Scaling Climate Risk Disclosures for Investors while Addressing Interoperability Risks

A SIX Paper Assessing the Swiss Climate Scores within the New Paradigm

A SIX White Paper

Foreword

Success at COP28 in Dubai (UAE) will be measured against the key themes that are driving the agenda, including "Greater Action on Mitigation", an agreed response to the "Global Stocktake", the operationalization of the "Loss and Damage Fund" and highlighting once again the role "Finance" must play in actively providing the means for sustainable finance.

SIX is a multi-dimensional infrastructure solutions, content services and data provider, which serves a broad range of stakeholders across the financial markets value chain. We are delighted to be an official member of the "Swiss Delegation at COP28", a group that has been selected and convened by the Swiss Federal Council and includes representatives from leading financial markets actors in Switzerland.

We are pro-actively supporting the local and global agenda on sustainability leadership, through guidance and facilitation of sustainability topics in the issuer communities, the development of ESG products and services for investors and capital markets, as well as through our direct involvement in strategic initiatives. We form part of the "Swiss Climate Scores" (SCS) working group, a leading framework for investors assessing climate risk efforts, from commitments to actions.

We are issuing this COP28 SIX thought leadership paper, to highlight some of the key developments and strategic opportunities associated with the COP agenda, since its inception. We refer to some of the remaining challenges when and where alignment, harmonisation and interoperability of international ambitions and frameworks for climate change mitigation and adaptation, and their progress, are concerned.

Meet us in Dubai - where we will participate in some of the key debates, individually and collectively1[1], to actively support and shape the agenda towards sustainable finance actions.

To the next steps and insightful outcomes and impacts on our joint transition journey!

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1 SIX forms part of the Future of Sustainable Data Alliance (FoSDA), a leading voice and membership organisation representing key providers of the sustainable data, ratings and products ecosystem.

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1 Introduction: Setting the Scene for Climate Change Mitigation and Adaptation

According to the World Economic Forum, the world keeps breaking temperature records in 2023, with the hottest ever July, August, September and October all taking place this year.[1]

Through the burning of fossil fuels, we have emitted enough greenhouse gases (GHGs) to significantly alter the composition of the atmosphere and average world temperature has risen between 1.1 and 1.2°C since 1850-1900. Meanwhile, the Intergovernmental Panel on Climate Change (IPCC)[2] report warns that climate change of 1.1 degrees Celsius of warming is already causing widespread disruption in every region of the world.

Unless we take swift and decisive action to tackle climate change, the world will suffer from increasingly severe impacts including drought, extreme heat, and sea level rise. Research has shown that though we have a narrowing window of opportunity to limit global warming to 1.5C, it is still technically feasible[3]; providing both the optimism and sense of urgency that we need.

Consequently, human society will also suffer from compromised food, water, and energy security. The same IPCC report also sets out the "immense capacity that we have to protect current and future generations from harm such as policy, infrastructure, and technology interventions which could reduce greenhouse gas (GHG) emissions by as much as 70% by 2050".

Finance, in particular, is providing powerful means and tools across active and passive investing for tackling the climate crisis.[4] However, current financial flows for climate change mitigation need to increase at least three times, if we are to limit global warming to 2°C or below and achieve the Paris Agreement targets according to United Nations Development Programme's (UNDP) latest "Climate Promise" research from 2023.[5]

To define actionable targets to reduce GHG emissions and achievable climate risk stress tests and scenarios, the industry needs more homogenous climate risk reporting metrics, and associated disclosure frameworks and regulations. Moreover, the concept of interoperability needs to be addressed at policy level for "open finance" to enable minimum level of "technical interoperability for data and infrastructure enabling data sharing, alongside regulatory interoperability among different frameworks" as called for by the OECD in its latest report.[6]

The pluralism of these frameworks which currently co-exist in all parts of the value chain and across markets and segments has created a complexity jungle of normative and regulatory climate risk requirements for issuers, investors and banks and hence has led to an "aggregate confusion" amongst providers and users of information in relation to the material areas of scope, models and metrics in use.[7]

1 World Economic Forum, Is 2023 Going to be the Hottest Year on Record? 14 November 2023, link: https://www.weforum.org/agenda/2023/11/climate-2023-hottest-year-on-record/

2 Intergovernmental Panel on Climate Change (IPCC), Climate change widespread, rapid, and intensifying – IPCC, 9 August 2021, link: https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/

3 Systems Change Lab, 21 November 2023, link: https://media.licdn.com/dms/document/media/D4E1FAQHFacPolFXZhQ/feedshare-document-pdf-analyzed/0/1700544528403?e=1701302400&v=beta&t=LuGzqwX2x2xpohZdTJLlu5WBTphj3hUFVetkIwoaw6Q

