



Release

The Executive Board

Paris, 3rd December, 2013

Mandate awarded:

Request for proposals n°2013FRR03

“Service provider for the extra-financial risk analysis of the FRR’s portfolio”

On 10th June 2013, the FRR launched a request for proposals aimed at selecting an extra-financial risk analysis provider of its portfolio. The FRR decided to retain the offer of **EIRIS Ltd**.

The contract is granted for a duration of two years with the option of a further year.

The service provider selected in this role is an integral part of the rolling out of the FRR’s responsible investment strategy.

The role of EIRIS Ltd is to put into place the means with which the FRR may prevent and monitor extra-financial risks which could adversely impact its investments and reputation. This will be through the systematic analysis of the portfolio in its entirety and the setting up of a system of alerts. Risks in this respect can arise for the FRR from the failure of companies in which the FRR is invested, to take into account universally recognised principles as well as those resulting from international conventions ratified by the French State.

This vigilance, which is applicable across the entire FRR’s portfolio, enhances the vigilance that FRR managers already exercise in this area. This organisation is overseen by the Responsible Investment Committee created by the Supervisory Board in 2008. The committee is composed of the Chairman of the Supervisory Board, a member from the labor associations and another from employer, two external qualified individuals as well as, when necessary, the selected service provider.

The Committee has at its disposal an array of actions running from engagement with issuers to the exclusion of an issuer from the FRR’s portfolio. This would ensue from repeated violations to which the issuer would have refused to end. The decision to exclude the issuer would always intervene in concertation with the FRR’s asset managers following of a profound analysis of the violations.

The FRR was impressed with the quality of the applications submitted, and would like to thank all the candidates that participated in the selection process.

As a reminder, The FRR has signed the UN PRI (UN Principles for Responsible Investment)