

Press Release

THE FONDS DE RESERVE POUR LES RETRAITES PUBLISHES ITS
CARBON FOOTPRINT RESULTS



The FRR has, since the first occasion in 2007, calculated the environmental footprint (including the carbon footprint) of its portfolio. The FRR each year, since 2013, assesses its portfolio. Once again this year, the FRR has appointed the company Trucost to measure the carbon footprint of its developed and emerging markets equities portfolio, its exposure to fossil energy reserves (including coal) and the contribution of its portfolio to Energy and Ecological Transition (EET).

The survey covers emissions generated by the activities of companies, their direct suppliers, their reserves (including coal) and also the contribution of portfolio companies to Energy and Ecological Transition (EET).

The FRR has elected to **measure its carbon footprint by two methods, in terms of capital and turnover**. The "capital" carbon footprint is calculated per million euros invested¹ whereas the "portfolio turnover" carbon footprint is calculated by dividing the annual CO₂ emissions of each company by its annual turnover². The FRR also distinguishes for each sector between sectoral effect and asset selection effect.

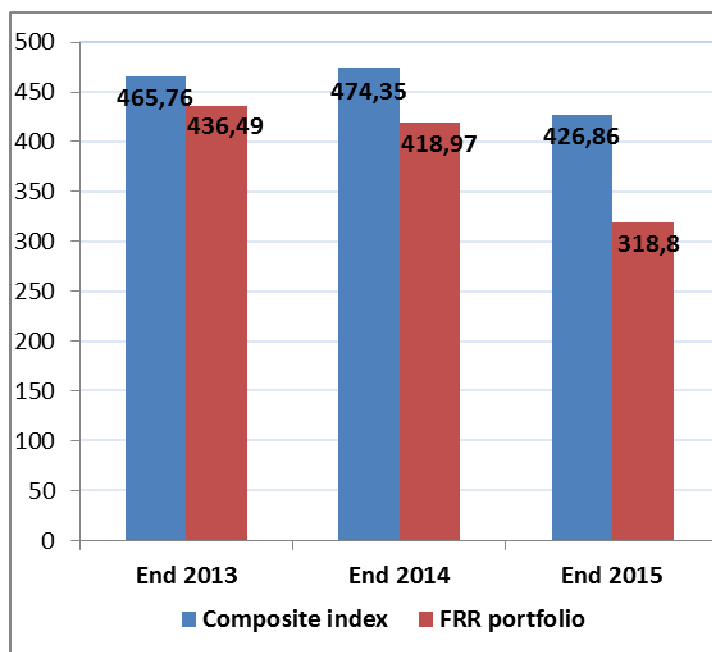
At the end of 2015, the FRR's equities portfolio carbon footprint totaled **318, 8 tonnes of CO₂ equivalent per million euros of turnover. This is 25,3 % lower than that of the FRR's benchmark index³** and has decreased **by 23,9% between 2014 and 2015**, which is a significant improvement in performance relative to the benchmark index. This relative performance is the result, in the developed markets, of investments made in 2015 employing low carbon intense management techniques.

¹ This ratio is expressed in tonnes of CO₂ equivalent (tCO₂e) per 1,000,000 euros invested.

² This ratio is expressed in tonnes of CO₂ equivalent (tCO₂e) per million euros of turnover.

³ 17% MSCI Emerging Markets + 41.5% FTSE Developed All Cap Excluding Eurobloc + 41.5% FTSE Eurobloc All Cap.

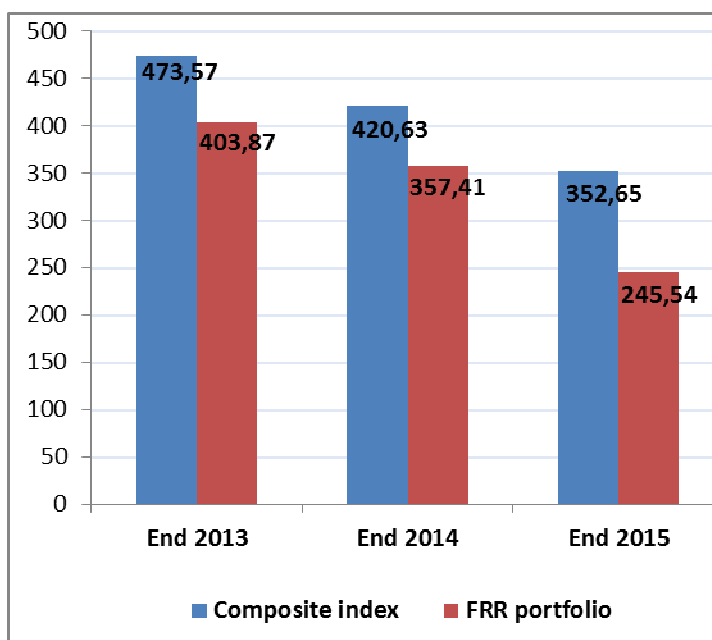
➤ **Intensity method (per million euros in turnover)**



These strong results can be explained essentially by the effect of asset selection in sectors where the environmental stakes are high.

Furthermore, for each one million euros invested in the FRR's portfolio, absolute emissions total **245,5 tonnes of CO₂**. The FRR's portfolio **therefore emits 30,4% less carbon than its benchmark index as of the end of 2015**.

➤ **Capital method (per 1 million euros invested)**



The inclusion in the FRR's portfolio of companies whose revenues derive in whole or in part from the exploitation of fossil reserves (oil, gas, coal,...) involves the potential risk of a fall in the value of its assets in the event of significant changes to the legal or regulatory environment, operating costs or market prices.

This risk concerns 178 companies in varying proportions. They represent 5,35% (6,67% in 2014) of the total value of the portfolio. For the FRR's overall portfolio, this represents a significantly lesser degree of exposure than that of its benchmark index (7,09%).

The Fonds de réserve pour les Retraites 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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