4 For further references, see e.g., Lehmann, Marie, Macpherson, Martina and Ung, Daniel, ESG Investing and Analysis - A Practitioner's Guide, RiskBooks, 2022

5 UNDP, What is Climate Finance and Why Do We Need More of It?, 2 October 2023, link: https://climatepromise.undp.org/news-and-stories/what-climate-finance-and-why-do-we-need-more-it

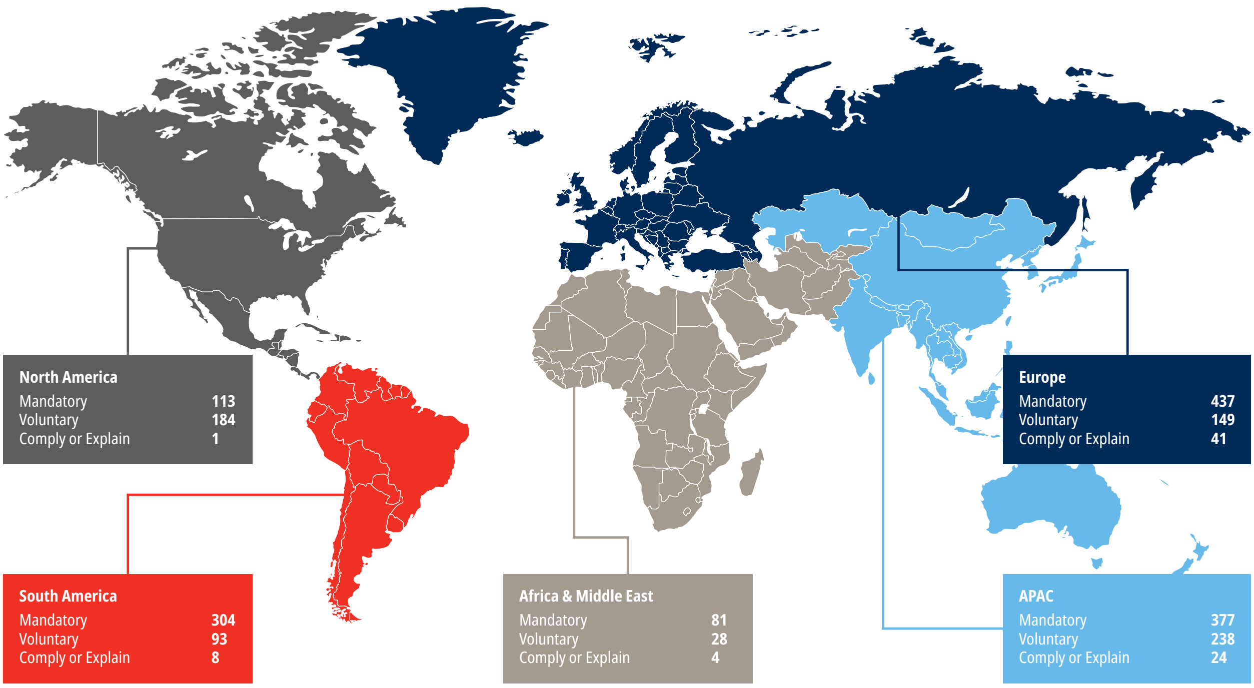
6 OECD, Open Finance Policy Considerations, November 2023, link: https://www.oecd-ilibrary.org/docserver/19ef3608-en.pdf?expires=1700605903&id=id&accname=guest&checksum=456E7F8A0896C70D74ED6D100721F465

7 For a comprehensive overview, see e.g., Thierry Roncalli, Handbook of Sustainable Finance, Universite Paris-Saclay, January 26, 2023, link: http://www.thierry-roncalli.com/download/HSF.pdf

ESGBook reports that there are now more than 1,255 ESG policy interventions that have been introduced worldwide since 2011, compared to just 493 regulations published between 2001 and 2010, and many of them focusing on climate risk regulations.

Regional Breakdown of ESG Regulations

Regional regulations from 1980 to present day



Adapted from ESGBook, Regional Breakdown of ESG Regulations, 2023

According to the Principles of Responsible Investment (PRI)[8] , leading investors globally have been:

- analysing the potential impacts of climate change on their portfolios for at least a decade,
- actively engaging investee companies on business model decarbonisation and climate risk mitigation and adaptation trajectories,
- engaging with policymakers to support public policies that facilitate the accurate pricing of climate and Carbon risks, and
- shifting capital towards lower-carbon assets, green vs brown share allocations, as well as towards TCFD- or climate science-linked and aligned products and services.

