

NCD Alliance welcomes major private sector announcement to divest from tobacco industry

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Geneva, Switzerland, 23 May 2016.- On the eve of the 69th World Health Assembly, the NCD Alliance and the global non-communicable disease (NCD) community welcomed a milestone announcement from AXA Group to divest their tobacco industry assets, currently valued at 1.8 billion Euros.

Tobacco consumption is the major cause of NCDs. Today, tobacco kills 6 million people per year, a figure that is expected to rise to 8 million by 2030.

In the fight against preventable NCDs, tobacco control remains an area that governments, civil society and the private sector must come together to tackle effectively. Collaboration is key. And in particular addressing the financial power of the tobacco industry has been a fundamental missing piece in tobacco control efforts.

José Luis Castro, Chair of the NCD Alliance, said: *“AXA Group’s action is a landmark for the global financial services sector and we applaud them for their leadership and innovation. It also sends a strong message: an organisation that has a vested interest in global development and wealth, that also wishes to be an ethical partner and service provider to its customers, has decided that the tobacco industry - which is a net cost to society - is bad for business. [...] “This is the exact opposite of the tobacco industry’s much-touted claim to be economically critical. Instead, it is a recognition that tobacco is responsible for environmental damage, human disease and disability, and the deaths of six million people every year, all of which result in an increasingly unsustainable economic burden.”*

Tobacco Free Portfolios, led by Dr Bronwyn King, has been instrumental in seeking to address the financial power of the tobacco industry by engaging with the global financial services industry. They are working to reduce, and ultimately eliminate, pension fund investment in tobacco. This initiative has now expanded internationally to become a UICC sponsored initiative as the Global Task Force for Tobacco Free Portfolios, Chaired by HRH Princess Dina Mired of Jordan.

Katie Dain, Executive Director of the NCD Alliance, said: *“Making this announcement on the eve of the World Health Assembly, where NCDs will be discussed by Ministers of Health, underscores the importance of working in collaboration with all sectors to tackle tobacco control and NCDs. Divestment is just one way for the private sector to put money towards improving lives, reducing NCDs and advancing sustainable human development.”*

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About AXA Group's divestment strategy

Under its tobacco divestment strategy, announced at the World Health Assembly in Geneva, AXA Group will divest its equity holding and stop new investment in tobacco industry corporate bonds, with immediate effect. It will also decline to renew or provide new insurance policies for tobacco businesses. Current fixed income holdings - predominantly in the form of senior corporate bonds - will be allowed to come to maturity. With a combination of immediate and planned activity it is anticipated that AXA Group will be predominantly tobacco-free within the next decade.

This divestment strategy perfectly complements AXA Group's health business and its growing interest in health prevention. This decision is also consistent with AXA Group's philanthropic activities, which includes funding scientific research on threats to human health, society and the environment. It follows AXA Group's decision last year to divest from coal businesses that refuse to transition to cleaner energies, which followed a similar ethical, business and economic rationale.

To date, few financial services organisations have made the decision to be tobacco-free. Only the Norwegian Pension Fund and around half of Australian pension funds have adopted similar strategies. Engagement from Tobacco Free Portfolios spurred more than 36 Australian funds to divest tobacco stocks, to the value of almost 2 billion Australian dollars (1.2 billion euros). AXA Group is by far the biggest and most diverse global financial services business to divest its tobacco industry interests.

About the NCD Alliance

NCD Alliance is a unique civil society network, uniting 2,000 organisations in more than 170 countries, dedicated to improving NCD prevention and control worldwide. It was founded in 2009 by three global federations: the International Diabetes Federation (IDF), the World Heart Federation (WHF), and the Union for International Cancer Control (UICC), which were joined the following year by the International Union Against Tuberculosis and Lung Disease.

Together, these organisations represented the four main NCDs outlined in the World Health Organization's (WHO) 2008-2013 Action Plan for NCDs: cardiovascular diseases, diabetes, cancer, and chronic respiratory diseases.

They came together in recognition that these conditions share common risk factors (including tobacco use, physical inactivity, harmful use of alcohol and unhealthy diets) and also share common solutions and, therefore, by working together as an alliance, they would provide a mutual platform for collaboration and joint advocacy

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[2] <https://old.ncdalliance.org/es/node/8212>

[3] <https://old.ncdalliance.org/es/node/8318>

[4] <http://www.uicc.org/newsletter/April-2015/global-initiative-encourage-divestment-tobacco-stock>