



PRESS RELEASE

ERAFP revises its SRI Charter

Paris, 6 December 2016 – Since its inception in 2005, the French public service additional pension scheme (ERAFP) has seen a growing diversification of its investments while facing changes in the extra-financial environment. Given this situation, ERAFP has considered it opportune to revise its SRI Charter to respond better to the new challenges.

More than ten years after its board of directors first adopted the SRI Charter, ERAFP now has the necessary hindsight to assess its implementation.

Over this period, ERAFP's SRI approach has accompanied the diversification of the Scheme's investments and been enhanced by the adoption in 2012 of shareholder engagement guidelines and, in 2013, of indicators to measure the carbon footprint of its investments. In parallel, a number of issues such as climate change, social risk in the supply chain, the fight against tax evasion and combatting discrimination have become more urgent, requiring changes to the SRI Charter to take these issues into greater account.

Main changes to the SRI Charter

The spirit of the charter remains unchanged but has been supplemented by mention of ERAFP's role as an active shareholder through a policy of shareholder engagement based on formally defined guidelines, more forceful follow-up of controversies and measurement of the effective impact of the ESG criteria.

The Charter continues to advocate a 'best in class' approach centred on five values (Rule of law and human rights, Social progress, Democratic labour relations, Environment, Good governance and transparency), supplemented by mechanisms for more in-depth follow-up of controversies.

It now also provides for measurement of the effective impact over time of the ESG selection criteria in the context of the 'best in class' approach, shareholder engagement and progressive reduction of the carbon footprint of ERAFP's investment portfolio.

The SRI Charter has also been revised with regard to the methods used to analyse and take into account the five values with a view to better understanding the key extra-financial issues for each issuer and the appropriateness of its ESG strategies.

Within each of the Charter's values, the criteria have evolved so as to limit the volatility of the scores and take new issues into account.

The weighting system has also been amended to adapt it to the characteristics of each sector.

Lastly, to ensure greater consistency in the 'best in class' filters, a more fine-grained sector segmentation has been adopted.

The ERAFP's new SRI Charter is available on the www.rafp.fr website under "Publications".



ERAFP: France's number one public service pension scheme and full-SRI institutional investor

With almost EUR 26 billion in financial assets wholly invested in accordance with a fully socially responsible investment approach, ERAFP is Europe's leading SRI institutional investor. From its inception in 2005, ERAFP's board of directors has sought to maximise returns on its financial asset portfolio in accordance with SRI-driven principles. As a signatory of the UN Principles for Responsible Investment, ERAFP adopted an SRI Charter in March 2006 hinging on five values: respect for the rule of law and human rights; social progress; social democracy; environment; and standards of governance and transparency.

ERAFP is also one of the world's largest public pension funds in terms of member numbers, with over 4.5 million beneficiaries, 42,000 employers and nearly EUR1.8 billion in annual contributions. As a mandatory points-based pension scheme, it has been managing supplementary pension benefits for French civil servants in state-run bodies, local authorities and public hospitals since 1 January 2005.

For more information about ERAFP → www.rafp.fr

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