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Key Findings

The European Green Bond Standard (EUGBS) can potentially benefit both issuers and investors; its uptake is key for continued market growth.

Issuers can translate European Green Bond issuance into lower transition risks through four pillars: commitments, capex pipelines, green asset delivery and governance.

Investors can turn to the EUGBS for improved transparency and credibility, thereby incentivising flows to support ample climate investment needs.

The low readiness of the EU-issued green bonds to align with the EUGBS raises useability concerns—IEEFA calls for post-implementation reviews of the standard coherent with the overall EU sustainable finance strategy and the bloc's improved practices towards green bond issuances.



In October 2023, the European Parliament and the Council of the European Union adopted the European Green Bond Standard (EUGBS) regulation.^{1,2} It was published in the European Union's (EU) Office Journal in late November 2023³ and will start applying one year after. Bonds issued may then voluntarily use the label “European Green Bond” or “EuGB” if they choose to align with the standard.

The regulation sets out the conditions for the use of the label's designation based on the use of proceeds, transparency and external review (refer to Appendix 1). The regulation details conditions for external reviewers of European green bonds, the independent entities responsible for assessing whether standards are being adhered to. Publication of reviews will be available free of charge.

¹ European Parliament. [Greening the bond markets: MEPs approve new standard to fight greenwashing](#).

5 October 2023.

² European Council of the European Union. [European Green Bonds: Council adopts new regulation to promote sustainable finance](#). 24 October 2023.

³ Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds.

Executive Summary

The upcoming EUGBS aims to improve the green bond market's transparency and credibility, tackle greenwashing and set a “gold” standard.¹ But can it fulfil its objectives while supporting the green bond market, or will it disincentivise issuance altogether? This report focuses on what the standard means for Europe, which accounts for more than half of global issuance. In 2023, Europe's green bond issuance grew 11% and reached a record high of US\$341 billion, outperforming the global market.

IEEFA believes that long-term green bond supply is underpinned by ample projects and investment needs for the net-zero transition. There are potential long-term benefits for issuers of issuing high-quality green bonds—this allows the adoption of the EUGBS to complement issuers' project development.

Green bond supply will likely be supported by investor demand amid growing social pressure to expand green investing and meet portfolio emissions targets. The EUGBS could address limitations of existing market-led guidance. It could also cater to investors' increasing sustainability preferences and support continued demand growth.

¹ European Commission. [The European green bond standard – Supporting the transition](#).

Table 1: Adoption of the EUGBS Will Generate Long-term Supply- and Demand-side Growth Incentives but May Impose Short-term Costs That Hinder Growth

	Issuers, Supply Side	Investors, Demand Side
Short-term benefits	<ul style="list-style-type: none"> • “Greenium” pricing benefits (lower cost of capital) 	<ul style="list-style-type: none"> • Better clarification in the use of proceeds compared with a commonly adopted market-led standard
Long-term benefits	<ul style="list-style-type: none"> • Perceived to be of lower transition risk through four pillars: signalling seriousness, credible capex pipelines, green activities/assets and governance • Better access to capital at issuer level 	<ul style="list-style-type: none"> • Better assurance of allocation • Better transparency for decision-making • Coherence with taxonomy alignment disclosure to compare environmental contributions
Costs	<ul style="list-style-type: none"> • Increased costs relating to external review and enhanced transparency 	<ul style="list-style-type: none"> • Greenium • Still limited consequences for non-compliance

Source: IEEFA.

The European Commission (Commission) plays a key role in ensuring all incentives are aligned, thereby facilitating continued growth of the green bond market. While the EUGBS appears coherent with the EU sustainable finance regime, it inherits stakeholders' concerns around the EU taxonomy. The Commission is also contemplating further green bond issuance in the first half of 2024; but IEEFA finds that it is not ready to adopt the EUGBS, which does not help incentivise the use of the label nor signal good useability of the standard.

Table 2: Complementary Initiatives to Support the Uptake of EUGBS Are Necessary to Ensure the Continued Growth of the Market

Initiatives for the Benefit of Issuers	Initiatives for the Benefit of Investors
<ul style="list-style-type: none"> • To improve useability of the EU taxonomy for project selection and development • To develop an impact reporting framework as guidance • To ensure the EU aligns its own green bond issuance with the EUGBS, setting an example • To subsidise costs related to European Green Bond-labelled bond issuance 	<ul style="list-style-type: none"> • To improve useability of the EU taxonomy for portfolio management • To develop an impact reporting framework to evaluate environmental outcomes and impacts

Source: IEEFA.

