

# SWISS CLIMATE SCORES

Reporting Year 2024

## Globalance Sokrates Fund



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation



SWISS  
CLIMATE  
SCORES

Standard: SIF Update 2023



Greenhouse gas emissions



Global warming alignment



Verified commitments to net zero



# SWISS CLIMATE SCORES

Best practice transparency for Paris aligned investing

Exposure to fossil fuel and renewable energy



Management to net zero



Credible climate engagement



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Confederaziun svizra



SWISS CLIMATE SCORES

Swiss Confederation

# Globalance Sokrates Fund

Switzerland and its financial market have committed to reducing their greenhouse gas emissions to net zero by 2050. The Swiss Climate Scores (SCS) show whether and how well financial investments are in line with the Paris climate targets. The aim is to enable investors to identify financial risks and opportunities and encourage them to contribute to the climate goals through their investment decisions. Globalance has supported this voluntary initiative from the outset and shares its goal of making financial products on the market comparable through this “climate label”.

## SWISS CLIMATE SCORES AND GLOBALANCE

Climate protection is a central pillar of the Globalance philosophy and plays a key role in our investment decision making. In 2023, Globalance was the first and to date remains the only bank to disclose the Swiss Climate Scores for all its assets under management.

## INVESTMENT GOALS IN RELATION TO THE CLIMATE

Do you consider this portfolio to be aligned with the goal of the Paris Agreement?

**Yes.**

**Explanation:** Climate metrics such as the share of fossil fuel sales, portfolio temperature and the companies' net zero ambition are key elements of our investment process. In addition, Globalance pursues a climate plan (also known as a net zero plan) for the portfolio, which aims to achieve net zero by 2050 in accordance with the Paris Agreement.

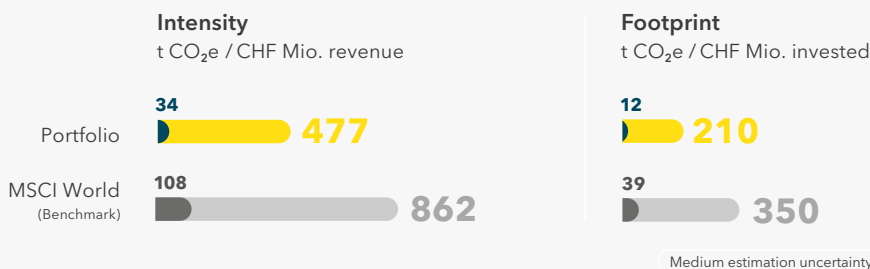
Do you consider that investing in this portfolio contributes to the mitigation of climate change?

**Yes.**

**Explanation:** We actively engage companies with material GHG emissions.

## CURRENT STATE

### 1 GREENHOUSE GAS EMISSIONS ■ Scope 1 – 3 ■ Of which scope 1 & 2



The GHG intensities and footprints (scopes 1–3) are 40% lower than the comparative values of the MSCI World benchmark.

### 2 EXPOSURE TO FOSSIL FUEL AND RENEWABLE ENERGY

	Exposure to coal	Exposure to other fossil fuels	Revenues related to renewable energy
Portfolio	0 %	1 %	1 %
MSCI World (Benchmark)	3 %	10 %	1 %

Low estimation uncertainty

#### Fossil fuels

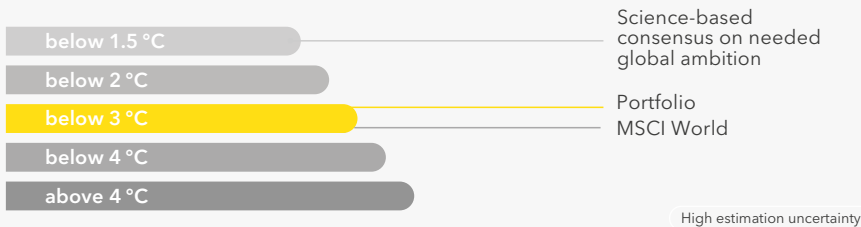
includes all companies that earn more than 0% of their revenues from fossil fuels. The fossil fuel exposure is much lower than the exposure of the MSCI World benchmark and we strive to lower it continuously.

#### Renewable energy

represents the portion of revenues generated from renewable energy.

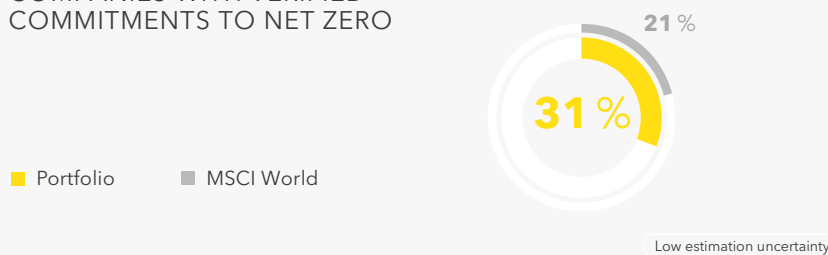
## TRANSITION TO NET ZERO

### 3 GLOBAL WARMING ALIGNMENT



The warming potential is 2.0°C, well below the comparative value of the MSCI World with 2.6°C (measured as implied temperature rise, ITR).

