

PRESS RELEASE

ERAFP expands its shareholder engagement policy and sets out its voting policy for 2017

Paris, 6 February 2017- In compliance with the new legislative framework and in accordance with its new SRI charter, ERAFP (Établissement de Retraite additionnelle de la Fonction publique, French public-service supplementary pension body) has updated its shareholder engagement guidelines and its policy for voting at general meetings of shareholders for 2017.

ERAFP has expanded its shareholder engagement policy to reflect changes in its SRI charter

Introduced five years ago, ERAFP's policy for shareholder engagement and voting at general meetings of shareholders continues to be developed and enriched.

While continuing to focus on collaborative initiatives covering issues such as the fight against climate change, combating aggressive tax optimisation and preventing employee-related risks in the supply chain, under its new SRI charter's provisions on monitoring controversial matters, ERAFP will now require its management companies to initiate dialogue with companies involved in proven violations of international standards.

ERAFP affirms its responsible voting policy in a changing legislative environment

With respect to its voting policy, ERAFP will continue to focus on a number of key issues, which will be given priority in talks with issuers regarding the next general meetings season. These include the following:

- transparency of companies' business and financial situations. In 2017, ERAFP is widening its scope. It will no longer focus solely on financial sector companies' country-by-country financial reporting, but will also cover, on a trial basis, the reporting of all companies with revenues of more than 750 million euros;
- promoting the principles of transparency, equity and moderation in determining executive remuneration. In 2017, ERAFP expects all publicly-traded companies to implement voting on the remuneration of corporate officers. In addition, ERAFP will give careful consideration to the remuneration committee's responses following any disputes arising from such votes.
- increasing the proportion of women on boards of directors. After increasing the minimum threshold for women's representation from 30% to 35% in 2016, ERAFP has raised it further for 2017, from 35% to 40%, as required by the Copé-Zimmermann law.

To facilitate dialogue, ERAFP will forward its guidelines to issuers via its delegated managers.

These guidelines are implemented with a view to meeting our fiduciary responsibility to the Scheme's 4.5 million public-service beneficiaries. They can be downloaded on the RAFP website (www.rafp.fr) under "Publications".

ERAFP: France's number one public service pension scheme and full-SRI institutional investor

With more than EUR 26 billion in financial assets wholly invested in accordance with a fully socially responsible investment approach, ERAFP is Europe's leading SRI institutional investor. From its inception in 2005, ERAFP's board of directors has sought to maximise returns on its financial asset portfolio in accordance with SRI-driven principles. As a signatory of the UN Principles for Responsible Investment, ERAFP adopted an SRI Charter in March 2006 hinging on five values: respect for the rule of law and human rights; social progress; social democracy; environment; and standards of governance and transparency.

ERAFP is also one of the world's largest public pension funds in terms of member numbers, with over 4.5 million beneficiaries, 42,000 employers and nearly EUR1.8 billion in annual contributions. As a mandatory points-based pension scheme, it has been managing supplementary pension benefits for French civil servants in state-run bodies, local authorities and public hospitals since 1 January 2005.

For more information about ERAFP → www.rafp.fr

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