



French state fund FRR taps EIRIS to assess equity and corporate bond portfolio

Meanwhile, a new responsible investment consultancy [EFIRES] is launched in Paris

by **Jan Wagner** | December 11th, 2013 – Responsible investor

The Fonds de réserve pour les retraites (FRR), the €36.6bn buffer fund for France's state pension system, has selected UK sustainability research firm EIRIS to analyse the social and governance (SG) risks of its equity and corporate bond holdings.

The FRR has around 29% of its assets invested in stocks and another 16.5% in corporate debt. In terms of social risks, EIRIS said that it would scrutinise the investments to determine company involvement in UN-banned munitions like cluster bombs and anti-personnel mines as well as biological and chemical weapons.

The arrangement, to be carried out once a year, also calls on EIRIS to assess the pension fund's stock and corporate bond holdings against governance criteria. The firm will then report to FRR's five-member responsible investment committee.

If a company is found to be involved in manufacture of any of the weapons, the pension fund's response is to exclude it. Engagement on S, G or environmental (E) risks is done by FRR's fund managers.

The FRR is a signatory to both the UN-backed Principles for Responsible Investment (PRI) and the UN Global Compact.

Meanwhile, a new Paris-based consultancy has been launched that will advise institutional clients on responsible investment and companies on corporate social responsibility (CSR) programmes.

The consultancy, known as EFIRES, was started by Véronique Le Heup and Nadia Tihdani, former responsible investment specialists at French asset manager Natixis. Le Heup left Natixis in 2008 to start the CSR consultancy NUMAI Partners which is allied with EFIRES. Tihdani left Natixis in February 2013, but says the asset manager is now one of her clients at EFIRES. The others on the investment side are Franco-Swiss private bank Edmond De Rothschild and Préfon Retraite, a supplementary pension scheme for state employees in France. EFIRES' most prominent CSR client is the French unit of General Electric.