Accelerating Investments in the Net-zero Transition Underpin Long-term Green Bond Growth

As technology enables more decarbonisation solutions, required capital flows to scale these solutions—especially in transport, energy, building and other industrial sectors—will likely support the long-term growth of the green bond market. It is an asset class that has become an essential source of funding, having risen fiftyfold since 2013.

The International Energy Agency (IEA) reports that global investments in clean energy will need to rise from a forecasted record-breaking US\$1.8 trillion in 2023 to US\$4.5 trillion each year by the early 2030s in its new pathway to keep the 1.5°C goal in reach.² This will translate into an annual growth of 14% between now and 2030. Another study indicates that climate finance must increase from an expected US\$1 trillion in 2022 to an average of US\$6.2 trillion annually between now and 2030, and \$7.3 trillion by 2050.³ The market share of green bonds in the global bond markets remains small,⁴ indicating large growth potential to fund the gap.

The sustainable bond market is often looked at as a whole. It comprises green, social, sustainability and sustainability-linked bonds (sometimes known as GSSS bonds). Social bonds or social elements of sustainable bonds are not covered by the European Green Bond Standard (EUGBS), largely owing to the absence of a European Union (EU) social taxonomy.¹ Sustainability-linked bonds, with no strings attached to their use of proceeds, have gained momentum as their financial or structural features may incentivise a company's transition progress, but remain small compared with green bonds. The regulation includes optional disclosure for sustainability-linked bonds. The scope of this paper focuses on the European Green Bond (EuGB) candidates—green bonds, which cover the “climate,” “transition”² and potentially “blue” self-labels.

¹ Bloomberg. EU Faces Pressure to Revive Its Social Investing Rulebook. 26 June 2023.

² The EU taxonomy covers transitional economy activities laid down in Article 10(2) of Regulation (EU) 2020/852.

Green bond issuance globally and in Europe has had a tumultuous couple of years after reaching record highs of US\$575 billion and US\$326 billion in 2021, respectively.⁵ Global issuance dropped 8% in 2022 amid tightened macroeconomic conditions, while Europe saw a milder decrease at 6%. In 2023, Europe's green bond issuance recovered 11% year on year to US\$341 billion. It slightly

² International Energy Agency. [The path to limiting global warming to 1.5 °C has narrowed, but clean energy growth is keeping it open](#). 26 September 2023.

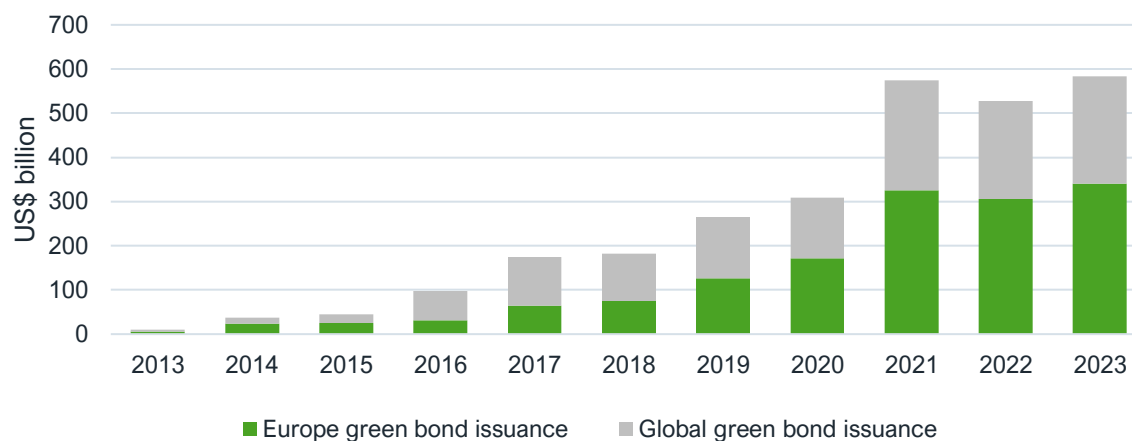
³ Allen & Overy and Climate Policy Initiative. [How big is the Net Zero financing gap?](#) 25 September 2023.

⁴ European Council. [Infographic - European green bonds](#).

⁵ The source of green bond data in this paper is Environmental Finance Data, extracted on 9 February 2024. See Environmental Finance Data's [methodology](#).

outperformed the global markets, which recorded 10% growth to reach US\$581 billion. Both surpassed 2021 levels.

Figure 1: Europe's Green Bond Issuance Reached a Record High in 2023



Source: Environmental Finance Data, IEEFA.

Note: Europe's data includes issuance from European countries that are not EU members and supranational entities based in Europe.

