



# CLIMATE TRANSPARENCY REPORT 2020

ERAFP - Etablissement de Retraite Additionnelle de la Fonction Publique

Pension Scheme

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-02F75E24-F2A9-43B3-87F5-304478AEC1A7/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

# TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
<b>Name</b>	ERAFP - Etablissement de Retraite Additionnelle de la Fonction Publique Pension Scheme
<b>Signatory Category</b>	Non-corporate pension or superannuation or retirement or provident fund or plan
<b>Signatory Type</b>	Asset Owner
<b>Size</b>	US\$ 30 - 50 billion AUM
<b>Main Asset Class</b>	Multi-Asset
<b>Signed PRI Initiative</b>	2006
<b>Region</b>	Europe
<b>Country</b>	France
<b>Disclosure of Voluntary Indicators</b>	100% from 38 Voluntary indicators

# ERAFP - Etablissement de Retraite Additionnelle de la Fonction Publique Pension Scheme

## Reported Information

## Public version

## Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 01.1** Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**SG 01.6 CC** Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

The consequences of climate change are probably one of the risk factors most likely to have a long-term impact on the value of ERAFP's assets. That is why, in breaking down the SRI Charter into more detailed issuer evaluation rules, ERAFP has integrated criteria designed to better determine the level of these issuers' exposure to the various facets of climate risk.

In particular, under the 'environment' value of ERAFP's SRI Charter, the Control of the risks associated with climate change and contribution to the energy transition criterion makes it possible to assess the commitments that issuers have made, the measures adopted and the tangible results achieved as regards containing and reducing the greenhouse gas emissions associated with their activity. The listed and unlisted companies, the countries and the other issuers that score most highly on this criterion will probably be the best placed to cope with the adjustments needed as a result of climate change, such as more stringent regulations, the introduction of carbon pricing, client and investor expectations and increased vigilance by civil society.

This criterion also makes it possible to assess the efforts made by issuers to anticipate and adapt to the ramifications and consequences of climate change. Finally, this criteria also evaluates the compliance of issuer's strategy with the objectives of Paris Agreement and allows an exclusion of companies who have more than 10% of their sales resulting from thermal coal activities.

In order to estimate the degree of control that issuers have over the physical risks associated with climate change (increasing scarcity of natural resources, especially water, increased occurrence of extreme weather events, impacts on biodiversity, etc.) ERAFP also applies a Control of environmental impacts criterion, making it possible to assess the commitments made by issuers regarding the protection of water, the preservation of biodiversity and the prevention of pollution risks.

Conversely, ERAFP's SRI environment value criterion relating to the Product or service's environmental impact makes it possible to promote companies that offer innovative solutions to sustainable development challenges, particularly in the area of the energy and environmental transition.

Monitoring an asset portfolio's consolidated average scores for these criteria can be a way of gauging that portfolio's exposure to climate change-associated risks. Such an indicator is difficult to interpret, however, and does not facilitate the factoring in of the real impact of ERAFP's assets on the environment and of climate change on ERAFP's portfolio.

The search for a better understanding of a portfolio's degree of exposure to the risks and opportunities associated with climate change has led investors to acquire specific monitoring tools. That's why in addition to the a priori vision provided by the best in class approach, ERAFP has adopted climate-related tools that give an ex-post vision of allocation choices (see SG 01.7.CC).

No

**SG 01.7  
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Different timescales have been applied, depending on the risks and opportunities factored into the climate analysis on the respective portfolios and the asset classes concerned.

Driven by its conviction that what is not measured cannot be managed, ERAFP was one of the first investors to calculate and publish its carbon footprint, in its 2013 annual report. ERAFP measures its portfolios' exposure to carbon risk by calculating the average carbon intensity (CO2 emissions normalised by revenue) of the constituent companies or countries, weighted for their respective weights in their portfolios. The advantage of this metric is that it can be applied to all assets in the portfolio, but the drawback is that it is based on past data.

ERAFP also measures its portfolios' "green share", an indicator of their associated climate-related opportunities. In 2019, the green share of its listed bond and equity portfolios was measured on the basis of the percentage of renewable energy in the energy mix of electricity producers. However, this metric also gives a static view.

