

Countries are imposing new climate-friendly rules. In France

The goal to reallocate financial resources and the shifting regulatory landscape poses new challenges to investors.

The usage of CO2 numbers, often applied as a first metric for sustainable, is limited in its explanatory power, as it only covers a small scope of sustainability.

why sustainability? Regulatory pressure, investors demand, climate-relevance (2 degree goal), financial materiality

Environmental costs Every corporation, governmental and non-governmental organization

Environmental costs are financial material. Reducting greenhouse gas emissions, water use and air pollution would

1. Paris Agreement 2015 - goal to keep the global temperature increase below 2 degrees Celcius above pre-industrial levels 2. European Green Deal; roadmap of the European Union to make the European Economy sustainable (boosting efficient use of resources by creating a clean, circular economy and restore biodiversity and cutting pollution) 3. Corona Pandemic shown impact of oil companies (non-resilient corporations) - share prices plummeted

Recent events, like the Corona-Pandemic, have shown that airlines, oil producing companies, tourism, and others are highly affected by climate

The London School of Economics counts more than 1500 cases of climate litigation, of which 1,200 alone are in the United States. Setzer und Byrnes, 2020

4. Regulatory pressure (EU Directive 2014/ ) and standard-setting institutions alignment for decision-useful, climate-related information (IMP u. TCFD)

In Europe, large companies are obliged to report on non-financial information under the EU Directive 2014/95/EU.

Transparent measurement and disclosure of sustainability performance is considered a fundamental part of the effective business management IMP, 2020. Five big framework- and standard-setting institutions have published a shared vision of the elements necessary for more comprehensive corporate reporting (GRI, SASB, CDP, CDSB, IIRC)

Efforts by standard-setting institutions reflect the increasing demand for decision-useful,