



**INTERNATIONAL
CURRENCY
ASSOCIATION**

**ICA in co-operation with
Banknote Industry News
survey of Central Banks on
Sustainability requirements**

October 2024

Introduction

In preparation of the Global Currency Forum Conference held in Muscat at the end of September 2024, the International Currency Association (ICA) commissioned a survey on the sustainability ambitions of Central Banks via its Sustainability Committee. Conducted by Banknote Industry News Ltd, this survey mirrors a similar study made with all ICA members in 2023. Its purpose is to provide the cash ecosystem industry with insights into the priorities and expectations of Central Banks regarding sustainability. A total of 158 Central Banks were contacted with a series of questions; this report summarizes the responses received from the 25 entities that shared their views.

The survey results were first presented at the Global Currency Forum in Muscat, Oman, on the 2nd of October 2024. This took place during the panel session on sustainability, in the form of a Powerpoint presentation from which we have extracted the figures below. Please note that the results were anonymized, i.e. no central bank was named in any communication of the results.

Insights

The ICA Sustainability Committee views the following as an initial overview about how far the Central Banks are on their sustainability journey.

a) Commitments on Greenhouse Gases (GHG) Emissions

About 40% of respondents have indicated having commitments on greenhouse gas emissions reduction, with most of them having set a concrete deadline for it. Almost half of the entities who have not yet committed are considering doing so in the short or long term (Figure 1). As a comparison point, in 2023, 80% of ICA members had committed or were considering committing to GHG reduction targets, showing a positive dynamics both within the Central Banks and within the industry on the topic.

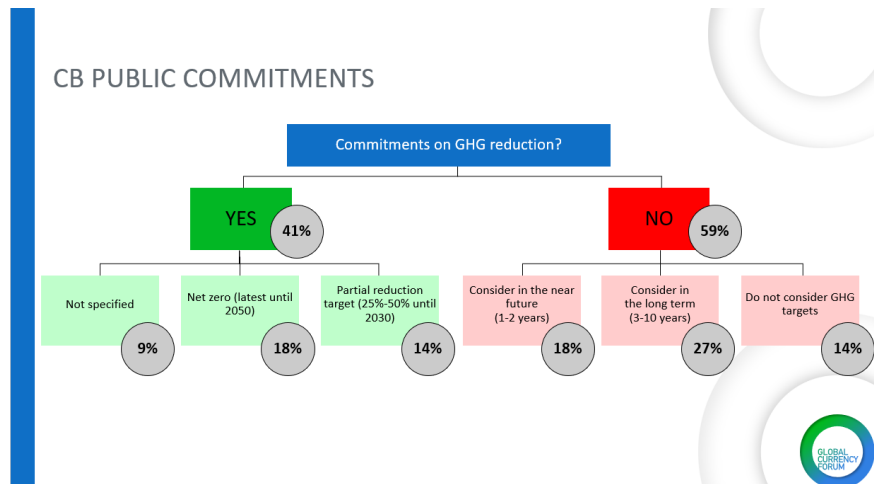


Figure 1: Central Bank Public Commitments on GHG emissions

The actual targets vary depending on the timeline, as shown in Figure 2. This variability in both temporal and quantitative reductions goals was similarly observed in the ICA Members survey.

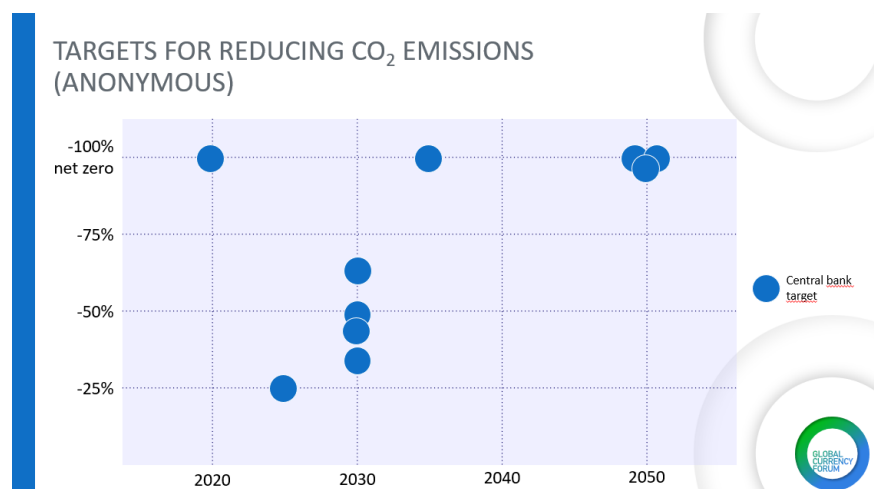


Figure 2: Targets for CO2 emissions reductions

b) Expectations towards suppliers

Almost 75% of the respondents are considering the commitment of their suppliers to GHG emissions reduction as important or very important (Figure 3). ICA Sustainability Committee sees that as an encouraging sign to develop further the promotion of such programs in the future within its membership.