To overcome this limitation, ERAFP also evaluates its portfolios' alignment with a "2°C" scenario. This evaluation facilitates the measurement of, for example, a 2°C carbon budget ratio and an equivalent temperature to 2023, based on the past and future carbon emission trajectories of issuers held in its listed equities portfolio. Calculations of carbon budget ratios and equivalent temperatures are based on several 2°C alignment scenarios (relied to SDA and GEVA methodologies) that establish trajectories through to 2100.

To evaluate its transition risks, ERAFP measures the exposure of its asset valuations to the risk of changes in carbon pricing in 2030, based on the representative concentration pathways (RCP 2.6 and 4.5) adopted by the IPCC.

Lastly, physical risks are measured based on the exposure and vulnerability of its assets to seven physical risks (water stress, fires, floods, heat waves, cold waves, hurricanes and rising water levels). Evaluations are performed on the basis of three climate scenarios (low, moderate and high levels of global warming), that are in turn based on the IPCC's representative concentration pathways (RCP 2.6, 4.5 and 8.5). The results are expressed for a time horizon to 2050 (but are also calculated for 2020 and 2030).

The climate analysis methodologies are tailored to each asset class. ERAFP does not yet publish results for its infrastructure and private equity portfolios because we do not consider the data to be sufficiently robust. However, we have been working on analysing these portfolios, together with Carbone 4, since 2017.

No

**SG 01.8  
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9  
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

This two-pronged analysis of climate-related risks and opportunities, performed through pre-investment best-in-class screening (see reply SG01.6. CC) and post-investment climate analysis tools (see SG01.7. CC), enables us to identify the issuers presenting the highest number of climate-related risks or opportunities and thus to prioritise engagement actions to be taken by ERAFP or its asset managers.

Moreover, ERAFP aims to continuously improve its approach. In 2019, it made changes to its best-in-class reference framework for companies in order to factor in climate-related issues more effectively (addition of

an evaluation criterion based on the consistency of company strategies in high stakes sectors with Paris Agreement goals and divestment from issuers generating more than 10% of revenues from thermal coal that have not implemented phase-out plans consistent with Paris Agreement goals). In 2019, ERAFP also continued to improve its measurement tools (inclusion of scope 3 emissions and the evolution of carbon intensity over time, analysis of 2°C scenario alignment across all sectors, publication of the real estate portfolio climate analysis and analysis of the portfolio's exposure to physical and transition risks).

Alongside the strategy set out above, which applies to 93% of its investments, ERAFP also seeks to make a positive contribution to the energy transition through its thematic investments in areas such as renewable energy, forestry and green bonds, as well as its climate-friendly thematic equity funds and low carbon mandate.

As regards this mandate, since 2015 ERAFP has been working with French asset manager Amundi on a methodology geared towards significantly reducing the carbon footprint of a portfolio comprising around EUR 2 billion in euro-zone equities managed on behalf of ERAFP under an index-linked management mandate.

As well as best-in-class screening, an additional filter is applied to data collected on companies' carbon intensity (CO2e emissions/revenues): 5% of the most polluting companies worldwide and 20% of the most polluting companies in each sector are excluded from the portfolio. The decarbonised portfolio, whose tracking error is capped at 0.7%, has a performance similar to the underlying index, but its carbon intensity is around 40% lower.

Since its inception, the French public service supplementary pension scheme (ERAFP) has made it a point of honour to ensure that its investment activities are consistent with its commitment to a carbon-free economy.

By joining the Net-Zero Asset Owner Alliance, an initiative supported by the United Nations, ERAFP is formalising its commitment to decarbonising its portfolio, with a view to achieving a carbon-neutral investment portfolio by 2050, thus confirming its energy transition ambitions.

No

<b>SG 1.10 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify
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annual public report

- We currently do not publish TCFD disclosures

## Governance and human resources

<b>SG 07 CC</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 07.5 CC</b>	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6  
CC

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

As we said before, a board committee dedicated to SRI monitors decisions relating to ERAFP's SRI policy including climate-related issues. Quarterly meetings are organised with the SRI board committee during which climate-related issues could be discussed.

Specifically, on a quarterly basis, a report on ERAFP's engagement activities, including engagements related to the priority theme of tackling climate change, is presented. On a bi-annual basis, the portfolios' SRI performance, including the environmental performance, are presented. Finally, on an annual basis, the SRI team presents the results of the portfolio's climate-related risks and opportunities evaluation to the SRI committee. All those information help board members to monitor and oversee progress on climate issues.

The board also receives training on climate-related issues on a regular basis.

