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Supplement to the NGFS Glasgow Declaration

SNB takes climate-related issues into consideration

Climate change is an important global challenge that calls for appropriate analysis, action and coordination. With this in mind, the SNB and FINMA joined the Network for Greening the Financial System (NGFS). On 3 November 2021, at the United Nations Climate Change Conference in Glasgow (COP26), the NGFS published a [declaration](#) outlining its contributions in the area of climate change. As a supplement to this declaration, the SNB sets out how it takes climate change into consideration in its activities as part of its statutory mandate.

First, the SNB takes climate-related issues into consideration in its macroeconomic modelling and monetary policy analysis in order to be better able to gauge the potential impact of climate change on key macroeconomic variables such as prices, interest rates and output, as well as their natural equilibria.

Second, the SNB is integrating climate-related risks into its financial stability monitoring. Currently, it focuses on whether the banking system is adequately prepared for potential climate-related risks and whether they are properly covered by existing regulations. In 2020, together with FINMA, the SNB launched a pilot project to identify and measure risk concentrations at Switzerland's globally active banks in respect of sectors vulnerable to transition risks.

Third, as part of its investment strategy centred on broad-based market coverage, the SNB has been investing in green bonds for many years. It also introduced a negative screening policy based on ESG principles as early as 2013. The SNB does not invest in shares and bonds of companies whose products or production processes grossly violate values that are broadly accepted at a societal level in Switzerland. With regard to environmental considerations, it excludes companies that systematically cause severe environmental damage. The SNB takes climate-related issues into consideration by excluding from its portfolios all companies primarily active in the mining of coal for energy use.



Press release

The SNB will continue to follow climate-related issues closely, and to engage in dialogue with various national and international actors, as part of the NGFS and elsewhere. It will regularly review its own analysis and measures and make adjustments where needed.