### 4 COMPANIES WITH VERIFIED COMMITMENTS TO NET ZERO



A net zero target is considered verified if it has been audited by an external body such as SBTi.

### 5 CREDIBLE CLIMATE ENGAGEMENT

Share of companies currently under credible climate engagement:



Share of climate votes supported:



Our memberships of climate engagement initiatives:

- **Climate Action 100+**
- **Carbon Disclosure Project (CDP)**

Medium estimation uncertainty

The analysis is only based on the proxy voting and engagement of direct equity investments.

Click here to read the [Stewardship Report](#).

### 6 MANAGEMENT TO NET ZERO

Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investment through concrete short (1 – 3 years) or mid-term (5 years) targets?

**Yes.**

Average annual reduction path (%):

**9 %**

Is the portfolio part of a third-party verified commitment to net zero by the financial institution, including credible interim targets?

**No.**

Globalance is committed to achieving net zero by 2050. Click here to read our [Net Zero Plan](#).

## GENERAL INFORMATION

Coverage of eligible portion of portfolio	82 %	Reason for proportion of portfolio not covered by Swiss Climate Scores Equity(fonds) and Corporate Bond(fonds) are part of the analysis. Other financial products are not part of the analysis. For a small number of issuers in scope data is not available.
Portion of eligible vs. total portfolio	64 %	

Date	31.12.2024
Data supplier	MSCI ESG
Standard	SIF Update 2023

# Glossary

## Descriptions of the metrics

### 1 GREENHOUSE GAS EMISSIONS

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1–3), including relevant emissions of their suppliers and products.

- **CO<sub>2</sub>e** = CO<sub>2</sub> equivalents are a unit of measurement to standardise the climate impact of the different greenhouse gases. The amount of CO<sub>2</sub>e emitted, is expressed in “tonnes of CO<sub>2</sub> equivalents” (t CO<sub>2</sub>e).
- **Intensity:** Emissions in tonnes CO<sub>2</sub>e per 1 million sales generated by the issuers in the portfolio.
- **Footprint:** Emissions in tonnes CO<sub>2</sub>e per 1 million invested capital.
- **Scope 1:** Emissions from sources that a company owns or controls directly. Example transport company: Emissions from the company's own vehicle fleet.
- **Scope 2:** Emissions associated with the purchased electricity, steam, heat, or cooling. Example clothing factory: Purchasing electricity from a coal-fired power plant for the manufacturing process.
- **Scope 3:** All other, indirect emissions that occur in the value chain of a company. Example railroad company: purchase of steel for the construction of a railroad line.

### 2 EXPOSURE TO FOSSIL FUEL AND RENEWABLE ENERGY

There is scientific consensus regarding the need to phase-out coal and more generally fossil fuels as well as regarding the need to invest in renewable energy to enable the transition to net zero. The reported share of fossil energies also includes investments in green bonds issued by entities with fossil-based revenues. However, green bonds are earmarked and may only be used to finance sustainable projects, meaning these funds do not flow into fossil ventures. As a result, the actual share of fossil energies is lower than stated in the report.

- **Exposure to fossil fuels** (coal/ other fossil fuels) includes all companies that earn more than 0% of their revenues from fossil fuels.

- **Exposure to renewable energy** represents the portion of revenues generated from renewable energy.

- The scope of activities includes the whole value chain.

### 3 GLOBAL WARMING ALIGNMENT

This is the level of global warming that would occur if the global economy acted with the same ambition as the companies in the portfolio. Some portfolios with climate objectives may intentionally include investments in companies that are not yet on track to limit warming to 1.5°C but seek to contribute actively to climate goals by improving the alignment of investee companies to bring a larger share of the real economy into alignment over time.

### 4 COMPANIES WITH VERIFIED NET ZERO COMMITMENTS

Companies are increasingly committing voluntarily to transitioning to net zero and setting interim targets. The effectiveness of such commitments depends on whether interim emissions reduction targets applied are credible, science-based, transparent, and supported by credible action to cut emissions.

### 5 CREDIBLE CLIMATE ENGAGEMENT

Financial institutions can contribute to the transition to net zero, notably by utilising their shareholder voting rights at general meetings of investee companies and bringing climate-resolutions into being, as well as by engaging with invested companies on third-party verified, science-based net zero aligned transition plans until 2050.

### 6 MANAGEMENT TO NET ZERO

Financial institutions can align their investment strategy with a consistent 1.5°C decarbonisation pathway.

### Climate Action 100+

“Climate Action 100+” is an investor-led initiative that aims to ensure that the most important GHG emitters are transitioning to net zero. 2023 Globalance joined two teams of the initiative.

### Carbon Disclosure Project (CDP)

A non-profit organisation founded in London in 2000 with the aim of ensuring that companies and local authorities publish their environmental data, such as climate-damaging greenhouse gas emissions and water consumption. Once a year, the CDP collects data and information on CO<sub>2</sub> emissions, climate risks and reduction targets and strategies of companies on a voluntary basis using standardised questionnaires on behalf of investors.