

Talking Heads with Thibaud Clisson

Daniel Morris: Hello, and welcome to the BNP Paribas Asset Management Talking Heads podcast. Every week, Talking Heads will bring you in-depth insights and analysis through the lens of sustainability on the topics that really matter to investors.

In this episode, we'll be discussing the recent London Climate Action Week. I'm Daniel Morris, Chief Market Strategist, and I'm joined by Thibaud Clisson, Climate Lead. Welcome, Thibaud. Thanks for joining me.

Thibaud Clisson: Hi Daniel. Thank you very much for having me here today.

DM: Well, there are other things going on in the world besides the World Cup, other important things, certainly: I'm thinking about the recent London Climate Action Week, even though maybe everything around climate action sustainability is not at the forefront of investors' minds as it might have been previously, with the war in Iran.

Perhaps it's had just the opposite effect, highlighting dependency on fossil fuels that can be problematic. So, can you tell us a little bit about the event?

TC: Last week in London, more than 75,000 people from different backgrounds – governance, businesses, investors, cities and civil society – gathered in more than 1,000 events on nine days to talk about climate actions.

In a quite ironic way, this climate event coincided with one of the most intense heat wave[s] across Europe, and this really reminded everyone what climate change is about. It's not something that will happen in the future, it's something that is happening now, and we have all here in Europe been able to feel [on] our body the kind of consequences climate change can have on our daily life.

What is also quite interesting from the London Climate Action Week is that it's not just about climate. This year, nature was quite high in the agenda, which I think tends to highlight that nature and climate are not anymore two distinct topics. Protecting nature, restore soils, protect the water resources are growingly understood as key levers for global resilience.

The last point is that London Climate Action Week is really the big event on climate finance. It's a little bit complementary with what we call the Conference of Parties that happen[s] usually in December, the so-called COPs.

In a nutshell, COP is where the rules are negotiated, where the political agenda on climate is agreed, and London Climate Action Week is becoming the forum where the implementation of those rules are discussed. So, COP set[s] up the direction of travel while the London Climate Action Week finds the way to reach the goals on how to finance this direction of travel.

DM: That helps us understand what the action week was about. Can you go in a bit more on the main topics that were discussed?

TC: Over the week, a couple of key topics were discussed and were becoming quite high [on] the agenda. The first one is implementation. Implementation was really the central topic here this year.

For many years, the financial industry, the NGOs (non-governmental organisations), the policymakers, have been focusing on trying to incentivise climate ambition, trying to set up some very ambitious reduction targets, and now I think discussions are moving to implementations.

During this week of discussions, we were all looking for concrete solutions to accelerate and finance the transition and climate adaptations, so that was the first topic.

The second one, I think it's fair to say that there is not a lot of public money available to finance the energy transition and the adaptation to climate change.

So, one of the of the priority[ies] was also to try to mobilise private finance. This is not something specific to the London Climate Action Week. [We] have seen this topic being discussed even in the last at least two or three conferences of parties, so it's something that is becoming very high in everyone's mind. The goal is two main priorities: to reduce the investment risk in this kind of technologies and the measures needed to adapt; and to channel funding into concrete projects.

The third topic is adaptation. Nobody anticipated this major heat wave that has shown everyone the need of our economies to adapt to the consequences of climate change, but adaptation was really high in the agenda.

There is a greater emphasis on everyone's mind on adaptation, and it's more and more recognised as a necessity, not something that can be treated as a secondary topic. For many years we have been focusing on climate mitigation, which was really needed, but now it's clear to everyone that it's not enough, and that adaptation will need to be addressed.

Another topic, which was quite surprising, is AI, artificial intelligence. This has been a topic in many of the conferences that have seen the nexus between AI, energy and climate. It was the case for other forums over the last couple of weeks, but really is very central in all the discussions, with two main takeaways.

The first is that if we want to develop AI, renewables [are] the solution. We haven't been able to reduce the consumption of fossil fuels, [and] if we add extra consumptions of energy from AI (if it's not coming from renewables), it's going to be a disaster. So that was one of the topics.

