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NGFS publishes *A Sustainable and Responsible Investment Guide for Central Banks' Portfolio Management*

Climate change is a source of financial risk. The Network for Greening the Financial System (NGFS) encourages central banks and supervisors across the globe to lead by example and include sustainability considerations in their portfolio management, without prejudice to their primary mandates. Therefore the NGFS today publishes *A Sustainable and Responsible Investment Guide for Central Banks' Portfolio Management*.

This guide – the first of its kind – is a hands-on approach aimed at central banks that wish to adopt Sustainable and Responsible Investment (SRI) practices. It builds on the results of an SRI portfolio management survey among NGFS members and concludes with case studies of first-hand experiences by some NGFS members. Among the five SRI strategies identified in the guide, the most prominent are green bond investments and negative screening for equity and corporate bond holdings.

The survey shows that there is a growing momentum among NGFS members: 25 out of the 27 respondents have already adopted SRI principles in their investment approach or are planning to do so. Those principles range from a broad scope of environmental, social, and governance (ESG) considerations to a climate-specific focus.

As the mandates and status of central banks differ, the guide does not offer a one-size-fits-all solution, but discusses potential SRI approaches and ways to implement them, allowing central banks to account for their own specific challenges.

Going forward, the NGFS will further engage with key stakeholders on this guide.

“The work of the NGFS is vital to scale up the work of central banks and financial supervisors in the field of sustainable finance. The publication of this guide highlights the unique role of the Network, that works concretely to better equip our community of central bankers to lead by example and, quite literally in this case, to put our money where our mouth is. We thus send a strong signal to the financial system as a whole, to ensure that it turns green and sustainable,” said Frank Elderson, Chair of the NGFS and executive board member of De Nederlandsche Bank.

“Central banks walk the talk, increasingly integrating sustainability aspects into the investment process, within the limits of their mandate,” said Sabine Mauderer, Chair of the NGFS’ “Scaling-up green finance” workstream and executive board member of the Deutsche Bundesbank. “I am confident that our new SRI guide for central banks will inspire others to follow suit.”

In the coming months, the NGFS will continue to work on additional technical documents, including further details on the NGFS transition scenarios and guidelines on scenario-based climate risk analysis, and a guide on supervision practices.

About the NGFS

The NGFS, launched at the Paris One Planet Summit on 12 December 2017, is a group of Central Banks and Supervisors willing, on a voluntary basis, to share best practices and contribute to the development of environment and climate risk management in the financial sector and to mobilise mainstream finance to support the transition toward a sustainable economy. The NGFS is chaired by Frank Elderson, executive board member of De Nederlandsche Bank. The Secretariat is provided by the Banque de France. The NGFS brings together 46 central banks and supervisors and 9 observers, representing five continents, over half of global greenhouse gas emissions and the supervision of more than two-thirds of global systemically important banks and insurers.

For more details, visit the [NGFS website](#) and [Twitter account](#) or contact the NGFS Secretariat at the Banque de France sec.ngfs@banque-france.fr

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