

Climate Reporting of Long-Short Investment Portfolios and Derivatives: A Best Practice Approach for Transparency

Inrate's report on climate reporting combines long and short positions to reduce emissions, using the Finreon Carbon Focus® portfolio as a case study for sustainable investment



Zurich, Switzerland Dec 18, 2024 ([Issuewire.com](https://www.issuewire.com)) - In an era where climate change poses significant risks and opportunities for investment portfolios, transparency and accuracy in climate reporting have become more critical than ever. While practices for reporting on climate related-matters for long-only portfolios have become more established, the reporting of portfolios that include derivative positions is still evolving.

Inrate's new report presents a best-practice approach for combining long and short positions in climate reporting. The fundamental idea behind the approach is to capture the economic exposure of portfolio positions for both long and short positions based on the principle of market signals. To ensure traceability, the respective portfolio segments need to be recognized separately.

Using the Finreon Carbon Focus® portfolio as a case study, the report illustrates how long-short strategies can effectively reduce financed emissions. Combining long positions in low-carbon leaders with short positions in CO2-intensive companies offers a way to reduce financed GHG emissions while simultaneously sending market signals.

Inrate is delighted to be working with a specialist in this field, combining sustainability expertise with innovative investment approaches.

For information visit

<https://inrate.com/news/climate-reporting-of-long-short-investment-portfolios-and-derivatives-a-best-practice-approach-for-transparency/> or contact [Glen Boschi](#)

About Inrate

Inrate is a leading provider of [ESG impact ratings](#) sustainability data, committed to driving transparency and accountability in the financial sector. With a focus on innovation and excellence, Inrate offers a comprehensive range of [ESG data solutions](#) that empower asset owners, managers, and other stakeholders to make informed decisions that contribute to a more sustainable future.

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