Since the beginning of the Scheme in 2005, the board takes into account climate-related issues each time it reviews or makes guiding-decisions. In 2016, ERAFP's board of directors validated the revision of the SRI Charter based on principles including "measurement of the effective impact of applying ESG criteria in the context of best in class, shareholder engagement and steady reduction of the portfolio's carbon footprint is a growing priority for ERAFP's stakeholders". In 2019, the board validated ERAFP's disengagement of coal and the addition of a new criteria into SRI framework to evaluate the compliance of the strategy of issuers from sectors facing high stakes related to climate change with the Paris Agreement objectives. Finally, at the beginning of 2020, the board approved ERAFP's membership to the Net Zero Asset Owner Alliance.

**SG 07.7  
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

As we said before, the management shall be the operational body responsible for the implementation of the climate-related issues, under the authority and control of the Board of Directors. It shall therefore prepare Board decisions regarding the main features of climate-related issues. It shall report, inform and, where necessary, alert the Board, via its committees, about the implementation of the investment policy, including its climate-related dimensions. By organising quarterly meetings with the SRI Board Committee, the management assists Directors in their work to adjust, enhance and monitor ERAFP's climate-related issues.

Chief Executive Officer and Chief Investment Officer are specifically responsible for climate change since ERAFP strives to integrate into all its analysis and decision-making processes, in as detailed a way possible, climate change-related risks and opportunities.

The management level could also make propositions to the board for enhancing climate-related issues governance and actions. For instance, in 2019, the management level proposed a disengagement from thermal coal and the integration of an additional climate-related criteria in ERAFP's SRI framework to the board.

The SRI team, under the CIO's responsibility, works on the following missions: it monitors the well understanding and implementation by its asset managers of the ERAFP's climate strategy, of its voting policy regarding climate-related shareholder's resolutions; it monitors the effective implementation of the mission of climate-related services provider; it dialogues with companies on climate issues and participate to many different collaborative initiatives on climate

**SG 07.8  
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

## ESG issues in asset allocation

**SG 13**

**Mandatory**

**Public**

**Descriptive**

**PRI 1**

**SG 13.1**

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

ERAFP implements scenario analysis at two levels:

- Macro level
- Micro level

See "additional information" for more information

- No, our organisation does not currently carry out scenario analysis and/or modelling

**SG 13.2**

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

**We do the following**

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

**SG 13.3**

Additional information. [OPTIONAL]

As a universal and diversified Asset Owner, ERAFP does not apply a priori sector or geographic allocations. ERAFP's SRI policy, based on Best in Class approach, leads to select best issuers in terms of ESG in each sector for each geographic market where ERAFP invests. Except for direct investment in government bonds, for which States who have not abolished the death penalty, practice torture or use child soldiers are a priori excluded and for tobacco producers, ERAFP does not apply a priori exclusions.

Regarding scenario analysis to assess climate-related risks and opportunities, ERAFP implements scenario analysis at two levels:

- Macro level:

At the macro level, we analyse ERAFP's overall aggregate portfolio (i.e. consolidating ERAFP's positions in equities, corporate bonds and convertible bonds). The aim of this analysis is to estimate the value of a portfolio under specific conditions and for a specific time horizon. In this context, ERAFP uses different reference scenarios and time horizons.

- Micro level:

The analysis is performed on each asset class, based on a single scenario (a 2°C scenario). The aim of this analysis at the sector level is to assess issuers' alignment with the Paris Agreement

**SG 13 CC**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**General**

**SG 13.4 CC**

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

**Describe**

ERAFP uses climate scenario analysis to estimate the anticipated value of a portfolio under specific conditions and for various time horizons. The aim of this analysis is to assess a portfolio's behaviour under several configurations of risks and opportunities and, particularly, to test under extreme conditions. In this context, ERAFP chose to use different reference scenarios adopted by the IPCC and IEA, two credible and internationally recognised organisations.

The results of the physical and transition risk analyses are published for the first time in ERAFP's 2019 annual report.

Since 2017, ERAFP has also measured its portfolio's alignment with a 2°C scenario. In 2020, ERAFP has extended this 2°C alignment assessment to all business sectors for its listed companies portfolios. ERAFP does this by using the Sector Decarbonisation Approach (SDA) for sectors with homogeneous activities and the GHG Emissions per Value Added Approach (GEVA) for sectors with heterogeneous activities.