Europe remains the largest issuance region, accounting for more than half of global issuance, and is the focus of this paper.⁶ Europe's recent outperformance versus other regions reinforces its position as a continued driving force in the global market. At the EU level, where the progress towards climate neutrality is slow,⁷ energy system and transport investments will need to reach €1.5 trillion per annum on average over 2031-2050,⁸ considering the 90% net emissions reduction target by 2040 relative to 1990. Green bond proceeds, particularly from Europe-headquartered development banks, will also support investments in emerging markets and developing economies,⁹ where the main gaps lie.

The recovery in 2023 was mainly driven by a 14% growth in public sector issuance as some prominent increased issuances from the governments of the UK and Italy more than offset a retraction from the European Commission. In private sectors, corporate and financial institutions' issuance grew at 10% and 8%, respectively, over the same period, despite increased costs of debt.

⁶ The scope of this paper includes both EU and non-EU issuances in Europe as they can be available to EU investors. It is worth noting that other regions, albeit not the focus here, may also choose to adopt the EUGBS; these regions saw euro-denominated bonds amounting to US\$13 billion in 2023.

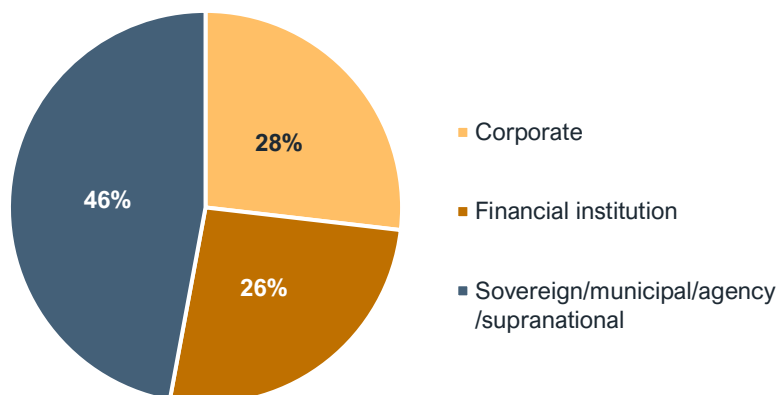
⁷ European Climate Neutrality Observatory. [State of EU progress to climate neutrality](#). June 2023.

⁸ European Commission. [Communication on a 2040 Climate Target](#). February 2024.

⁹ European Investment Bank. [Global Green Bond Initiative strengthened by a new strategic partnership to foster green capital markets](#). 6 September 2023.

IEEFA believes long-term structural green bond growth is likely to be driven by all broad issuer types, as achieving climate goals requires all market participants to act. Given the size of the climate funding gap, a sustainable share of the investment will have to come from private finance. But the role of public finance will remain vital as a catalyst.

Figure 2: Europe's Green Bond Issuance Was Split Between Public and Private Segments in 2023



Source: *Environmental Finance Data, IEEFA.*

Sovereigns will likely continue issuing green bonds to fund their intervention and incentive subsidies, research and development support, public infrastructure and building decarbonisation, and other expenditures to achieve their Nationally Determined Contributions. For example, the governments of France, Germany, the UK and Italy were among the top 10 green bond issuers globally in 2023—and are among the top 10 globally of all time. Issuance momentum among these governments has continued to be strong so far this year.

Agencies and supranational entities including multilateral development banks will likely maintain their key roles as issuers, benefiting from their superior creditworthiness. They can pool capital to green projects and provide credibility and anchor support to other green or sustainable bond issuers,¹⁰ especially in emerging markets and developing economies. For example, the European Investment Bank issued the world's first green bond in 2007 and issued €13.15 billion in Climate Awareness Bonds (CAB) in 2023 and €6.09 billion in 2024 so far, together accounting for a quarter of its total CAB issuance since 2007.¹¹ The EU, despite being a latecomer as an issuer itself, is committed to issuing up to €250 billion of green bonds by the end of 2026 to fund the €800 billion NextGenerationEU (NGEU) recovery plan.¹² The plan was launched in 2021 to support the bloc's post-pandemic economic activities and environmental objectives. The EU

¹⁰ Organisation for Economic Co-operation and Development. [Report on green, social and sustainability bonds issued by multilateral development banks and its use for infrastructure financing](#). Section 3. September 2023.

¹¹ Data accessed from the European Investment Bank's [Climate Awareness Bonds](#) web page on 12 February 2024.

¹² European Commission. [NextGenerationEU Green Bonds](#).

also studied the feasibility of an EU Climate and Energy Security Fund that could provide another €500 billion of public investment by 2030.¹³

Corporate issuers in Europe are mostly dominated by the energy, utilities, automotive, transport and building sectors, which have been fossil fuel dependants. Corporate issuers, despite still navigating the current high interest rate environment, will continue to require financing to support their environmental strategies and energy transition plans. For example, the power sector will contribute directly to the scale-up of renewable energy solutions; power generators such as Iberdrola, EDP – Energias de Portugal and RWE issued green bonds in early January this year. The previous years' growth has shown that green bonds have become an increasingly important source for corporate issuers as an alternative to loans and equity financing.

