



PRESS RELEASE

LAUNCH OF A CALL FOR TENDERS “RESPONSIBLE MANAGEMENT MANDATES: REPLICATION OF EQUITY INDEXES FOR MANAGEMENT IN LINE WITH PARIS ACCORD” CONTRACT 2021FRR01

Paris, 10th January 2022

On 1 March 2021, the FRR launched a restricted call for tenders with a view to selecting investment services providers to responsibly manage equity mandates consistent with the Paris Accord principles.

The contract is for the selection of a maximum of four Managers capable of optimising the replication of equity indexes (capitalisation weighted or otherwise) with a responsible approach whilst minimising the risk associated with, and preserving the characteristics of, the indexes used.

What the FRR is seeking to achieve is to align the managed portfolios with a trajectory compatible with the Paris Accord, whose aim is to avoid dangerous climate change by containing planetary warming to a level well below 2°C and continuing efforts to limit it to 1.5°C.

The methods each Manager uses to achieve these objectives may evolve over the course of the mandate and depending on the indexes, however they must in all instances integrate at least:

- gradual reduction in carbon footprint and fossil reserves in absolute terms;
- a reduction in carbon footprint and fossil reserves relative to the benchmark;
- over-weighting of the “green share” of the investments;
- measurement of physical and transitional risks;
- ESG rating higher than that of the benchmark;
- FRR’s exclusions policy.

Following this selection process, FRR's management board has decided to award mandates to the following asset managers:

AMUNDI ASSET MANAGEMENT

BNP PARIBAS ASSET MAMANGEMENT

CANDRIAM LUXEMBOURG / CANDRIAM BELGIUM*

Each of the mandates will run for four years with the possibility of being renewed for a further year.

The FRR was very pleased with the number and quality of proposals received and extends its thanks to all the participants.

**Portfolio manager*

The FRR is a public administrative establishment of the State created by law in 2001. Governed by a Supervisory Board and Executive Board, its mission is to manage the funds allocated to it until 31 December 2010 in order to build up reserves to contribute to the long-term sustainability of the old-age pension system.

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