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LYXOR ASSET MANAGEMENT SUPPORTS THE LOW CARBON TRANSITION BY DISCLOSING TEMPERATURES ON 150+ FUNDS

Lyxor Asset Management today announces the publication of the temperatures currently implied by more than 150 of its Exchange Traded Funds (ETFs). This marks a significant milestone on our journey towards providing investors with the information they need to better assess the impact of their portfolios on global warming and, if necessary, help align them with the goals of the Paris Agreement – to contain the rise in temperatures this century to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit that increase to 1.5 degrees Celsius. The temperatures for more of our range of ETFs will be announced in due course.

The methodologies for accurately stating the degree of warming potential of an investment portfolio are cutting edge and constantly evolving. We therefore see this as a gradual process, so to ensure that we refine our approach on an on-going basis, we are working tirelessly with S&P Global Trucost, a climate data specialist and a subsidiary of global index supplier Standard & Poor's.

To measure the temperature of this first group of funds, Lyxor studied both the past emissions data and the future emission projections for each of the companies within the funds, based either on commitments announced by the companies themselves, or on estimates provided by S&P Global Trucost.

The approach combines two recognized methodologies: Sectoral Decarbonisation Approach (SDA), developed by the Science Based Targets Initiative for sectors with high greenhouse gas emissions (electricity production, steel production, aviation, etc.), and the Greenhouse gas Emissions per unit of Value Added (GEVA) approach for other sectors. The combination of these SDA and GEVA approaches makes it possible to assess how well aligned companies in all types of sectors are with the Paris Agreement.

As a result of this temperature measurement, Lyxor aims to give all kinds of investors and stakeholders the transparency they need on the assets it manages, helping them to become more aware of the impact those assets might have on the environment and to limit climate risks within their portfolios. As one of the industry's earliest movers, Lyxor is already responding to the various regulations and commitments requiring investors to transparently publish the contribution their activities make to global warming and their climate-related risk management.

This mechanism reinforces the framework Lyxor has been building for several years to give investors simpler ways to redirect their capital towards investments promoting a low-carbon world, namely its green bonds ETFs, the implementation of its Climate policy in 2019 and the creation of a complete ecosystem of Climate ETFs aligned with the Paris Agreement in 2020. To complete this framework,

PRESS RELATIONS

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Lyxor is currently studying how to integrate the measurement of climate risk, most notably transition risks, within its funds.

Florent Deixonne, Head of SRI at Lyxor Asset Management, comments: "All portfolios, indices and benchmarks have some form of climate impact. Today, we are beginning the process of helping all kinds of investors assess those impacts and manage those risks by publishing temperatures. There's little doubt that ensuring investments are truly sustainable becomes a fundamental fiduciary duty for professional investors, whether they are advising institutions or investing on behalf of individuals. Individuals who manage their own money will also be able to use this information to make more climate-aware investment decisions and, should they desire so, better align their portfolios with the temperature goals of the Paris Agreement".

[More information on lyxor.com](#)

[Access to the temperatures of the ETFs](#)

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Notes to editors:



Lyxor Asset Management Group ("the Lyxor group"), wholly-owned directly or indirectly by Societe Generale and composed notably of two subsidiaries ⁽¹⁾ ⁽²⁾, is a European asset management specialist, an expert in all investment styles, active, passive and alternative. From ETFs to multi-management, with EUR 159.3 billion* under management and advisory, Lyxor group creates innovative investment solutions to meet the long-term challenges of managing savings. Thanks to its experts and its engineering tradition and research, Lyxor group combines search for performance and risk management.

⁽¹⁾ Lyxor Asset Management S.A.S. is approved by the «Autorité des marchés financiers» (French regulator) under the agreement # GP98019.

⁽²⁾ Lyxor International Asset Management S.A.S. is approved by the «Autorité des Marchés Financiers» (French regulator) under the agreement # GP04024.

* Including EUR 18.9 billion assets under advisory. Equivalent of USD 195.6 billion in assets under management and advisory (including USD 23.2 billion assets under advisory) at the end of December 2020.