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**Press Release**

**Abu Dhabi, Boston, Frankfurt, London, Melbourne, Nice, Singapore, Sydney, Tokyo, January 17, 2023**

**Major institutional equity mandate to be benchmarked to Scientific Beta climate index**

**French additional civil service pension scheme benchmarks circa €300m mandate to Scientific Beta climate impact consistent index**

One of the most prominent pension schemes in Europe, the €41.7bn additional pension scheme for French civil servants, ERAFP, had announced that it was awarding a circa €300m mandate to be benchmarked to the Scientific Beta Eurozone Climate Impact Consistent EU PAB Compliant index, and the corresponding fund has now been launched. The choice of index reflects ERAFP’s climate commitments, made notably within the framework of the Net Zero Asset Owner Alliance (NZAOA).

The decision by ERAFP is a major vote of confidence in Scientific Beta’s Climate Impact Consistent index offering. Since 2021, Scientific Beta has been offering these indices with pure climate objectives that allow climate exclusions and weightings to be combined in order to translate companies’ climate alignment engagement into portfolio decisions.

The mandate will be awarded for a four-year term, twice renewable for one year, bringing the maximum term of the mandate to six years, and must be managed while respecting the socially responsible investing principles under which all of ERAFP’s allocations have been managed since 2005.

Commenting on this announcement, Kin Yee Ng, CEO of Scientific Beta, said, “We are gratified that ERAFP has seen fit to award such a significant mandate on the basis of Scientific Beta’s climate impact consistent (CIC) indices. The CIC index is the result of robust research that delivers a consistent climate offering on the market. Traditional climate indices and benchmarks, which combine financial and climate criteria, frequently lead to contradictions with compromised climate impact. We believe our CIC indices’ strict focus on climate objectives raises the bar for climate action.”



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**About Scientific Beta**

Scientific Beta aims to encourage the entire investment industry to adopt the latest advances in smart factor and ESG/Climate index design and implementation. Established in December 2012 by EDHEC-Risk Institute, one of the top academic institutions in the field of fundamental and applied research for the investment industry, as part of its mission to transfer academic know-how to the financial industry, Scientific Beta shares the same concern for scientific rigour and veracity, which it applies to all the services that it provides to investors and asset managers. We offer the smart factor and ESG/Climate solutions that are most proven scientifically, with full transparency of both methods and associated risks.

On January 31, 2020, Singapore Exchange (SGX) acquired a majority stake in Scientific Beta. SGX is maintaining the strong collaboration with EDHEC Business School, and principles of independent, empirical-based academic research, that have benefited Scientific Beta’s development to date.

Scientific Beta has developed two types of expertise over the years corresponding to two major concerns for investors:

* Expertise in the area of Smart Beta, and more particularly factor investing
* Expertise in the area of ESG, and particularly Climate investing

To date, Scientific Beta is offering two major types of climates objectives:

Since 2015, offerings with financial objectives respecting ESG and Carbon constraints. These offerings correspond to the application of exclusion filters, the design of which allows the financial characteristics of the index to be conserved. This involves reconciling financial objectives and compliance with ESG norms and climate obligations. As such, the Core ESG, Extended ESG and Low Carbon filters can be integrated into smart beta or cap-weighted offerings in line with the financial objectives targeted by the investor.

Since 2021, Scientific Beta has been offering indices with pure climate objectives (Climate Impact Consistent Indices) that allow climate exclusions and weightings to be combined in order to translate companies’ climate alignment engagement into portfolio decisions.

Since it was acquired by SGX in January 2020, Scientific Beta has accelerated its investments in the area of Climate Investing as part of the SGX Sustainable Exchange strategy, which is mobilising an investment of SGD 20 million. In addition, EDHEC and Scientific Beta have set up a EUR 1 million/year ESG Research Chair at EDHEC Business School.

With a concern to provide worldwide client servicing, Scientific Beta is present in Boston, London, Nice, Singapore and Tokyo. As of July 31, 2022, the Scientific Beta indices corresponded to USD 52.47bn in assets under replication. Scientific Beta has a dedicated team of 55 people who cover not only client support from Nice, Singapore and Boston, but also the development, production and promotion of its index offering. Scientific Beta signed the United Nations-supported Principles for Responsible Investment (PRI) on September 27, 2016. Scientific Beta became an associate member of the Institutional Investor Group on Climate Change (IIGCC) on April 9, 2021, and a member of the Investor Group on Climate Change (IGCC) on November 28, 2022.

Today, Scientific Beta is devoting more than 40% of its R&D investment to Climate Investing and more than 45% of its assets under replication refer to indices with an ESG or Climate flavour. As a complement to its own research, Scientific Beta supports an important research initiative developed by EDHEC on ESG and climate investing and cooperates with V.E and ISS ESG for the construction of its ESG and climate indices.

On November 27, 2018, Scientific Beta was presented with the Risk Award for Indexing Firm of the Year 2019 by the prestigious professional publication Risk Magazine. On October 31, 2019, Scientific Beta received the Professional Pensions Investment Award for “Equity Factor Index Provider of the Year 2019.” On February 1, 2022, Scientific Beta was named “Best Specialist ESG Index Provider” at the ESG Investing Awards 2022, which celebrate excellence in Environmental, Social and Governance (ESG) research, ratings, funds, and products.

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