

Press release

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ECB publishes new climate-related statistical indicators to narrow climate data gap

- New experimental and analytical indicators to help analyse climate-related risks in financial sector and monitor green transition
- ECB and national central banks to further improve indicators to match quality standards of official ECB statistics
- Initial experimental statistics show increasing share of euro area debt securities labelled as green or sustainable

The European Central Bank (ECB) has published a first [set of climate-related statistical indicators](#) today to better assess the impact of climate-related risks on the financial sector and to monitor the development of sustainable and green finance, fulfilling another of the commitments of its [climate action plan](#).

“We need a better understanding of how climate change will affect the financial sector, and vice versa. For this, the development of high-quality data is key,” says Executive Board member Isabel Schnabel. “The indicators are a first step to help narrow the climate data gap, which is crucial to make further progress towards a climate-neutral economy.”

The new indicators are either experimental or analytical. Experimental data comply with many, but not all, of the quality requirements of official ECB statistics.¹ Analytical data have a lower quality and certain – sometimes significant – limitations.

The indicators are, therefore, a work in progress and should be used with caution. They are intended to start a broader conversation within the statistical and research community and with other key stakeholders on how to better capture data on climate-related risks and the green transition. The ECB,

¹ See the overview of [experimental data](#).

together with the national central banks, will work to improve the methodology and the data used. New data sources, expected to become available in line with EU initiatives on climate-related disclosures and reporting, will help in this respect.

To ensure the indicators are accessible and replicable, they use existing data from the European System of Central Banks (ESCB) or other, publicly available, data whenever possible. Specifically, the indicators cover three areas:

- 1. Experimental indicators on sustainable finance** provide an overview of debt instruments labelled as “green”, “social”, “sustainability” or “sustainability-linked” by the issuer that are issued or held in the euro area. The data show that the volume of sustainable and green bonds has more than doubled over the last two years and grew much faster than the overall euro area bond market. Besides boosting transparency, these indicators also help track progress on the transition to a net-zero economy. That said, the lack of internationally accepted and harmonised standards on what defines a green or sustainable bond makes the data less reliable overall.
- 2. Analytical indicators on carbon emissions financed by financial institutions** provide information on the carbon intensity of the securities and loan portfolios of financial institutions, and on the financial sector’s exposure to counterparties with carbon-intensive business models. Preliminary results show that in the euro area, most of the emissions financed via equity or bonds are held by investment funds. However, the data suggest that the most carbon-intensive activities are financed via the banking sector, as the companies they finance produce relatively more emissions in their business operations to achieve a given level of revenue.
- 3. Analytical indicators on climate-related physical risks** analyse the impact of natural hazards, such as floods, wildfires or storms, on the performance of loans, bonds and equities portfolios. While the risk of windstorms broadly affects financial portfolios in the euro area, the risk of this hazard causing severe damage is rather low. In contrast, floods are limited to coastal and river areas but are estimated to have a higher level of damages and losses.

In July 2022 the ECB published a detailed climate action plan on how to incorporate climate change considerations into its monetary policy framework. In October 2022 it started tilting its corporate bond holdings towards issuers with a better climate performance. Today’s publication of new climate-related indicators is another step towards delivering on the ECB’s climate commitments.

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