

Regulatory news alert

Swiss Climate Scores

22 July 2022

On 29 June 2022, as part of its ambition to position the Swiss financial center as an international leader in credible climate transparency, the Swiss Federal Council launched the Swiss Climate Scores.

These scores aim to provide institutional and private investors with comparable and meaningful information on the extent their financial investments align with the 2015 Paris Agreement climate goals.

By taking a forward-looking approach, these indicators not only reflect the current situation of a financial product, but also show its position regarding reaching net-zero by 2050.

Six indicators have been identified:

1. Greenhouse gas emissions
2. Exposure to fossil fuel activities
3. Verified commitments to net-zero
4. Management to net-zero
5. Credible climate stewardship
6. Global warming potential (optional)

Financial institutions & product manufacturers can only affirm their climate transparency according to the Swiss Climate Scores if they include indicators 1 through 5 ("global warming potential" is currently optional, given its methodological uncertainties).

The Swiss Climate Scores were developed in close cooperation with the Swiss financial sector and non-profit organizations (NGOs). They draw heavily on existing international frameworks to avoid duplication, particularly the Glasgow Financial Alliance for NetZero (GFANZ) and the Taskforce for Climate-related Financial Disclosures (TCFD).

While no regulatory supervision is foreseen at this stage, the Swiss Climate Scores' gradual adoption will be monitored by the Federal Office for the Environment (FOEN) and the State Secretariat for International Finance (SFI).

Fund managers who distribute funds in Switzerland may be asked to publish these indicators by their local investors.

If you have any questions about this initiative or need help implementing these indicators, please do not hesitate to contact us.

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