Aligning Index-Linked Investing with the ‘Paris Climate Conference’ Goals

More and more, investors in index-linked strategies are looking for portfolios of companies reducing their carbon footprint and avoiding companies with fossil fuel revenues or production. In accordance with EU aims for sustainable finance, strategies are now being adjusted to two new indices that are aligned with the ‘Paris’ goals.

The Climate Transition Benchmark and the Paris Aligned Benchmark are pursuing a similar objective. However, the PAB is designed for more ambitious investment strategies and has stricter fossil fuel related exclusions. The CTB aims to reduce the carbon footprint by around 30% relative to its investment universe and the PAB by 50%.

The Low Carbon 100 Europe index is the benchmark of a BNPP AM index-tracking strategy and as Euronext works to bring the index into line with the requirements of the PAB, together with Carbon Disclosure Project and Carbone 4, this will ensure the Low Carbon 100 strategy is compliant.

The carbon footprint of this index was already at around 50% of that of its investment universe.

BNP Paribas Easy is BNP Paribas Asset Management’s range of ETFs and index funds, covering three areas of expertise: ESG*, Smart Beta and the Essential range. It allows institutional and retail investors to benefit from exposure to the main asset classes (equities, bonds, commodities and listed real estate) and geographical areas. The BNP Paribas Easy team is a pioneer in the development of numerous types of index management expertise. It was one of the first asset management teams to launch ETFs on low carbon, the circular economy and listed real estate. Its capacity for innovation and the quality of its management are regularly rewarded.

Thibaud Clisson

Thibaud joined the ESG research team of BNPP AM in 2009 and is a senior ESG analyst in charge of the energy and utilities sectors. Thibaud is a member of the PRI Methane Advisory Committee which works on PRI-coordinated collaborative engagement on methane risk. He is also a member of the IIGCC Corporate programme and a member of the Scientific Committee of the Euronext Low Carbon 100 Europe index. Prior joining the firm, he spent two years working at GDF Suez in France as part of his apprenticeship track degree as a business analyst. Thibaud holds a Master degree in Management from the SKEMA Business School, Lille, France (2008) and a Master degree in Corporate Social Responsibility from the Gustave Eiffel Business School at Paris-Est Créteil Val-de-Marne University, France (2009). He then went on to complete an Executive Master in Energy Management (EMEM) from the ESCP Europe, Paris (2017).

Contact details

Contact: Claus Hecher
E-Mail: Claus.hecher@bnpparibas.com
Website: www.easy.bnpparibas.ch