Interestingly, most of the existing climate risk disclosure frameworks since the announcement of the Kyoto Protocol which operationalizes the United Nations Framework Convention on Climate Change (1997), the Paris Agreement (2015-2016) and the Task Force on Climate-Related Financial Disclosures (TCFD) framework in 2017 have focused predominantly on issuer, i.e., company-related, reporting.

The TCFD's recommendations have already been adopted by companies in many jurisdictions, including the UK, Hong Kong, New Zealand, Singapore and Switzerland. In contrast, investor-related climate risk reporting is slowly gaining pace, and finally being incorporated into ESG regulation, such as EU European Union's Sustainable Finance Disclosure Regulation (EU SFDR).

This SIX paper aims to provide the context for on the developments and drivers of climate risk concepts and frameworks that have most recently led to the development of the "Swiss Climate Scores" (SCS) framework, highlighting the importance of climate science related targets, sustainability leadership, collaboration and stewardship to achieve the trajectories for climate risk management as set by the Paris Agreement .[9]

Evaluating Global Climate Risk Frameworks: TCFD, an Opportunity for Interoperability?

The Task Force for Climate Related Financial Disclosures, widely known as the TCFD, was created in 2017 by the Financial Standards Board (FSB). The standard setter requested the development of a voluntary climate-related financial disclosure framework that would supply the necessary information to investors and stakeholders covering how a company is assessing, incorporating and addressing climate-related risks and opportunities.

The TCFD has been widely adopted, reporting a growth in supporters from 100 in 2017 to 4,850+ today. These supporting companies have a combined market capitalization of US$ 29.5 trillion and the financial institutions manage US$ 222.2 trillion in assets[10], demonstrating the strong financial backing and general acceptance of the recommendations over time.

Whilst the TCFD is a voluntary, market-led initiative, many governments and regulators have taken steps to require or encourage disclosures based on the TCFD recommendation, and as of June 2023 the International Sustainability Standards Board (ISSB) standards incorporate the TCFD recommendations. The IFRS standards are used in 140+ jurisdictions worldwide and though the sustainability standards of "S1" and "S2" are voluntary, they can be mandated by jurisdictions.

8 Principles of Responsible Investment, Climate Risk: An Investor Resource Guide, 2022, link: https://www.unpri.org/climate-change/climate-risk-an-investor-resource-guide/9329.article

9 UNFCCC, The Paris Agreement, 2016, link: https://unfccc.int/most-requested/key-aspects-of-the-paris-agreement

10 FSB, Task Force on Climate-related Financial Disclosures (TCFD), 13 September 2023, link: https://www.fsb.org/wp-content/uploads/P121023-2.pdf

2 The Swiss Climate Scores (SCS): Building a Vision for Investor-Related Disclosures

In June 2022, a working group convened by the Swiss Federal Council, with participation from SIX, presented the "Swiss Climate Scores" (SCS): a calculation method to establish more transparency related to Paris-aligned, financial investments and to foster investment decisions that contribute to reaching the global climate goals.

The Confederation, made up of various local governmental organisations including Switzerland's State Secretariat for International Finance (SIF), the Swiss Federal Office for the Environment (FOEN) and the Swiss Federal Office of Energy (SFOE) convened a group of experts from the financial sector, methodology providers and NGOs and academia over the course of 2022–2023:

1. Experts from the Confederation, including the State Secretariat for International Finance (SIF), the Federal Office for the Environment (FOEN), and the Swiss Federal Office of Energy (SFOE).

2. Representatives from the financial sector, such as the Swiss Bankers Association (SBA), the Swiss Asset Management Association (AMAS), the Swiss Insurance Association (SIA) represented by Swiss Re, the Swiss Sustainable Finance Association (ASPB) represented by Pictet, the Swiss Sustainable Finance (SSF), SIX (Swiss and Spanish Exchanges Group), and UBS.

3. Methodology providers, including Lombard Odier, MSCI-Carbon Delta, and 2° Investing Initiative.

4. Non-governmental organizations (NGOs), including the Worldwide Wildlife Fund for Nature (WWF) and Greenpeace.

5. Academic institutions, specifically the CSP Institute (Center for Sustainable Finance and Private Wealth) and the University of Zurich.

The SCS provide institutional and private investors in Switzerland with comparable and meaningful information on the extent to which their financial investments are compatible with international climate goals. The Federal Council recommends that Swiss financial market players apply the SCS to financial investments and client portfolios when and where appropriate.[11]

The voluntary SCS use a set of six "mandatory" and "optional" criteria[12] and underlying indicators for calculation that reflect the current ("actual") situation of global companies in the financial products or portfolios and how these companies are positioned in relation to global climate goals with a net zero[13] target by 2050 ("proxy"). The intention is to regularly update these scores to reflect the dynamic nature of the climate landscape, starting in 2023.

