

# ERAFP's 2025-2029 climate policy

## Background

Since 2006, ERAFP has integrated environmental, social and governance issues into its overall responsible investment strategy. Incorporating sustainable development considerations into its financial management has led ERAFP to adopt, ever since it was founded, a socially responsible investment approach, which it documents in its [SRI Charter](#).

ERAFP recognises the materiality of global warming<sup>1</sup> and the key role it can play in encouraging companies to consider the environmental impact of their products or services, manage the risks associated with climate change, adopt a strategy aligned with 1.5°C warming scenarios and contribute to the energy transition.

Therefore, ERAFP has adopted a climate policy as part of its responsible investment policy, with the aim of financing an economy that is compatible with scenarios that limit global warming to 1.5°C by 2100.

ERAFP's climate policy outlines the main targets in place pre- and post-investment decision-making, the vast majority of which are implemented by the delegated management companies.

## Climate objectives

Willing to reduce its greenhouse gas emissions, ERAFP joined the [Net-Zero Asset Owner Alliance](#) (AOA) in March 2020. As part of this commitment, ERAFP sets intermediate goals every five years in order to achieve carbon neutrality by 2050. After initial objectives were defined in 2021, covering the 2019-2024 period, ERAFP has set new goals for the next period. The objectives below are therefore covering the 2024-2029 period, and will be revised in 2030.

1,5°C  
by 2100

### → Reduction of GHG emissions:

- Reduce the carbon intensity (scopes 1 and 2) of its listed assets portfolios by 60% over the 2019-2029 period;
- Pursue actions (SRI filter for stock selection, SBTi certification, engagement, and voting policy) aimed at reducing scope 3 emissions;
- Reduce the carbon surface intensity of its real estate portfolio by 15% between 2023 and 2028 (scopes 1, 2 and part of scope 3);
- Reduce the energy surface intensity of its real estate portfolio by 10% between 2023 and 2028 (scopes 1, 2 and part of scope 3);
- Achieve a proportion of 30% of its portfolio of real estate assets aligned with the CRREM 1.5°C scenario (second version) by the end of 2028.

### → Engagement :

- Develop shareholder dialogue with 30 of the companies with the highest GHG emissions in the equity, credit and convertibles portfolios in order to promote an energy transition that is aligned with the Paris Agreement.

### → Alignement de température :

- Achieve a situation where companies representing 55% of the carbon footprint of the equity, credit and convertibles portfolios have set targets aligned with a temperature rise of 1.5°C or lower approved by the SBTi initiative by the end of 2029.

### → Financement de la transition :

- Increase the amounts invested in assets that contribute to the energy transition and decarbonisation of the economy across the portfolio;
- Invest €1.5 to €1.8 billion in financing the ecological transition over the 2025-2029 period.

<sup>1</sup> See in particular: [IEA, Net Zero by 2050](#), May 2021, [2018 Special Report on Global Warming of 1.5°C and the "mitigation" chapter of the Sixth Assessment Report 2021-2022, IPCC 2021](#)

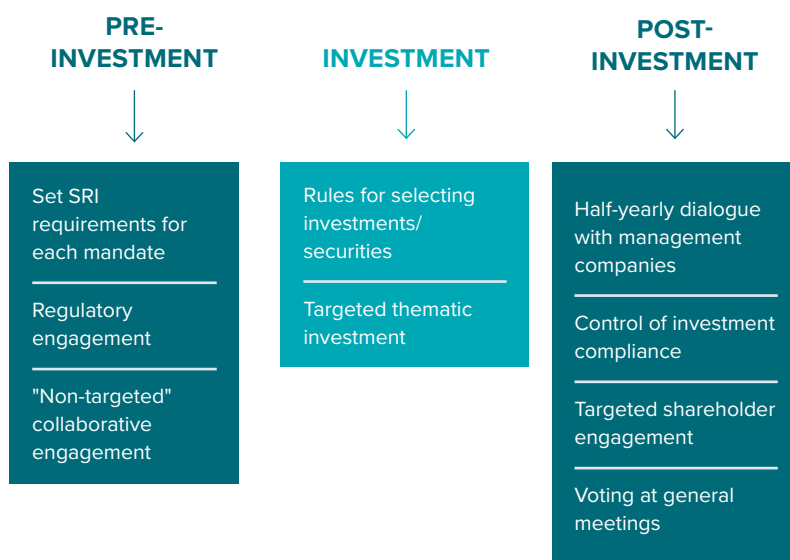
ERAFP is committed to implementing the necessary measures to achieve these targets by 2030 and any subsequent ones it adopts in the future. These targets are set at the ERAFP level rather than for each investment mandate. However, the involvement of each manager is needed to achieve these targets.

## SRI framework & Exclusions for non-compliance with eligibility criteria

Pre-investment decision-making: ERAFP assesses the companies, projects and countries in which it invests based on ESG criteria, in accordance with its SRI framework, using the specific best-in-class analysis. The “Environment” pillar includes specific climate-related criteria.

Since 1<sup>st</sup> January 2024 and in accordance with ERAFP's SRI framework, enhanced monitoring is performed in relation to the eligibility criteria set out in [ERAFP's fossil fuel policy](#) for the three sources of fossil fuels (thermal coal, unconventional fossil fuels and conventional fossil fuels).

Post-investment decision-making: ERAFP is determined to support, on a long-term basis, those organisations in which it invests, by exercising its responsibilities as shareholder or stakeholder in such a way as to sustainably promote, within these entities, practices that respect the values it supports. [ERAFP's shareholder engagement guidelines](#) are consistent with its voting policy, and both are reviewed on an annual basis.



## Governance

In accordance with Article 24 of decree 2004-569 relating to the French public sector additional pension scheme, the CSPP is responsible for preparing the Board of Directors' decisions on the general guidelines of the SRI policy, monitoring their implementation, assessing their effects on the Scheme, ensuring compliance with the principles of the SRI Charter and preparing any updates thereto.

Within this framework, the CSPP has validated the publication of this climate policy, and will monitor its application together with the Board of Directors from its effective date.