

April 27, 2006 (Paris) – FRR (*French Pensions Reserve Fund*), with asset under management of approximately €28 billion, has been an active participant in the UN initiative to implement *Principles for Responsible Investment* (PRI), and is preparing to formally sign them at the launch ceremony to be held on April 27, 2006.

This initiative brings together a group of international investors committed to better serving beneficiaries and aligning their investment policies with the broader interests of society and the goals of sustainable development. This initiative is entirely consistent with FRR's own long-term investment strategy.

Three years after inception, FRR's SRI (socially responsible investment) strategy is being applied. It is currently based on two key components, which were approved by the FRR's supervisory board:

- An active policy of voting proxies, based on publicly disclosed guidelines
- the incorporation into its investment management practices of collective values that promote balanced economic, social and environmental development.

Within this context, FRR's adherence to the PRI will allow the Fund to pursue the implementation of its strategy at the global level while strengthening its ties with other institutional investors.

The launch of these PRI coincides with the release of the results of FRR's RFP to select managers specialized in SRI, which was launched in 2005. FRR set forth several principles to serve as guidelines for the managers awarded SRI mandates, with respect to stock-picking and shareholder dialogue practices (see inset). These principles explain what FRR expects of companies held in its portfolio, in terms of their strategic choices and the management processes they adopt as well as their behavior toward their own stakeholders.

FRR is convinced that the combination of the PRI and its own SRI criteria constitutes a sound and pragmatic framework that will enable the Fund to contribute to better corporate governance and encourage businesses to take into account social and environmental externalities.

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FRR'S FIVE PRINCIPLES FOR SOCIALLY RESPONSIBLE INVESTMENT

First SRI Principle: Respect basic human and worker rights

In support of this first Principle, the FRR is particularly attentive to the following items:

- Respect and promote international human rights law within the sphere of influence.
- Practice zero tolerance of human rights violations.
- Promote and ensure compliance with fundamental principles and rights at work:
 - Freedom of association and recognition of the right to collective bargaining;
 - Elimination of all forms of forced labor and human slavery;
 - Elimination of child labor;
 - Elimination of discrimination in employment and career.
- Comply with all international covenants pertaining to the design, development, manufacture, storage, use, transfer and the destruction of chemical and bacteriological weapons and anti-personal land mines.

Second SRI Principle: Develop employment by improving the quality of human resource management

In support of this second Principle, the FRR is particularly attentive to the following items:

- Promote human resource management policy that favors disclosure, dialogue and the active participation of employees in their workplace and business.
- Define and conduct of human resource management policy whose focus is long term and whose language is consistent with the organization's business development strategy. In particular, such policy favors negotiation and consultation with personnel representatives (both at the local and corporate level, where applicable), and actively promotes employment and the durable involvement of employees in the workplace and the business, particularly by providing:
 - Continuing education opportunities for employees throughout their career;
 - Tools and resources that help employees cope with economic change and, in particular, that foster the creation of new businesses and activities;
 - Profit-sharing programs for employees.
- Implement policies and procedures aimed at obtaining ongoing improvements in working conditions, in particular those that relate to worker health and safety, both physical and mental.

Third SRI Principle: Assume responsibility for the environment

In support of this third Principle, the FRR is particularly attentive to the following items (the exact wording will depend on each company's business area or industry):

- Factor the environment into the business strategy. In particular, apply the principle of precaution and work to prevent environmental pollution and biodiversity impairment.
- Strive to develop the eco-efficiency of manufacturing processes as well as products, making efforts to promote and develop environmentally friendly technologies and the use of renewable energy.
- Takes steps to reduce CO2 and other greenhouse gas emissions, as well as the volume and toxicity levels of waste products and water consumption.
- Develop and enforce HEQ (high environmental quality) and energy standards for the company's own plant, property and equipment (production facilities, offices and real estate assets).
- Factor in the environmental impact of the means of transportation used by the company, both internally and externally.
- Develop a policy of full disclosure on the health and safety impacts on employees, local residents and clients of manufacturing processes and products.
- Assume financial liability for accidental pollution related to the company's business.

Fourth SRI Principle: Respect the consumer and fair trade practices

In support of this fourth Principle, the FRR is particularly attentive to the following items:

- Promote product safety and quality. Practice full disclosure with clients, as measured by the laws in force locally and best industry practice.
- Refrain from behaviors that interfere with or prevent the market from functioning correctly, as well as from engaging in behaviors or practices that prevent the exercise of fair trade and competition.
- Promote initiatives aimed at establishing cooperative relationships with suppliers, sub-contractors and co-contractors.
- Make available the tools and systems needed to prevent attempted corruption, racketeering, money-laundering and other business crimes.

Fifth SRI Principle: Promote good corporate governance:

- Corporate organization and draft resolutions submitted to the approval of shareholders should comply with the guidelines pertaining to voting proxies developed by the FRR.