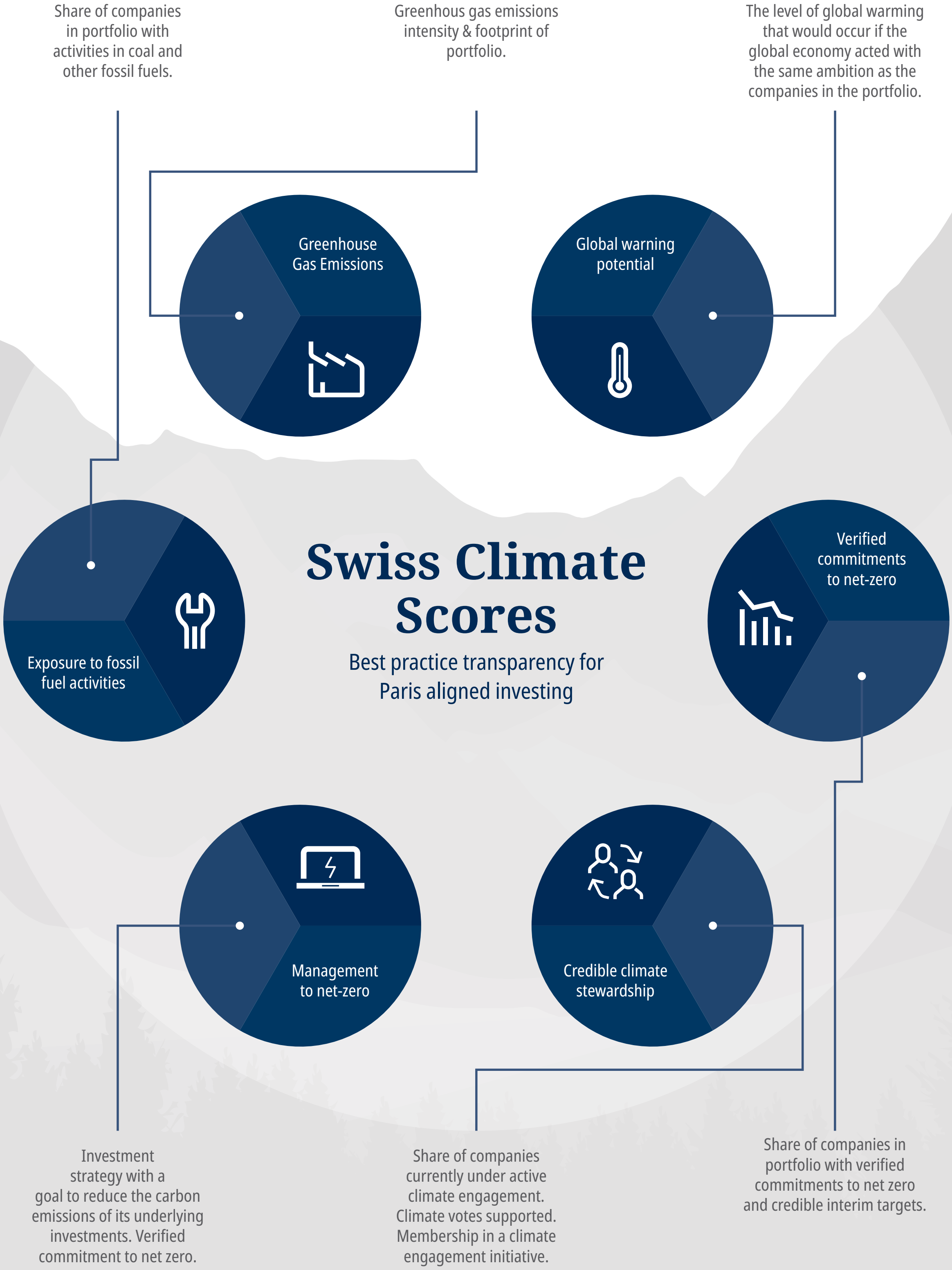
As one of the first Swiss financial markets participants to embrace the SCS, UBS announced on 31st October 2023 the launch of their new SCS product for in-house use in asset management.[14] Meanwhile, SIX is developing a Software-as-a-Solution (SaaS) pilot to be trialled in asset management in 2023–2024.

11 Swiss Federal Council, Federal Council Launches Swiss Climate Scores for Climate Transparency in Financial Investments, 29 June 2022, link: https://www.sif.admin.ch/sif/en/home/documentation/press-releases/medienmitteilungen.msg-id-89524.html

12 To note: please see the Appendix for details on the six SCS criteria and parameters in use.

13 To note: net-zero means that global emissions of greenhouse gases may not exceed the amount that can be absorbed by natural and technical sinks.