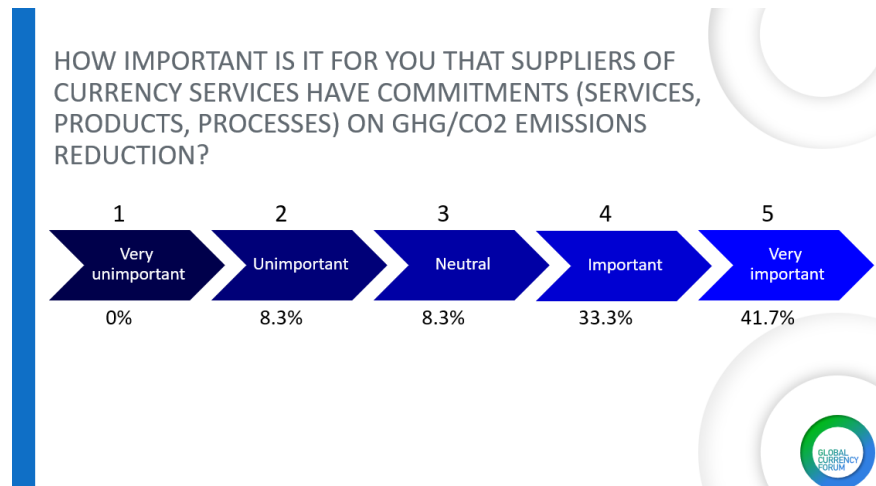


Figure 3: Targets for CO2 emissions reductions

At the same time only half of the respondents did mention clauses related to sustainability - not only related to GHG emissions reduction - in their procurement or tender process (Figure 4). ICA Sustainability Committee would favor a reinforcement of this practice in the future as it is both guiding the industry into the expectations of Central Banks and valorizing the efforts already made by all actors of the cash ecosystem to promote sustainability.

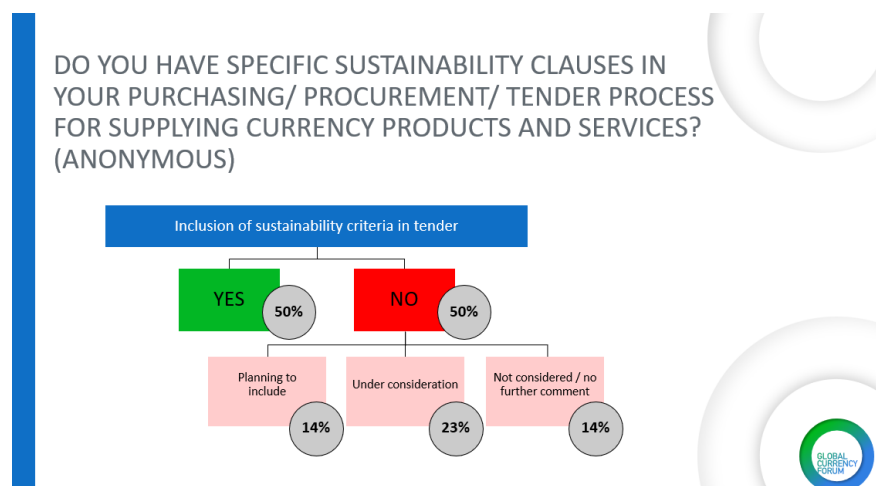


Figure 4: Sustainability clauses in the purchasing, procurement or tender process

Mentioned clauses included GHG emissions, Sustainability standards & certification, Banknote waste disposal, Proof of HSE compliance with regulation and specification of the method of sustainability data collection.

When prompted to mention expectations in a broader way, the main elements mentioned by the Central Banks revolved around technological innovation, reporting/documentation/data

transparency and efficiency in the manufacturing processes (figure 5). Such insights, when they will be shared by a greater number of Central Banks, will be very important to the currency industry players to adjust their sustainability strategies and ensure the best services to the end customers.

