

PRESS RELEASE

ERAFP takes another step towards climate protection

Paris, 25 September 2014 – In line with its role as a long-term responsible investor and its commitments as a member of the IIGCC^[1] in particular, the French public service additional pension scheme (ERAFP) today announces that it is taking another step towards reducing the CO₂ emissions of its investment portfolio.

Following on from the publication in early 2014 of its equity investments' carbon footprint, ERAFP has been working with the French asset manager Amundi on a methodology aimed at significantly reducing the carbon footprint of a €750 million portfolio managed on ERAFP's behalf under an indexed management mandate.

This decarbonisation methodology rounds out the *best in class* approach of selecting only those companies with the best environmental, social and governance profiles. It applies an additional filter based on their carbon-intensity data (CO₂e emissions / sales): this excludes from the portfolio the overall 5% most polluting companies and the 20% most polluting companies in each sector.

Tracking error for the decarbonised portfolio must not exceed 0.7%: its performance will be similar to that of the initial index and yet its carbon intensity will be some 40% lower.

While monitoring this mandate closely, ERAFP will continue its work on measuring carbon and climate risks with a particular focus on supporting research and development initiatives aimed at assessing the alignment of investments with climate objectives.

ERAFP: the leading French public pensions fund and 100% SRI institutional investor

With more than €16 billion invested in accordance with a wholly socially responsible investment approach, ERAFP is Europe's leading SRI institutional investor. As from the pension fund's creation in 2005, its Board of Directors opted to optimize the performance of its portfolio of financial assets in accordance with SRI principles. A signatory of the UN Principles for Responsible Investment, in 2006 ERAFP adopted an SRI Charter based on the following five fundamental values: respect of the right of law and human rights; social progress, social democracy, the environment; and proper governance and transparency.

ERAFP is also one of the largest public pension funds in the world in terms of members with nearly 4.5 million beneficiaries, 45,000 employers and close to €1.77 billion in contributions each year. A mandatory, points-based pension scheme, since 1 January 2005 ERAFP has managed the supplementary pension benefits for civil servants, local authorities and the public hospitals sector.

For further information about ERAFP → www.rafp.fr

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^[1] Institutional Investors Group on Climate Change, <http://www.iigcc.org/>