14 UBS (Michael Baldinger), UBS Launches Swiss Climate Scores, 31 October 2023, link: https://www.linkedin.com/feed/update/urn:li:activity:7125117499339083776/



Adapted from Swiss Federal Council, Swiss Climate Scores, Status 2022

3 Interoperability in Context: Assessing the SCS and Other Global Climate Risk Disclosure Frameworks

Following the commitments of a total of 196 nations who signed the Paris Agreement in 2015, Switzerland has pledged to reduce its GHG emissions by 50% compared to 1990 levels by 2030 and become climate-neutral by 2050.[15] This has been anchored in Swiss law since a public vote was held on the "Climate and Innovation Act" in June 2023.

Switzerland has also followed suit regarding corporate disclosures and the "Swiss Code of Obligations" has adopted new provisions for non-financial reporting, which have implications for companies of public interest from January 2024. In general, the regulator has not mandated how companies should implement the reporting, with the exception of the Ordinance on Climate Disclosures. In the Ordinance TCFD is considered safe harbour for reporting on climate risks, meaning that a company reporting in line with the four pillars of the TCFD is assumed to be in compliance.[16]

Regarding climate disclosure for investors, Switzerland forms part of a small handful of countries that have developed specific, though self-regulated, disclosures for financial products (see Table 1 below). The six SCS criteria were launched in 2022 and have been designed to help Swiss financial institutions quantify and disclose climate related risks, impacts and alignment and thus comply with the "Strategy" and "Metrics and Targets" pillars of the TCFD framework.

Noting that whilst the creation of the SCS was informed by the TCFD, they are not one and the same: the SCS can be seen as a means for financial institutions to fulfil certain requirements of the TCFD but not the other way round. This divergence between frameworks can cause some complexity for actors in the company and investor reporting value chain. Some countries, such as the UK (and if and once passed also the US), have tried to avoid fragmentation risks by closely aligning their TCFD reporting requirements. Meanwhile, the EU is currently facing increasing pressures from all actors to review the EU Sustainable Finance Disclosure Regulation (EU SFDR) and to simplify and align the current framework with other regulatory reporting and disclosure regimes.

Table 1: Climate Risk Disclosure Frameworks at Investor/Financial Product Level (adapted from "TCFD 2023 Status Report"[17])

	Frameworks		Laws/Regulations		
Organisation	Financial Stability Board (FSB)	Swiss Federal Council	Her Majesty's Treasury (HMT), UK	SEC, US	EU Commission
Title	Task Force for Climate Related Financial Disclosure Recommendations	Swiss Climate Scores	Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers	The Enhancement and Standardization of Climate-Related Disclosures for Investors	Sustainable Finance Disclosure Regulation
Focus	Climate	Climate	Climate	Climate	Sustainability
Regulatory Status	Voluntary	Self-regulated	Required	Pending	Required
Effective Date	2017	2022	2022	NA	2022
		Draw from the TCFD's 11 recommendations			

15 To note: for more details on the Paris Agreement, please visit the Appendix.

16 Swiss Sustainable Finance, SSF Guidance on TCFD Disclosure, August 2023, link: 2023-08-24-ssf-guidance-tcfd-disclosure-final.pdf (sustainablefinance.ch)

17 Financial Stability Board (FSB), TCFD Status Report, September 2023, link: fsb.org/wp-content/uploads/P121023-2.pdf

To ensure that the SCS indicators enjoy a high degree of international interoperability, compatibility and consistency with existing climate risk disclosure frameworks in accordance with the Paris Agreement Switzerland's Federal Council is working in close collaboration with international bodies such as the G20, the Organisation for Economic Co-operation and Development (OECD), the International Platform for Sustainable Finance (IPSF) as well as in bilateral financial dialogues.

The Confederation is also working with open-data facilities such as the Net-Zero Data Public Utility (NZDPU) to address the inconsistencies and paywalls for corporate GHG emissions and emission reduction targets related to Swiss and global entities, especially related to smaller to medium enterprises (SME). The NZDPU is an open, free, and centralized data repository initiative that allows a broad range of stakeholders such as companies, investors and banks to easily access key climate transition-related data, and to track their climate commitments versus actions.

4 SIX: Establishing a Product Strategy for ESG and Climate Risk Data, RegRisk Content Services and Analytical Solutions

In the last decade, the market for sustainable products and services has now transitioned from traditionally "ESG 1.0", i.e., data and index products, to a rudimentary "ESG 2.0" for regulatory risk content management and reporting, to a more advanced "ESG 3.0" paradigm, where financial market participants are turning towards more sophisticated data and analytics solutions.

