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Chief Executive Officer
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B4Ukraine 

July 12, 2024

Dear Mr. Buberl and the AXA Group Leadership Team,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We are reaching out to address allegations reported in an article that, despite the ongoing war in Ukraine, AXA continues to insure Belgium's Fluxys, a company which imports gas into France and Belgium from businesses linked to oligarchs accused of funding Russia's war effort.¹ Recent data shows that Fluxys helped export €10.7 billion of Russian liquified gas from Russia since the start of the invasion.² As you are likely aware, Fluxys was named a sponsor of war by the Ukrainian government agency, NAZK, due to its contribution to the Russian war effort.³

According to the Disclose article, AXA has provided comprehensive risk coverage to Fluxys' entire network, including its domestic transport pipelines and cross-border transport, amounting to €60 million for a three-year period starting in 2016. In 2019, AXA signed another contract to cover potential property damage at the Zeebrugge LNG terminal. This contract also reportedly includes coverage for the Dunkirk LNG terminal in France, which has been operational since 2017. Since the start of the invasion, over a third of the LNG handled by Fluxys at Zeebrugge and Dunkirk originated from Russia. This indicates that a substantial portion of the company's revenue from offering services to LNG shippers comes from Russian cargoes. Moreover, 94% of the Russian exports handled by Fluxys in the same period came from the Yamal LNG production project in northwest Siberia.⁴

Therefore, a significant proportion of the gas unloaded by tankers in Zeebrugge and Dunkirk originates from the Yamal LNG terminal, which is partially owned by Novatek, a group with significant strategic and financial ties to the Russian regime and its war effort. Investigations show that gas

¹ Disclose, "French Insurer AXA Supports the Main Importer of Russian Gas into Europe," April 18, 2024, <https://disclose.ngo/en/article/french-insurer-axa-supports-the-main-importer-of-russian-gas-into-europe> (accessed May 19, 2024).

² Global Witness, "Fluxys helped export €10.7 billion of Russian liquified gas since the Ukraine invasion," June 20, 2024, <https://www.globalwitness.org/en/press-releases/fluxys-helped-export-107-billion-of-russian-liquified-gas-since-the-ukraine-invasion/> (accessed July 10, 2024).

³ NAZK, "NACP adds Belgian gas company Fluxys to list of international war sponsors," November 30, 2023, <https://nazk.gov.ua/en/news/nacp-adds-belgian-gas-company-fluxys-to-list-of-international-war-sponsors/> (accessed May 19, 2024).

⁴ Global Witness (n2).

produced by Novatek was linked to Russian military supply chains, and its CEO is accused of recruiting mercenaries for the Russian army in Ukraine.⁵ In 2023, AXA and Fluxys reportedly entered into another insurance contract covering "terror risks and political violence." By this time – a year into the full-scale invasion and nine years since the occupation of Crimea – AXA was undoubtedly aware of Fluxys' importance and connection to the Kremlin. Furthermore, in addition to insuring Fluxys LNG, AXA is seemingly supporting Yamal LNG's activities in the Arctic, an area known for its vulnerability to the consequences of climate change. Consequently, such actions might be interpreted as contrary to AXA's Energy policy.⁶

In February 2023, AXA issued a statement in which it "condemned the invasion of Ukraine and its devastating human consequences since the start of the war."⁷ In the same statement, AXA announced that it "stopped underwriting new business (and stopped all renewals) involving Russian-owned assets located in Russia," as well as "stopped any new investments in Russian assets."⁸ The company also specified its compliance with all international sanctions.

However, we would like to remind AXA that sanctions compliance is complementary to, but distinct from, a business' responsibility to respect human rights as described under the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines, the UNDP Guide on Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts, as well as the broader business and human rights framework or responsible and ethical business conduct.

Additionally, the EU has recently approved the 14th package of sanctions on Russia which includes a ban on the transshipment of LNG from Russia into the European Union. These new sanctions prevent EU ports from reselling Russian LNG once it arrives and halt financing for planned Russian LNG terminals in the Arctic and the Baltic.⁹ The contracted transshipment capacity with Fluxys and Zeebrugge is 11 bcm per year.¹⁰

The new sanctions package is yet another potential risk AXA is facing in continuing its operations with Fluxys specifically, and Russia indirectly.