Since 2018, the results have been published in ERAFP's annual report. While some sectors, such as electricity producers, are already in alignment with a 2°C scenario for the listed companies portfolio, other sectors still need to make substantial efforts.

This enables us to identify the issuers presenting the highest number of climate-related risks or opportunities and thus to prioritise engagement actions to be taken by ERAFP or its asset managers

- Incorporation into investment analysis

#### Describe

As described above, an assessment of ERAFP portfolio's climate-related risks and opportunities according to different scenarios (mainly depending on asset classes) is done on a large part of its portfolio.

In 2019, ERAFP added to its ESG framework, used for each issuer's evaluation, two criteria. The first one evaluates the capacity of issuer to define a strategy compliant with the Paris Agreement Goals; the second one excludes issuers that have more than 10% of their revenue related to thermal coal except if they plan to reduce their exposition in order to comply with the Paris Agreement. Those additional criteria aim to better evaluate and select issuers based on their climate-related risks and opportunities. At ERAFP's level, it aims to reduce climate-related risks and invest on issuers that are compliant with a 2°C world.

- Inform active ownership

#### Describe

For the engagement that ERAFP directly leads (for instance, for its engagement with the Utilities and auto sectors through Climate Action 100+ initiative) or for asset managers' engagement on ERAFP's behalf, the scenario analysis is a crucial information.

ERAFP or its asset managers could challenge an issuer on its own scenario analysis and/or its carbon emission's targets if the issuer publishes it or discuss with the issuer on the basis of the scenario analysis they used.

For instance, for utilities, the scenario analysis could allow to understand if the climate-related strategy (planned energy mix, CAPEX, carbon emissions' reduction targets, ...) of the company is well-aligned with the scenario and challenge company's business model if the energy mix/targets are not aligned according to scenarios used.

- Other

#### SG 13.5 CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

#### SG 13.6 CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

#### Describe

ERAFP has evaluated the potential impact of climate-related transition and physical risks on its investment strategy for different time horizons (2020, 2030 and 2050).

Physical risk: Assessments are performed based on three climate scenarios (low, moderate and high levels of global warming), that are in turn based on the IPCC's representative concentration pathways (RCP 2.6, 4.5 and 8.5). For each of these scenarios, ERAFP has sought to evaluate company depreciation resulting

from physical impacts (measured on the basis of the exposure and vulnerability of company assets to seven physical risks: water stress, fire, flooding, heat waves, cold waves, hurricanes and rising water levels) in 2020, 2030 and 2050.

Transition risk: Assessments are performed based on three climate scenarios (high, moderate and low carbon prices), that are in turn based on the IPCC's representative concentration pathways (RCP 2.6, 4.5 and 8.5). For each of these scenarios, ERAFP has sought to evaluate company depreciation resulting from changes in carbon prices in 2020, 2030 and 2050.

No

**SG 13.7**  
**CC**

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

**SG 13.8**  
**CC**

Indicate the climate scenarios your organisation uses.

Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input checked="" type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input checked="" type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input checked="" type="checkbox"/> RPC 6
IPCC	<input checked="" type="checkbox"/> RPC 4.5
IPCC	<input checked="" type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**SG 14.1** Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Transition (carbon price, strengthening of legislation, ...) and physical (floods, temperatures rise,...) climate-related risks

Other, specify(2)

other description (2)

Access to housing

None of the above

**SG 14.2** Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		2	629	363	319
Currency	EUR				
Assets in USD		2	898	350	597

Specify the framework or taxonomy used.

ERAFP invests in low carbon and thematic funds focusing on environmental solutions and energy transition:

- Multi-assets funds investing in clean energy, technology and climate solutions
- Infrastructure funds investing in renewables (engagement vision)
- Equity funds investing in low carbon assets (Amundi's decarbonized mandate) and climate change solutions
- Green bonds (French state's and regions' green bonds, EIB Green bonds and World Bank's green bonds)
- Forests through the Real Estate Portfolio

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description
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- We work on decarbonation methodologies
- We also use positive impact's criteria as green share; we also use transition and physical risks metrics
- None of the above

**SG 14.5**

Additional information [Optional]

**SG 14 CC**

Voluntary

Public

General

**SG 14.6  
CC**

Provide further details on the key metric(s) used to assess climate-related risks and opportunities.



Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	To monitor ERAFP's carbon risk exposure and adapt ERAFP's climate-related strategy	CO2 emissions per unit of revenue (weighted average)	At issuer level: factoring in of carbon intensity, in terms of CO2 emissions per unit of either revenue (companies) or GDP (countries) Aggregation at portfolio level: average issuer carbon intensity weighted for their respective proportions of the portfolio
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor issuers' carbon emissions and adapt ERAFP's climate-related strategy	tCO2	For sovereign, corporate bonds and equities, ERAFP uses the methodology of Trucost to calculate the carbon footprint of its issuers (Trucost uses public data when available or estimated data, based on scope 1, 2 and 3 for corporates)  For unlisted portfolio, ERAFP uses the methodology of Carbone 4, based on several sectorial models.
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor portfolio's carbon risk exposure and adapt ERAFP's climate-related strategy	CO2 emissions per unit of revenue (weighted average in the identified portfolio)	At issuer level: factoring in of carbon intensity, in terms of CO2 emissions per unit of either revenue (companies) or GDP (countries) Aggregation at portfolio level: average issuer carbon intensity weighted for their respective proportions of the portfolio
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	to understand the real carbon emissions of issuers	tCO2	on public or estimated data
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor issuers' carbon emissions and adapt ERAFP's climate-related strategy	CO2 emissions per unit of revenue	factoring in of carbon intensity, in terms of CO2 emissions per unit of either revenue (companies) or GDP (countries)
<b>Exposure to carbon-related assets</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor issuers' exposure to fossil fuels and adapt ERAFP's climate-related strategy	for sovereign bonds: % of fossil fuel energy for companies: % of companies with an extractive activity and % of revenue from extractive industry in the portfolio's returns	sovereign bonds: share of fossil fuel energy in the global energy consumption by country for corporate bonds and equities: share of companies in the portfolio which issue incomes from fossil fuel extractive activities and share of portfolio's incomes that are exposed to fossil fuel's extraction activities. for infrastructures: % of revenue from fossil fuels activities

<b>Other emissions metrics</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Evaluate the contribution of ERAFP's portfolio to the climate transition	For green share: - equity and corporate bonds: average green share % for electricity production - sovereign bonds: % of low carbon electricity (production without emissions) - Real estate: % of assets under some carbon emissions thresholds (2 thresholds: RE2020 and french BBCA label). - Infrastructures and Private Equity: % of revenue from green share (Carbone 4 taxonomy)  for avoided emissions (only for corporate bonds portfolios): - CO2 emissions avoided per invested amount linked to green bonds	For green share: - equity and sovereign and corporate bonds: financed Green GWh - for infrastructures: % of Green projects (Carbone 4 methodology) - for Real Estate: % of assets under the level of emissions defined by the label E+C or under the level of emissions defined by the label BBCA  For avoided emissions (only corporate bonds portfolios): - emissions avoided by green bonds in terms of tco2/€M invested
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<b>SG 14.8 CC</b>	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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⊙ Processes for climate-related risks are integrated into overall risk management

	Please describe
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In order to avoid its climate strategy being misinterpreted by its asset managers, as part of its strategic management, ERAFP monitors the actions taken by asset management companies to factor in climate-related risks. In particular, this monitoring takes the form of the following controls:

- Controls before launching a mandate: ERAFP only selects asset management companies that are able to apply its SRI framework and whose offer demonstrates a perfect understanding of this framework;
- Controls throughout the course of the mandate, by ERAFP, which checks that its SRI framework is properly applied by its asset managers, questions managers on how they manage, control and mitigate climate-related risks and encourages them to engage in dialogue with companies in the portfolio in order to promote greater transparency and increased availability of climate-related data.

In addition, to reduce the risk of an issuer's climate profile being incorrectly assessed, ERAFP has obtained various sources of information:

- the non-financial rating agency, Vigeo, via its half-yearly and monthly reports and its continuous alert-based monitoring system;
- climate service providers S&P Trucost Limited and Carbone 4, via their analyses of climate change-related risks and opportunities;
- analyses by our asset management companies via their reporting and side discussions relating to management committee meetings
- collaborative climate initiatives in which ERAFP participates.

- Processes for climate-related risks are not integrated into overall risk management

<b>SG 14.9 CC</b>	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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- Yes

<b>SG 14.9 CC</b>	Please describe
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At the end of 2017, ERAFP signed a letter of support for TCFD recommendations encouraging other business leaders to join TCFD recommendations supporters.

