

## Regulating net zero: from groundswell to ground rules

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### Supplementary information: data collection methodology for Table 1

In 2023, Oxford Net Zero conducted a stocktake of climate regulations to identify regulatory activity and complementary instruments related to net zero commitments. The data collection focused on identifying national-level (and EU-level) regulations in G20 members, across four regulatory domains: disclosure, transition plans, claims and financial product standards, and public procurement. The bulk of data collection took place between May and June 2023, with some supplementary data reviews in July and August 2023. Because the African Union joined the G20 after data collection took place, it is not included in the data collection exercise.

The working definition of each regulatory domain is as follows:

- **Disclosure:** Requirements that companies and/or financial institutions report publicly on their climate risk exposure and, where appropriate, emissions associated with their activities and their decarbonization targets.
- **Transition plans:** Requirements that companies and/or financial institutions outline their pathways and/or contributions to net zero to create additional transparency and/or to advance action aligned with national climate objectives.
- **Governance about claims, including financial product (labelling) standards:** Advertising products, services, or corporate performance as “net zero” or similar is subject to specific criteria, including compliance with financial product standards.
- **Public procurement:** Rules and regulations that require governments to condition procurement from firms and products on net zero standards.

In terms of process, we divided the data-gathering exercise in four steps. First, we identified instruments related to the relevant regulatory domain (without assessing their relevance to net zero) by reviewing

official policy documents as well as relevant secondary sources<sup>1</sup>, commentary, and academic literature (**Step 1**). For each instrument identified, we assessed its stage in the regulatory adoption and implementation process, such as its approval status or whether it is currently under development (**Step 2**). Next, for the instruments that are in force (as determined in Step 2), we evaluated the extent to which the instrument's content relates to “net zero”, broadly construed (**Step 3**) (see Table SError! Unknown switch argument.\_for more detail). Finally, we examined the nature of the regulatory obligation(s) and requirements(s) (if any) (**Step 4**).

Following the evaluation process for each instrument, we assigned it to one of three categories, described below and in Figure S1:

- **Net zero regulations (green):** This “green” group represents the regulations we are ultimately seeking to identify and records<sup>2</sup> instruments we identified (**Step 1**) and that have, as a minimum, reached the stage of being approved (**Step 2**), are aligned to a regulatory domain (**Step 3**), and impose binding obligations (**Step 4**).
- **In progress instruments (yellow):** The “yellow” group highlights the instruments that are under development. They are records that we identified (**Step 1**) and are in a draft or preparatory phase of development (**Step 2**), regardless of their alignment and enforcement.
- **Other records (red):** The “red” group encompasses all other records, which do not correspond to any of the domains we have previously identified (**step 1**). These are non-mandatory climate instruments; broad-based regulations; broad-based, non-mandatory instruments; instruments not identified; and repealed instruments.

Our data collection process faced several limitations. First, we have only included written regulatory instruments, not uncodified practices or informal expectations. Second, we do not track the degree of actual enforcement or implementation of different regulatory instruments. Third, we only identify instruments explicitly targeting net zero objectives in the domains specified. We therefore do not capture the indirect effects of rules and policies that may influence net zero transition. Finally, data collectors worked in English, Portuguese, and Spanish sources directly, but relied on online translation tools for other G20 languages. Based on these limitations, we believe the regulatory instruments identified represent a conservative estimate of the degree of net zero regulatory activity. Our findings should not be interpreted as evaluative of the efficacy of the regulatory instruments surveyed.

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<sup>1</sup> We used several policy trackers to inform our work, e.g. Sustainable Fitch’s [ESG Regulations and Reporting Standards Tracker](#).

<sup>2</sup> A record corresponds to a row in the dataset.

The data collection exercise resulted in a dataset, which is publicly available at <https://docs.google.com/spreadsheets/d/1OIrBEjUVfFAj2csmxbxxoJNlpflq5mxWQr90Tg-YEpQ/edit#gid=1159437177>. The dataset is accompanied by the codebook available at [https://drive.google.com/file/d/1gbVDjyP30z3XcfLb3Bon\\_vMHu0tsXnk9/view](https://drive.google.com/file/d/1gbVDjyP30z3XcfLb3Bon_vMHu0tsXnk9/view).

**Table S** Error! Unknown switch argument. - **Description of alignment for each regulatory domain**

DOMAIN	TEXTUAL DEFINITION	IN PRACTICE
<b>Claims and financial product standards</b>	Rules governing claims related to the “net zero” alignment of a (financial) product, service, or business	<p><b>Frequently examined instruments:</b> (i) advertising and consumer rights-related instruments and (ii) instruments related to the labelling of financial products.</p> <p>These instruments regulate claims of net zero alignment according to (i) principles that allow “net zero” or similar claims to be made as long as they are properly substantiated or (ii) pre-defined rules that specify products that can be claimed as “net zero” or similar. The end-goal of both types is the same – to reduce green/carbonwashing.</p> <p><b>What we were looking for:</b> Instruments were considered relevant to the domain if they defined specific standards for “net zero”, “transition to low carbon”, or related terms.</p>
<b>Disclosure</b>	Companies and financial institutions report on their climate risk exposure and, where appropriate, emissions associated with their activities and their decarbonization targets in a regulated and routine fashion	<p><b>Frequently examined instruments:</b> (i) corporate rules and (ii) disclosure instruments.</p> <p>Corporate rules such as commercial codes and market trade rules, often request companies to disclose information and documents. Climate-related data was a part of some of them. Several jurisdictions also issue instruments (such as guidelines) about how to meet disclosure requirements, where climate-related risks could also be identified.</p> <p><b>What we were looking for:</b> requirements for the disclosure of climate-related risks, which can include decarbonization pathways.</p>
<b>Procurement</b>	Rules and regulations that require governments to condition procurement from firms and products on net zero alignment	<p><b>Frequently examined instruments:</b> (i) procurement laws and (ii) green procurement instruments.</p> <p>Most countries define the principles and processes of public procurement in law. Achieving best value for the administration and sustainability are often principles in (i) which can be specifically attached to decarbonization goals. Green procurement</p>

DOMAIN	TEXTUAL DEFINITION	IN PRACTICE
		<p>instruments (issued as laws, decrees, guidelines, and others) are also common and can define how procurement principles are achieved.</p> <p><b>What we were looking for:</b> public procurement processes that require bidders to meet a net zero or decarbonization related standard (e.g.: bidders that have a net zero or decarbonization plan) or takes mitigation of emissions into consideration when valuing a bid (e.g.: giving preference to products with lower GHG emissions), which supports government to reduce its emissions and incentives the market to do the same.</p>
<p><b>Transition plans</b></p>	<p>Requirements that companies and/or financial institutions outline their pathways and/or contributions to net zero to create additional transparency and/or to advance action aligned with national climate objectives</p>	<p><b>Frequently examined instruments:</b> (i) corporate rules, (ii) disclosure instruments, and (iii) national climate change instruments.</p> <p>Corporate rules such as commercial codes and market trade rules, often request companies to disclose information and documents, among which net zero or decarbonization targets and/or strategies can be found. Several jurisdictions also issue instruments (such as guidelines) about how to meet disclosure requirements, which can encompass setting targets and/or strategies for net zero or decarbonization. Some national climate change instruments also define how governmental bodies should transition to a net zero or low carbon economy.</p> <p><b>What we were looking for:</b> requirements related to outlining and/or disclosing net zero or decarbonization targets and/or plans/strategies.</p>

Figure S1 – Record evaluation and resulting classifications

