



# PRESS RELEASE

## **The Executive Board**

Paris, 17 February 2015

### **The FRR is committed to combatting climate change**

The FRR publishes the composition of its financial portfolio annually and in full transparency. It is interrogated on this basis by NGOs in relation to its investments in the fossil energy sector. The FRR is aware of the challenge of climate change and incorporates this into its financial strategy.

Like the vast majority of investors, it does not exclude any particular sectors. It aims to promote a reduction in the carbon footprint of its entire portfolio by evaluating risk and orienting more and more of its investments towards ecological and energy transition (EET). The FRR has over several years signed up to international commitments promoting good practices amongst institutional investors.

### **The FRR is aware of and committed to facing the challenges brought about by climate change**

The Fonds de réserve pour les Retraites (FRR), as a public institutional investor, takes social, environmental and ethical considerations into account in defining the general guidelines of its investment policy. Its investments are by nature extremely diversified to manage its financial risks.

Fully aware of the risks intrinsic to climate change, the FRR signed the "Global Statement on climate change" ahead of the UN conference held on 23 September last year and the Montréal "Carbon Pledge" from the Principles of Responsible Investment (PRI). It joined the "Portfolio Decarbonization Coalition" under the aegis of the United Nations Environment Programme.

### **Concrete steps towards decreasing the portfolio's carbon footprint**

The FRR is gradually reducing its carbon footprint and its exposure to fossil fuel reserves, without however excluding any particular sectors. This approach initially took the form of a public commitment to measure and reduce its carbon footprint. This measurement will be updated each year.

In collaboration with a Swedish pension fund, an asset manager and an index provider, the FRR, during the summer of 2014, tested numerous scenarios designed to reduce the carbon intensity of its portfolio. Accordingly, €1 billion were invested in October 2014 in a low carbon index. Similar types of investment will again be made in 2015 and 2016 in significant amounts. Within this €1 Billion investment base, the reduction in greenhouse gas emissions and decrease in exposure to fossil fuel reserves are in excess of 50%.

Over and above this voluntary and controlled initiative which forms part of a multi-year programme, the FRR had in 2012 already invested €160 million in management mandates dedicated to environmentally innovative businesses under six themes: water, ecotechnologies, waste processing and management, renewable energy, climate change and sustainable development.

### **A committed financial player**

Founding member of the United Nations Principles for Responsible Investment (PRI), the FRR has also joined various international initiatives such as the Extractive Industries Transparency Initiative (EITI).

Looking forward to COP 21, at the end of 2015, the initiatives taken by the FRR illustrate the increasing awareness of and mobilisation of investors around climate change issues.

### **About the FRR**

The FRR is an administrative public establishment of the State established by law in 2001. With a Supervisory Board and an Executive Board, it is responsible for managing the funds that were allocated to it up until 31 December 2010 to build up reserves contributing to the long-term future of the pensions system.

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