



# CLIMATE TRANSPARENCY REPORT 2020

Fonds de réserve pour les retraites - FRR

# 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/-6062F3A4-4930-4949-A892-901EF43B379F/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>	Fonds de réserve pour les retraites - FRR
<b>Signatory Category</b>	Reserve - sovereign or government controlled fund
<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

# Fonds de réserve pour les retraites - FRR

## 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.

According to the SDA-GEVA method conducive to "TCFD stress-tests", the Global Equity portfolio and the Global Bond portfolio are on a 2-3 degree trajectory while their benchmarks are on a trajectory greater than 3 degrees. Only the Passive Management Developed Equity portfolio is aligned at 2 Degrees.

The Global Equity and Global Corporate Bonds portfolios are less exposed to the risks associated with stranded assets than their benchmarks. It should be noted that the Emergent portfolio and the actively managed equity portfolio each have a higher exposure to fossil fuels than that of the benchmark.

The Global Equity and Global Bond portfolios are slightly less exposed to physical climatic risks than their benchmarks.

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.

Every year.

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

Since 2008, FRR assesses every year its portfolio regarding extra financial risks and environmental issues.

An audit, based on those assessments is presented to the Supervisory Board every year and disclosed to the public. FRR uses all the metrics proposed by its auditors.

Risk department integrate the ESG issues.

A dedicated ESG committee meet evrery month to deal with ESG issues.

No

**SG 1.10  
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

Article 173 - French Energy Transition Law's report and Annual report

- We currently do not publish TCFD disclosures

## Governance and human resources

**SG 07 CC**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**General**

**SG 07.5  
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

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

Other Chief-level staff or heads of departments

- 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.

- Monitoring of incorporation of ESG/climate related issues in RFPs.
- The board monitors and oversees progress each year by submitting FRR's global portfolio to the assessment of external ratings agencies (Vigeo Eiris, S&P Truscost).
- The management Board is accountable to the Supervisory Board for the implementation of Responsible Investment Strategy.

**SG 07.7**  
**CC**

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

- Climate related issues are considered for every RFP (10 per year in average - 50 questions related to ESG in RFP questionnaires).
- The managers monitors and oversees progress each year by submitting FRR's global portfolio to the assessment of external ratings agencies (Vigeo Eiris, S&P Truscost).
- Those assessments are used during investment committees to discuss with the asset managers.
- Implementation of the Strategy



**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

FRR integrated extra-financial indices in its asset allocation and exclusions.

- 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 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
- Incorporation into investment analysis

Describe

FRR integrate ESG indices into its asset allocation and mandate guidelines.

FRR integrate extra financial criterias (ESG, climate change ...) into its mandates.

- Inform active ownership
- 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

FRR evaluates , every year, the impacts of climate-related risks beyond time-horizon (physical risks, transition risks, 2° alignment, green share...)

- 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 checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input checked="" type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input 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 checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> IEA Energy Technology Perspectives (ETP)
Other	<input checked="" type="checkbox"/> Other (2)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (2) please specify:</div> IEA New Policy Scenario
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)

**Physical risks**

- Other, specify(2)

other description (2)

**Transition risks**

- 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		25	120	426	950
Currency	EUR				
Assets in USD		27	690	279	214

Specify the framework or taxonomy used.

CO2 emissions/capital invested and /turnover, average intensity, transition investments and investment in green solutions.

**Green bonds**

- 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
- None of the above

SG 14 CC	Voluntary	Public		General
<b>SG 14.6 CC</b>	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>Climate-related targets</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure the green share	€	
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure the selectivity of asset managers	CO2 equivalent (tCO2e) per million euro in revenue	The average footprint is calculated as the arithmetic average of the carbon intensities of companies in the portfolio weighted by their share in 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	Measure the volume	CO2 equivalent (tCO2e)	
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Measure the volume of emissions of a portfolio	CO2 equivalent (tCO2e)	
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Give an idea of the emissions of the portfolio	CO2 equivalent (tCO2e)	
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Assess the portfolio performance	Those ratios are expressed in tonnes of CO2 equivalent (tCO2e) per million euro invested or/and in tonnes of CO2 equivalent (tCO2e) per million euro in revenue	The footprint in capital terms is calculated per million euro invested; the carbon footprint in terms of revenue is calculated by dividing companies' annual CO2 emissions by the annual revenue generated by their activities
<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	Evaluate future emissions, stranded assets	Tonnes of CO2eq/million € of capital	Future emissions financed per million euro invested

SG 14.7  
CC

Describe in further detail the key targets.

Targettype	Baseline year	Target year	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	Immediate		Carbon emissions reduction per million of turnover, million invested, average intensity	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	Immediate		Green share	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target				

**SG 14.8  
CC** 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.

- Processes for climate-related risks are integrated into overall risk management

Please describe

ESG score are integrated into overall risk management.

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

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

- Yes

Please describe

TCFD support is integrated in the FRR's selection questionnaire.

- 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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**SG 15.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

**SG 15.2**

Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

29

**SG 15.3**

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

Energy efficiency / Clean technology

Asset class invested

Listed equity

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

5

- 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

5

Property

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

5

Infrastructure

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

5

- Cash
- Other (1)



Brief description and measures of investment

Investments in energy efficiency and clean technologies companies.

- Renewable energy

Asset class invested

- Listed equity

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

5

- 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

5

- Property

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

5

- Infrastructure

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

5

- Cash
- Other (1)

Brief description and measures of investment

Investments in Renewable energy companies.

- Green buildings

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

5

- Infrastructure
- Cash
- Other (1)

Brief description and measures of investment

% of AUM

- Sustainable forestry
- Sustainable agriculture

Asset class invested

- Listed equity

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

5

- 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

5

- Property
- Infrastructure

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

5

- Cash
- Other (1)

Brief description and measures of investment

Investments in green agriculture.

- Microfinance
- SME financing

Asset class invested

- Listed equity

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

5

- 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

5

- Property
- Infrastructure

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

5

- Cash
- Other (1)

Brief description and measures of investment

Investments in green companies based on our asset managers' proprietary models.

- Social enterprise / community investing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)

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

5

- Fixed income - Corporate (non-financial)

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

5

- Fixed income - Securitised
- Private equity
- Property
- Infrastructure

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

5

- Cash
- Other (1)

Brief description and measures of investment

Investments taking into account social based on our asset managers' proprietary models.

- Affordable housing
- Education
- Global health
- Water

Asset class invested

- Listed equity

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

5

- 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

5

- Property
- Infrastructure

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

5

- Cash
- Other (1)

Investments taking into account Water based on our asset managers' proprietary models.

Other area, specify

No