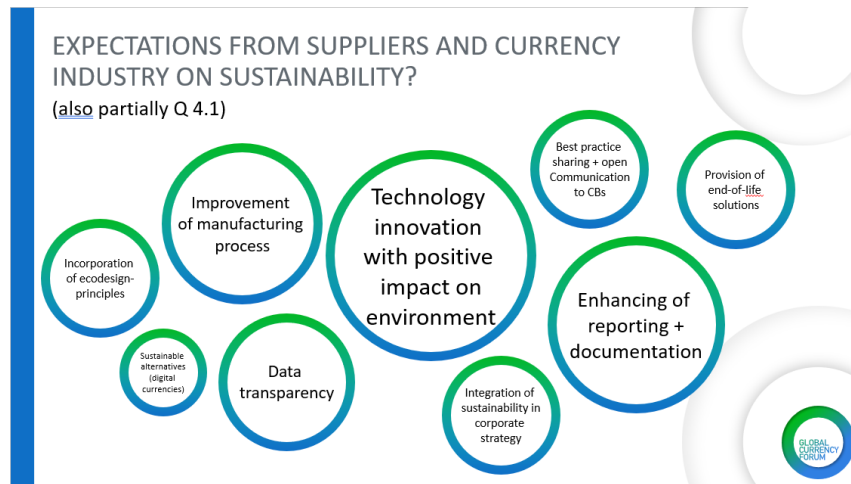


Figure 5: Central Bank's sustainability expectations from supplier and currency industry

c) Standards and tools

When asked about the methodologies used to assess the progress on sustainability, most respondents mentioned GHG Protocol as the main framework used. Various other certification schemes or assessment schemes have been mentioned, some of them as well used or mentioned by ICA Members in the 2023 internal survey. As the overlap between the referential standards is not perfect, the ICA Sustainability Committee would welcome more exchanges on the topic with Central Banks to open the way to a more harmonized way to measure the overall progresses on sustainability in the cash ecosystem.

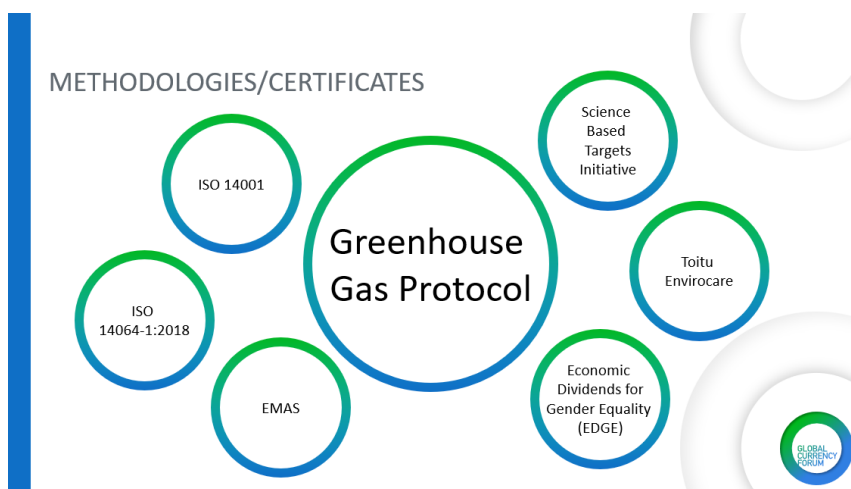


Figure 6: Methodologies and certifications schemes used by Central Bank regarding sustainability

Conclusions

This Central Bank survey on sustainability, the first of its kind, provides only a partial view of the current state of progress and expectations of the Central Banks. However, the ICA Sustainability Committee sees this as an encouraging first step towards better aligning the initiatives and ambitions of the industry with the programs and expectations from the Central Banks. With nearly half of the respondents confirming the presence of sustainability experts in their staff, the ICA Sustainability Committee sees significant potential for deeper exchanges on the topic and will be pursuing similar initiatives to collect insights from the Central Banks in the future. The ICA intends to conduct a similar survey in 2025 to track the trends and directions set by Central Banks. This collaboration is important for ensuring that Central Banks and the industry work together on common goals.

Should you want already to share any more information on the topic, please contact the ICA Sustainability Committee via email at secretariat@currencyassociation.org.