

Press release

27 November 2020

ECB publishes final guide on climate-related and environmental risks for banks

- ECB publishes final guide after considering comments from public consultation
- Banks to perform self-assessment on ECB expectations in early 2021
- ECB to fully review banks' practices in 2022
- Next supervisory stress test in 2022 to also focus on climate-related risks
- Separately, new ECB report shows that banks' climate-related and environmental risk disclosures lag behind significantly

The European Central Bank (ECB) today published its final and amended [guide on climate-related and environmental risks](#) following a public consultation. The guide explains how the ECB expects banks to prudently manage and transparently disclose such risks under current prudential rules.

The ECB will now follow up with banks in two concrete steps. In early 2021 it will ask banks to conduct a self-assessment in light of the supervisory expectations outlined in the guide and to draw up action plans on that basis. The ECB will then benchmark the banks' self-assessments and plans, and challenge them in the supervisory dialogue. In 2022 it will conduct a full supervisory review of banks' practices and take concrete follow-up measures where needed.

In line with the growing importance of climate change for the economy and increasing evidence of its financial impact on banks, the ECB will conduct its next supervisory stress test in 2022 on climate-related risks. Further details will be provided in the course of 2021.

The ECB today also published a [report](#) which finds that banks are lagging behind on their climate-related and environmental risk disclosures. While there has been some improvement since the previous year, banks need to make significant efforts to better

European Central Bank

Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, email: media@ecb.europa.eu, website: www.bankingsupervision.europa.eu

support their disclosure statements with relevant quantitative and qualitative information. In the second half of 2021 the ECB intends to identify remaining gaps and discuss them with the banks.

During the consultation, the ECB received more than 50 comments from a broad range of stakeholders, including the banking industry. The ECB's response can be found in the feedback statement.

The guide will apply immediately.

The guide itself and the comments received together with the feedback statement are available on the [ECB's Banking Supervision website](#).

For media queries, please contact [Uta Harnischfeger](#), tel.: +49 69 1344 6321

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