

ESM joins Network of Central Banks and Supervisors for Greening the Financial System as an Observer

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14/02/2022

Press releases

ESM



(Luxembourg) - The European Stability Mechanism (ESM) has joined the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) as an Observer.

The NGFS contributes to a better understanding of climate-related risks and helps to support green finance. By joining the Network, the ESM, as a major issuer and investor, will be able to contribute to the development and promotion of best practices aimed at greening the financial system. It will also leverage on the wealth of knowledge which has been accrued by the NGFS to deepen its analysis on how climate-related risks affect economic developments and financial stability, which is at the core of its mandate.

As an international financial institution, the ESM strives to implement sustainable best practices in all its operations.

The ESM became a signatory of the UN Principles for Responsible Investment in February 2020. When it set up the Pandemic Crisis Support (PCS) credit line during the Covid-19 outbreak, it also developed a Social Bond Framework, based on the core components of the ICMA Social Bond Principles. In addition, since 2019, the ESM has been issuing a Carbon Footprint Report, which provides a comprehensive account of the carbon footprint arising from its operations.

“Climate change is one of the most acute long-term risks. To address this major challenge, international cooperation is imperative. In this respect, the work that has been carried out by the NGFS since its inception in December 2017 has been exemplary. I am pleased the ESM will be able to contribute to and benefit from its work”, said Klaus Regling, Managing Director of the ESM.

“I am pleased the ESM is joining the NGFS as an observer. We look forward to working with the ESM to address the challenges to the financial system posed by climate change. The ESM’s regional reach and strong commitment will be very helpful to the NGFS’ efforts to accelerate the greening of the financial system,” Ravi Menon, Chair of the NGFS, said.

For an overview of the ESM’s initiatives on sustainability, see <https://www.esm.europa.eu/about-us/how-we-work/esg/esg-environment>.

For more information about the NGFS, visit www.ngfs.net.

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