In turn, the consistent expansion in data volume and the increasing requirements for ESG regulatory reporting has propelled the growth of the ESG software market.

According to Verdantix, the market is estimated to grow to US$ 4.34 billion by 2027 at a CAGR *(Compound Annual Growth Rate)* of 30%, as corporate and investor sophistication in ESG products and services increases and ESG factors are becoming more widely adopted across segments and asset classes.[18]

These solutions are designed to address several prevailing market challenges:

- Streamlining the cumbersome process of managing and aggregating data manually full stop
- Addressing the issue of disparate data sources and varying formats that hinder comparability.
- Meeting regulatory requirements for investment-grade auditable data.
- Overcoming the shortage of independent central repository capable of assessing ESG, climate, natural capital risks at both the ISIN and portfolio levels.

At SIX, we strive to offer a multiverse and innovative portfo lio of ESG data, RegRisk content and analytical solutions to a wide range of market participants. One size does indeed not fit all, and demand for ESG products is ever-changing and adjusting and depends on the client segment, the target market and on the risk/return appetite.

We provide a wide spectrum of clients, including wealth managers, asset managers, asset owners, banks and insurance providers, with ESG data and regulatory content to identify and assess ESG and climate risks in line with regulatory parameters.

Over the course of 2023 into 2024, we have been working with a product co-creation partner on an end-to-end solution for data and analytics for portfolio management. The new solution will provide a range of key features and functionalities such as ESG and climate data ingestion, data standardization and aggregation, portfolio calculation, performance analysis, ongoing monitoring and streamlined reporting capabilities and will also provide calculation methods for the SCS.

18 Verdantix, Market Size And Forecast: ESG Reporting Software Solutions 2021-2027 (Global), 13 January 2023, link: https://www.verdantix.com/report/market-size-and-forecast-esg-reporting-software-solutions-2021-2027-global

5 Conclusions and Outlook for COP 28: SIX' Call for More Clarity, Consistency and Comparability of Climate Transparency Frameworks, Initiatives and Regulations

Climate risk management is becoming a key area of focus for companies, investors and capital markets participants and climate laws and lawsuits are already following suit: according to an UN Environment Programme (UNEP) 2023 report, 2'180 climate-related cases have been filed in 65 jurisdictions globally in the last years, in international and regional courts and tribunals[19] and the number is expected to rise given the increasing number of regulatory compliance requirements and the increasing numbers of litigation cases that are emerging in the same context.[20]

Meanwhile, financial market participants are already considering a broad array of climate risks metrics, trajectories and scenarios by integrating climate-related risks and opportunities into investment decision-making processes, particularly in the context of climate transition and physical risks.

While the TCFD recommendations have been widely accepted and adopted by companies and have made it into the ISSB's reporting framework, there are increasing layers of new climate risk assessment metrics and criteria that are being required in jurisdictional climate risk regulation and legislation for companies and investors.

And key challenges remain: the multitude of climate risk data sets, frameworks and disclosure requirements has led to some confusion and even reporting fatigue amongst issuers and investors in the data, allocation and reporting value chain. An increasing divergence in the scope and definitions of existing and new frameworks and initiatives is likely to fragment a global market serving global clients and may lead to sub-optimal outcomes across this ever-evolving space.

SIX, which is a member of the Future of Sustainable Data Alliance (FoSDA), is calling at COP 28 in its engagements for:

- **Promoting effective reporting:** to highlight the importance of comparable, consistent, high-quality and decision-useful sustainability and climate-risk disclosures. The ongoing transition to mandatory ESG disclosures is gaining momentum, and hence there is a growing recognition of the need for standardized and comprehensive reporting and relevant and reliable ESG data.

- **Interoperability of ESG regulations:** as the landscape of ESG regulations continues to evolve, it is essential to ensure and promote interoperability and avoid fragmentation. Harmonizing and aligning global ESG and climate risk management frameworks would facilitate smoother global operations and simplify compliance.

- **Clarity on definitions:** to advance sustainability and climate risk management practices and policies effectively, it is important to understand the definitions of ESG and climate risk ratings, scores and data products. Diverse interpretations of ESG ratings, scores and data products across jurisdictions pose challenges for both market participants and regulators, potentially leading to market confusion and compliance challenges.

SIX sees the importance of initiatives that move from climate commitments to actions, and that create forward-looking trajectories for assessing climate risks in line with the Paris Agreement. We support the work of the Swiss Climate Scores, especially in the context its criteria such as "Verified Commitments to Net-Zero", "Credible Climate Stewardship" and in relation to the focus on climate science-based criteria such as "Global Warming Alignment" to drive best-practice investor leadership in climate risk management, disclosures and reporting.