The second one is that [a] growing number of stakeholders are saying that artificial intelligence could actually help us somehow to accelerate the transition to improve energy efficiency, to reduce the investment needed in the grid, and so on. So, a lot of discussions around AI and responsible AI, especially. That's something we will be looking at in the coming month in the team to make sure that we really understand the consequences and the trends.

I think they got the call from the United Nations Secretary General during this London Climate Week – a good summary of the discussions. He called for faster investment in adaptation and stronger actions to reduce fossil fuel dependence, while expanding clean energy.

If I had to conclude what were the main topics during this London Climate Week, I would say we are now entering the time in which the need to transition and adapt is not anymore discussed. We are not talking about the why anymore. For many years, that was the central topic – trying to convince people on the need to transition and to adapt.

Now we are really focusing on the how. In a sense, I think discussions are less driven by values. Transition adaptations are really become an industrial technology, geopolitical, a finance question, rather than an ideological one.

London Climate Action Week has evolved from being focused on financing the energy transition. It's now more about financing a system that will make our economy more resilient.

DM: Thibaud, if we can step back a bit, we are mid-year – a perspective on where we are and on the outlook. How do you see the climate front at this point in time?

TC: I think it's fair to say that the picture is quite mixed. On the positive side, renewable energy continues to expand rapidly, and in many regions, investments in clean technologies have remained very strong.

Electric vehicles, batteries, and clean power are becoming more and more competitive, even in geographies in which the support from policymakers have been somehow reduced. We also see many businesses now talking about climate action as being less [a] corporate responsibility matter and more a risk management and economic strategy matter.

So that's on the positive side, but in [at] the same time, last week, [the] heat wave in Europe is a good illustration, the climate itself is not going in the right direction, it really continues to send increasingly strong warming signals; and, on the political side, some countries have stepped back.

I think progress has remained quite uneven. International cooperation is really become more difficult. Part of it is linked to geopolitical tension and economic uncertainty, part to some rising populism, but that's a fact. The political support is not as strong as it was.

A good illustration of the current situation: usually in June, July, before the conference of parties that happens in November, the United Nations climate negotiators gather to prepare and discuss the main topic that will be addressed during the conference of parties. This year there has been very limited progress, which I think is a good illustration of the fact that it remains very difficult to build consensus on this kind of conference of parties.

I think we're entering a situation in which there is a clear paradox: that the technologies to reduce the emissions are improving rapidly, investment is growing, businesses increasingly understand this risk. But emissions are still growing, adaptation needs are growing faster than the funding, and the impact of climate change is becoming more visible each year

So if I had to give you one single takeaway from this London Climate Action Week 2026, [it] is the fact that [the] conversation is evolving.

Climate action is no longer only about preventing future warming; it's increasingly about building economies and societies that can function in a warmer world while still accelerating the transition away from fossil fuel. The next major milestone on climate this year will be the Conference of Parties 31 in November, in Turkey.

The question now is whether the momentum we have seen in London can be translated into stronger national commitments, more climate finance, and faster implementation – or what we have seen over the last couple of years, widening in the gap between ambition and action. That's where we stand right now.

DM: The message then seems to be a bit mixed. On [the] one hand, we see technology advancing, investment rising, and if anything, the Iran war and AI is highlighting the need for more renewable energy. On the other hand, emissions remain high, and adaptation needs, which you pointed out are becoming ever more relevant, are growing faster than funding.

Well, Thibaud, thank you very much for joining me.

TC: Thank you, Daniel. It was a pleasure.

DM: That's it for this week's episode of Talking Heads. If you would like more information about our capabilities in sustainable investing, please reach out to your asset management contact, or check out Viewpoint, our website for investment insights at viewpoint.bnpparibas-am.com.

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You've been listening to the BNP Paribas Asset Management Talking Heads podcast with me, Daniel Morris, and Thibaud Clisson, Climate Lead.

Please do join me next week. Until then, take care.