Therefore, while we are not accusing AXA of breaching sanctions, its continued business links to Fluxys, and therefore to Novatek and to Kremlin, are undoubtedly contradictory to the company's statements and principles regarding respect for human rights, as well as CSR and ESG more broadly. AXA recognises that its business activities "may have negative consequences on human rights," and therefore the company claims to be "determined to respect them, both in [its] internal operations and in [its] insurance and investment activities."¹¹ The company claims that human rights protection

⁵ Global Witness (n2).

⁶ AXA, "AXA Group Energy Policy," July 2023, https://www-axa-com.cdn.axa-contento-118412.eu/www-axa-com/c203dbca-9714-43c2-b955-b9013f6936fd_AXA_Energy_Policy_2023.pdf (accessed July 10, 2024).

⁷ AXA, "Ukraine: update on our actions," February 28, 2023, <https://www.axa.com/fr/actualites/Ukraine-le-point-sur-nos-actions> (accessed May 20, 2024).

⁸ Ibid.

⁹ Alexandra Brzozowski, "War in Ukraine: EU adopts new package of sanctions against Moscow," *Euractiv*, June 20, 2024, <https://www.euractiv.fr/section/ukraine/news/guerre-en-ukraine-lue-adopte-un-nouveau-paquet-de-sanctions-contre-moscou/> (accessed July 10, 2024).

¹⁰ Angelos Koutsis, "An EU ban on Russian LNG transshipments/re-exports; A quantitative analysis of impacts and implications," June 2024, <https://drive.google.com/file/d/1Hq0Xnr4381lgiSMhgVm1JWbVpEaXcbxf/view?bpmtrackid=2&bpmreplica=0> (accessed July 10, 2024).

¹¹ AXA, "Protection of human rights and Vigilance Plan," <https://www.axa.com/fr/engagements/notre-engagement-pour-les-droits-humains> (accessed May 20, 2024).

is an "essential dimension of its ambition" and asserts that it conducts regular human rights impact assessments.

It has been over two years since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 30,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.¹²

Moreover, recent developments in Russia point to an expanding universe of financial, legal, and reputational risks facing those still conducting business operations with Russia. In response to this unprovoked and unjustified war of aggression,¹³ many companies have ceased any operations in the Russian market. However, according to the Kyiv School of Economics Leave-Russia tracker, AXA has decided to continue its operations as it "supports the main importer of Russian gas into Europe."¹⁴

We are writing now to enquire whether AXA intends to continue providing insurance to Fluxys or any other operator that services the Yamal LNG project, thereby contributing to Russia's aggressive war and the resulting widespread human rights violations in Ukraine.

Accordingly, we would like to pose the following questions:

- **Can you clarify how the continued business operations with Fluxys aligns with AXA's Human Rights Charter and the company's commitment to human rights?**
- **Is AXA concerned that maintaining this business relationship could negatively impact its ESG score and result in significant reputational risks?**
- **Can AXA provide insight into the specific human rights due diligence process undertaken with regard to its insurance contracts with companies like Fluxys, particularly concerning their potential links to entities supporting Russia's war effort?**
- **Can AXA clarify its mechanisms for ensuring that its business practices consistently align with its stated commitments to human rights, CSR, and ethical conduct, especially in contexts with severe human rights violations?**

In consideration of the above points, we request an urgent dialogue with the AXA's relevant senior management and staff to discuss ongoing activities and relationships in Russia, associated risks to the people of Ukraine, and potential steps to prevent/mitigate these risks. Please contact the B4Ukraine Coalition at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, July 26, 2024.

Please note that this letter and any response provided, or lack thereof, will be published on the B4Ukraine webpages. In case you would like to join the proposed call, any such meeting will be held under Chatham House Rules.

¹² International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and> (accessed March 22, 2023).

¹³ The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders".

¹⁴ KSE, Leave-Russia, "AXA," <https://leave-russia.org/axa> (accessed July 10, 2024).

Sincerely,

The B4Ukraine Coalition