19 UNEP, Global Climate Litigation Report, Status Review, 2023, link: https://www.unep.org/resources/report/global-climate-litigation-report-2023-status-review

20 LSE Grantham Research Institute on Climate Change and the Environment, Global Trends in Climate Change Litigation, 2023, link: Global_trends_in_climate_change_litigation_2023_snapshot.pdf (lse.ac.uk)

Appendix

The SIX Swiss Climate Scores (SCS) Criteria in Brief[21]:

1 Greenhouse Gas Emissions

Mandatory Criteria

- Comprehensive coverage of emissions encompassing "scope 1", "scope 2", and pertinent "scope 3" emissions
- Inclusion of "scope 3" emissions, at the very least, in accordance with the timeline delineated in EU Benchmark Regulation 2019/2089

2 Exposure to Fossil Fuel Activities

Mandatory Criteria

- The 5% revenue threshold applies to both activities directly associated with the exploration and production of fossil fuels and, if data is readily accessible, activities supporting such production (specifically for coal, as per the global coal exit list or similar).
- The scope of activities encompasses the entire value chain, spanning exploration, extraction, and production ("upstream") through transportation and storage ("midstream"), and onward to refining, marketing, and electrification ("downstream")

3 Verified Commitments to Net-Zero

Mandatory Criteria

- Companies must have announced a commitment to achieving net-zero emissions and must have short-term targets validated by a key certifying bodies, e.g., Science-Based Targets Initiative (SBTi)

4 Credible Climate Stewardship

Mandatory Criteria

- Voting decisions and proxy votes must align with the goal of attaining net-zero emissions by 2050
- Any affiliated climate engagement strategy should be congruent with the aim of achieving net-zero emissions by 2050. An illustrative example of a climate engagement initiative is Climate Action 100+
- A clearly delineated and transparent escalation procedure should be in place

5 Management to Net-Zero

Mandatory Criteria

- To incorporate portfolios within a third-party verified commitment to net-zero, they must be integrated into publicly communicated net-zero targets under one of the sector-specific alliances within the Glasgow Financial Alliance for Net-Zero (GFANZ)
- If an assertion is made that the investment strategy encompasses a goal to reduce the greenhouse gas emissions of the portfolio or its underlying investments, scope 3 emissions, at the very least, must align with the schedule outlined in EU Benchmark Regulation 2019/2089

6 Global Warming Alignment

Optional Criteria

- Guided by the objective of achieving net-zero emissions by 2050, in line with the 1.5°C warming limit specified in the Paris Agreement and consistent with the latest International Panel on Climate Change (IPCC) findings
- Adhering to the technical guidelines presented in the TCFD 2021 PAT (Portfolio alignment team) report titled "Measuring Portfolio Alignment – Technical Considerations," including:
- Selecting a 1.5°C scenario that complies, at minimum, with the criteria established by the Science-Based Targets Initiative (SBTi) in their document "Foundations of Science-Based Target Setting"
- Giving precedence to granular benchmarks when they meaningfully capture material variations in decarbonization feasibility across industries or regions
- Incorporating "scope 3" emissions for sectors where they hold the most significance and can be easily derived from existing scenarios, such as fossil fuels, mining, and automotive
- Permitting the Swiss government to disclose aggregated implied temperature scores based on your methodology for the following indices, facilitating comparisons with other providers: SMI, MSCI World, MSCI World Materials, MSCI

21 Swiss Federal Council, Swiss Climate Scores – Criteria, 2022, link: https://www.sif.admin.ch/swissclimatescores

Glossary of Terms

Key Bodies, Standard Setters and Frameworks highlighted in this Paper (A Selection):

Asset Management Association Switzerland (AMAS)	AMAS is a membership organisation for the Swiss asset management industry
Climate Action 100+	Climate Action 100+ is an investor-led initiative created to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change
Conference of the Parties' (COP)	COP stands for "Conference of the Parties", which is a generic phrase in International Relations-speak meaning a committee created after an international treaty is signed, tasked with making decisions about how that treaty is implemented; there are all kinds of COPs for various international agreements, from chemical weapons to combating desertification. But the term COP has come to be associated with the meetings of one particular committee: that created after the signing of the United Nations Framework Convention on Climate Change (UNFCCC)
European Securities and Markets Authority (ESMA)	ESMA is the EU's financial markets regulator and supervisor; it has issued multiple ESG guidance documents and roadmaps and a proposal to regulate the ESG ratings market in the EU in 2023
European Commission (EC)	The European Commission (EC) is part of the executive of the European Union (EU), together with the European Council, it operates as a cabinet government, with 27 members of the Commission (directorial system, informally known as "Commissioners") headed by a President
Financial Conduct Authority (FCA)	The UK's FCA regulate financial services firms and financial markets in the UK; over the years, the FCA launched multiple regulatory capacity building initiatives around ESG, related to issuers, investors and service providers
Federal Council of Switzerland	The Swiss Federal Council's is the highest executive authority in Switzerland, it comprises seven members who are elected by the Swiss Federal Assembly and tasks are set out in the "Federal Constitution"
The Financial Stability Board (FSB)	The FSB is an international body that monitors and makes recommendations about the global financial system
Glasgow Financial Alliance for Net-Zero (GFANZ)	The GFANZ is a global coalition of leading financial institutions committed to accelerating the decarbonization of the economy
International Panel on Climate Change (IPCC)	The Intergovernmental Panel on Climate Change (IPCC) is the leading international body for the assessment of climate change, it reviews and assesses the most recent scientific, technical and socio-economic information produced worldwide relevant to the understanding of climate change