Moreover, at the end of 2017, ERAFP has joined the Climate Action 100+. The third pillar of this engagement is to engage with companies for providing more information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, where possible, with sector-specific expectations formulated through the Global Investor Coalition on Climate Change. This information should enable investors to assess the resilience of companies' climate change strategies. In particular this requires evaluating different scenarios, such as taking into account legislation aimed at limiting global warming to less than two degrees Celsius in their financial plans.

Finally, in its 2019 annual report, ERAFP chose to comply fully with the TCFD's disclosure recommendations in order to set an example for companies.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 15.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes

<b>SG 15.2</b>	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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<b>SG 15.2</b>	%
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7.44

<b>SG 15.3</b>	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
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<b>SG 15.3</b>	Area
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- Energy efficiency / Clean technology

<b>SG 15.3</b>	Asset class invested
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- Listed equity

<b>SG 15.3</b>	Percentage of AUM (+/-5%) per asset class invested in the area
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0.6

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Cash
- Other (1)

#### Brief description and measures of investment

- Through our multi-assets fund of funds we are invested in four listed equity funds :  
Robeco's smart energy fund,  
Pictet's clean energy fund.  
Amundi Global Ecology  
Mirova Europe Environmental Equity
- In 2019, ERAFP also invests around €100 millions in listed equity climate change thematic funds

Renewable energy

#### Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

#### Percentage of AUM (+/-5%) per asset class invested in the area

0.3

- Cash
- Other (1)

#### Brief description and measures of investment

- ERAFP is invested in three Infrastructure funds for renewables:  
Mirova Eurofideme III and IV  
Meridiam Transition  
ERAFP has also opened a compartment dedicated to renewables through its infrastructure's mandate  
Data reported correspond to the financial engagement

- Green buildings
- Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

Percentage of AUM (+/-5%) per asset class invested in the area

0.1

- Infrastructure
- Cash
- Other (1)

Brief description and measures of investment

Through one of its Real Estate's mandate, ERAFP invests into sustainable forestry assets identified as a carbon sink

- Sustainable agriculture
- Microfinance
- SME financing

Asset class invested

- Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

2.5

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Percentage of AUM (+/-5%) per asset class invested in the area

1.2

- Fixed income - Securitised
- Private equity

Percentage of AUM (+/-5%) per asset class invested in the area

1.24

- Property
- Infrastructure
- Cash
- Other (1)

Brief description and measures of investment

- We have three segregated accounts, two focusing on French small listed companies and one focusing on European Small listed companies.
- Through its Private Equity funds, ERAFP is mostly engaged in SME funding
- In three of our corporate bonds segregated mandates, we have SME investments
- ERAFP has invested in six fixed income pooled funds for the financing of SME (Sofiprotéol Dette privée, BNP Paribas European SME Debt Fund, Idinvest Dette Senior 4 and Novo bond funds for the financing of French SME).

- Social enterprise / community investing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

Percentage of AUM (+/-5%) per asset class invested in the area

0.014

- Property
- Infrastructure
- Cash
- Other (1)

Brief description and measures of investment

ERAFP has invested in three Private Equity pooled funds: NovESS, Phitrust Partenaires Europe, Citizen Capital II for the financing of social enterprise and community investing

- Affordable housing

#### Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property

#### Percentage of AUM (+/-5%) per asset class invested in the area

0.9

- Infrastructure
- Cash
- Other (1)

#### Brief description and measures of investment

In 2018, ERAFP has launched a real estate mandate focusing on intermediate housing (data reported in engagement vision)

- Education
- Global health
- Water

#### Asset class invested

- Listed equity

#### Percentage of AUM (+/-5%) per asset class invested in the area

0.2

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Cash
- Other (1)

Brief description and measures of investment

Through our multi-assets fund of funds we invest in Pictet's water fund and KBI water fund

Other area, specify

Green Bonds

Asset class invested

- Listed equity
- Fixed income - SSA

Percentage of AUM (+/-5%) per asset class invested in the area

0.35

- Fixed income - Corporate (financial)

Percentage of AUM (+/-5%) per asset class invested in the area

0.15

- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Infrastructure
- Cash
- Other (1)

Brief description and measures of investment

In 2018, ERAFP invests in four Green Bonds:

- EIB Green Bond
- French State Green Bond
- Région Ile de France Green Bond
- Amundi Planet Emerging Green One

No