the commission of the offences provided for in this bill.”

89. As mentioned previously in the report, Elbit Systems has been involved in the production of cluster munitions and despite Elbit’s declaration that it will stop, there is no solid proof that its subsidiary IMI Systems has in fact stopped producing them.

90. Al Jazeera - [“HSBC ‘divests’ from Israeli arms company Elbit Systems”](#) - 27 December 2018

Palestinian Territory.⁹¹

HSBC has stated that its decision to divest was prompted by Elbit Systems' acquisition of IMI Systems - the main cluster bombs producer used by the Israeli military - and was based on the bank's existing policy not to invest in cluster bomb manufacturers. In response, Elbit declared⁹² that it will stop manufacturing cluster munitions⁹³ -but there is no solid proof that they have actually done so^{94 95}.

In 2009, the Norwegian State Pension Fund divested from Elbit Systems, opening the door for many to follow. In 2010, the first four Swedish National Pension Funds (AP1, AP2, AP3 and AP4) and Deutsche Bank decided to exclude Elbit Systems from their investments. Since 2014, Dutch bank ABN Amro has been excluding⁹⁶ Elbit Systems from its investment universe because of the company's production

of white phosphorus weapons, followed the next year by, the UK high street bank, Barclays⁹⁷.

At the same time, in 2014, the largest Dutch pension fund, PGGM, decided to withdraw all its investments from Israel's five biggest banks because they have branches in illegal Israeli settlements in the occupied West Bank and/or are involved in financing construction in the settlements⁹⁸. In 2017, the third largest pension fund in Denmark, Sampension, excluded Bank Hapoalim and Bank Leumi from its portfolio⁹⁹. In 2018 the Scottish pension Fund, Falkirk, decided to divest from Bank Hapoalim for the same reasons¹⁰⁰.

These are all wise decisions in light of the eagerly anticipated UN Database - requested by the UN Human Rights Council (HRC) from the UN High Commissioner for Human Rights¹⁰¹- listing companies and financial institutions engaged

91. List here: Investigate - Elbit Systems - [Economic activism highlights](#) ; Stop the wall: "[II. DIVEST ELBIT campaign successes](#)"

92. The Jerusalem Post - "[Elbit rejects HSBC's BDS disclaimer stating: 'we don't produce cluster bombs'](#)" - 3 January 2019

93. See more at: Investigate - [Elbit Systems](#)

94. See more at: Stop Explosive Investments - [Elbit Systems says it will discontinue cluster munitions production](#) - 8 January 2019

95. IMI Systems has produced amongst others the M85, M970, M971, RAM cluster munitions and continued to advertise several types of cluster munitions on its website until December 2018. We could find on its website until March 2019: [120MM M329, 76mm Naval Ammunition](#) : (website quote) "*IMI offers a family of naval munitions for OM 76/62mm guns Variants include: High-Explosive (HE) for blast and fragmentation effects; White-Phosphorus (WP) Smoke & Training Practice (TP) The ammunition is combat-proven by the Israeli Navy.*" Even though IMI Systems seems to have removed cluster munitions from its website, there is no hard proof that it isn't still producing them.

96. ABN AMRO bank website - "[Publically-listed companies ABN AMRO excludes because of involvement in controversial weapons](#)" - 26 September 2018

97. Stop the Wall - "[Barclays bank is out of Elbit's shareholder list](#)" - 22 April 2015

98. See more at: Business and Human Rights Resource Centre - "[Israel & Palestine: Dutch pension fund to withdraw investments from Israel's 5 largest banks over intl. law "problem" due to ties with settlements in West Bank; includes companies comments](#)" - 8 January 2014

99. See more at: Business and Human Rights Resource Centre - "[Danish pension fund divests from four companies over complicity in the Israeli occupation](#)" - 13 October 2017

100. See more at: Unison Scotland - "[Falkirk divests from bank operating in occupied territories](#)" - 30 July 2018

101. See more at: Business and Human Rights Resource Centre - "[UN creates database of companies operating in Israeli](#)

in Israeli settlement activity in the Occupied Palestinian Territory.

Unless it divests from the above-mentioned companies, AXA cannot meet its obligation to respect IHL, human rights, France's Vigilance duty law and its own responsible investments policy commitments.

According to the results of the report and French and International laws:

- **AXA must totally divest from AXA Equitable Holdings since the latter invests in Israel's leading arms company Elbit Systems, that is unless AXA is unable to persuade AXA EQH to divest from Elbit Systems immediately. Elbit Systems produces banned weapons, provides weapons to be used against civilians and offers logistical support to Israel's colonial policy.**
- **AXA must stop investing, directly (via its subsidiary AXA IM) or indirectly (via its affiliate AXA Equitable Holdings), in banks that finance the expansion of Israel's illegal settlements.** Reports¹⁰² by several NGOs have confirmed that all Israeli banks are involved in the Israeli settlement industry, e.g. by providing special loans for companies, governmental or individual projects in the OPT.

As long as these companies support the expansion, construction and maintenance of the illegal Israeli settlements and associated infrastructure (...), AXA's investments will make it complicit in serious violations of international law (...) and definitely in contradiction with its responsible investment policies.

Elbit Systems and the five named Israeli banks have been willing enablers of Israel's illegal settlements and military control and oppression of the Palestinian population for many decades.

As long as these companies support the expansion, construction and maintenance of the illegal Israeli settlements and associated infrastructure, in addition to the unlawful use of armed force against Palestinians, AXA's investments will make it complicit in serious violations of international law, potentially guilty of French law violation, and definitely in contradiction with its responsible investment policies.

For these reasons, we recommend AXA to apply the UN Principle to which it has committed, that is, to "Protect, Respect and Remedy"¹⁰³.

[settlements in occupied West Bank and East Jerusalem](#)" - March 2016

102. Human Rights Watch - "[Occupation, Inc.](#)"; Who Profits - "[Financing Land Grab](#)"; AFPS, CCFD - Terre Solidaire, Fair Finance France, FIDH, LDH, Solidaires, CGT and Al-Haq - "[French Banks Dangerous Liaisons with the Israeli Settlement Enterprise](#)"; Human Rights Watch - "[Bankrolling Abuse](#)"; 11.11.11 and Profundo - "[Doing Business with the occupation](#)".

103. Human Rights Council, 8th session, Agenda item 3 - "[Promotion and protection of all human rights, civil, political, economic, social and cultural rights, including the right to development - Protect, Respect and Remedy: a Framework for Business and Human Rights - Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie](#)" - p: 10. - 7 April 2008

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AXA: Financing War Crimes

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**The Global insurer's
involvement in the illegal
Israeli Occupation**

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