International Sustainability Standards Board (ISSB)	The ISSB is an independent, private-sector body that develops and approves IFRS Sustainability Disclosure Standards (IFRS SDS), it operates under the oversight of the IFRS Foundation; in 2023, the ISSB issued its inaugural standards - IFRS S1 and IFRS S2 for general and climate-specific disclosure
Kyoto Protocol	The Kyoto Protocol was an international agreement launched in 1997 that aimed to reduce carbon dioxide emissions and the presence of greenhouse gases in the atmosphere; it sets binding emission reduction targets for 37 industrialized countries and was adopted in Kyoto, Japan in 1997, when greenhouse gases rapidly threatened the climate, life on the earth, and the planet; it was effectively replaced by the Paris Agreement, which went into effect in 2016
Net-Zero Data Public Utility (NZDPU)	The NZDPU, launched in 2022, aims to create an open, free, and centralized data repository that would allow all stakeholders to easily access key climate transition-related data, commitments, and progress of businesses and financial institutions toward those commitments
Organization for Economic Co-operation and Development (OECD)	The OECD is an international organization whose members are countries with advanced economies and whose aim is to encourage economic growth around the world
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) and sets long-term goals to guide all nations to: – substantially reduce global greenhouse gas emissions to hold global temperature increase to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change – periodically assess the collective progress towards achieving the purpose of this agreement and its long-term goals – provide financing to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts The Agreement is a legally binding international treaty. It entered into force on 4 November 2016
Principles for Responsible Investment (PRI)	The PRI is a UN-supported network of investors that works to promote sustainable investment through the incorporation of environmental, social and governance into global investment decision making and active ownership
Securities and Exchange Commission (SEC)	The U.S. Securities and Exchange Commission (SEC) is an independent federal government regulatory agency responsible for protecting investors, maintaining fair and orderly functioning of the securities markets, and facilitating capital formation
Science-Based Targets Initiative (SBTi)	The SBTi is an initiative set up to show organizations how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change
Swiss Bankers Association (SBA)	The SBA is an industry body and professional membership group for Swiss financial institutions
Swiss Climate Scores (SCS)	The SCS are set of six criteria launched in 2022 that aim to establish best-practice transparency on the Paris-alignment of financial investments

Swiss Financial Market Supervisory Authority (FINMA)	FINMA is the Swiss government body responsible for financial regulation
Taskforce for Climate Related Financial Disclosures (TCFD)	The TCFD was launched by the FSB in 2017 and the final report was issued in 2023; the TCFD has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities in line with four thematic areas "Governance", "Strategy", "Risk Management" and "Metrics and Targets" and 11 recommended disclosures
United Nations (UN)	The United Nations is an international organization founded in 1945; it is currently (2023) made up of 193 Member States: the UN and its work are guided by the purposes and principles contained in its founding "Charter"
UN Development Programme (UNDP)	The UNDP is the United Nations' lead agency on international development and works in approximately 170 countries and territories, helping to eradicate poverty, reduce inequalities and exclusion, and build resilience so countries can sustain progress; as the UN's development agency, UNDP plays a critical role in helping countries achieve the Sustainable Development Goals (SDGs)
UN Environment Programme (UNEP)	The United Nations Environment Programme is the leading global environmental authority that sets the world's environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the environment
United Nations Framework Convention on Climate Change (UNFCCC)	The UNFCCC is an international climate treaty which was finalized at the "Earth Summit" in Rio de Janeiro; following the Kyoto Protocol in 1997, the Convention was seen as a key first step in addressing global climate change
Sustainable Development Goals (SDGs)	The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future; at its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership; they recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests
World Economic Forum (WEF)	The World Economic Forum is the International Organization for Public-Private Cooperation, it engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas

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