Financial institutions, especially banks, act as both issuers and arrangers of green bonds. They are expanding their green financing capabilities to channel private capital toward net-zero goals—in part supported by issuing green bonds themselves. Increasing pressure on financial institutions to decarbonise their facilitated emissions¹⁴—beyond financed emissions—will also incentivise them to increase their green capital market underwriting capabilities and advisory services to help corporate issuers implement green financing strategies. This will support the overall growth of the green bond market.

The underlying supply potential will remain in the decades to come. Technology advancement will lower green projects' development costs, in turn improving the projects' economic feasibility. Diverse funding channels, supported by continued investor demand and provisions of a range of financial services, can facilitate issuers' development of credible solutions. Therefore, a suitable system-wide regulatory environment will need to ensure all incentives are aligned.

Market-Led Standards Have Served a Purpose; EU Legislation Is the Next Important Step

The long-term growth prospects of the green bond market highlight the importance of enforcing a high standard to tackle greenwashing. The widely adopted market-led initiative, Green Bonds Principles, developed by the International Capital Market Association (ICMA GBP), has been established to address the issue and support the creditability of green bonds.¹⁵

The EU has gone a step further with its prominent legislative move of setting a green bond standard—the EUGBS. This seeks to improve the green bond market's transparency and

¹³ European Central Bank. [The legal and institutional feasibility of an EU Climate and Energy Security Fund](#). March 2023.

¹⁴ Partnership For Carbon Accounting Financials. [The Global GHG Accounting and Reporting Standard Part B: Facilitated Emissions](#). December 2023.

¹⁵ International Capital Market Association. [Market integrity and greenwashing risks in sustainable finance](#). October 2023.

credibility. (Refer to Appendix 2 for our comparison of the EUGBS with commonly adopted market-led standards.)

It is common practice for issuers to publish a green financing framework detailing how green financing instruments are set up referring to the ICMA GBP. This framework is usually reviewed by an external reviewer, known as a second-party opinion (SPO) provider. Publishing a green financing framework does not mean the issuer is committed to issuing a green bond but somewhat indicates an intention. In most cases, the issuance of a bond instrument marketed as “green” will point to the latest available framework, but non-adherence to the framework over the lifetime of the bond may not lead to clear legal consequences.

The ICMA GBP's principle-based criteria come with pitfalls: (1) Ambiguity of eligible projects—the expected use of proceeds is not comprehensively defined; (2) limitations about post-issuance due diligence—the assurance on proceeds' allocation and contribution to environmental objectives may not suffice; (3) incomparable and/or insufficient disclosure; and (4) limited enforceability—legal consequences in the event of non-adherence may be blurred.

Climate Bonds Initiative (CBI) is an investor-focused not-for-profit organisation that aims to scale up the green bond market. It provides a certification service governed by the Climate Bonds Standard that is based upon the broad principles in the ICMA GBP but entails more stringent sector-specific science-based screening criteria.^{16,17} This has most prominently addressed the ambiguity of projects' eligibility, but the uptake remains small,¹⁸ despite its introduction more than a decade ago.

The EUGBS addresses most, but not all, of the pitfalls:

- The EUGBS serves a similar purpose as the Climate Bonds Standard to address the ambiguity of projects' eligibility. It links to the technical screening criteria-based EU taxonomy—consisting of substantial contribution criteria (SCC) and do no significant harm (DNSH) requirements—to define environmentally sustainable economic activities. For example, CBI's latest revised criteria for buildings fall in line with the EU taxonomy.¹⁹ But differences in EU and CBI taxonomies' coverage of activities and a sector-by-sector comparison of technical criteria are not the focus of this report. Adopting the EUGBS to

¹⁶ Climate Bonds Initiative. [Sector Criteria](#).

¹⁷ Climate Bonds Initiative. Climate Bonds Initiative also performs a *soft* screening in its [database](#) of its proprietary taxonomy alignment, but sector-specific screening criteria does not apply (refer to Appendix 2 for comparison). Its [Q3 2023 report](#) shows that around 80% of cumulative green, social, sustainability and sustainability-linked debt issued as of end-September 2023 is aligned.

¹⁸ Climate Bonds Initiative [indicates](#) the volume of certified debt reached US\$300 billion as of end-2023. This represents around a 10th of global cumulative green bond issuance.

¹⁹ Climate Bonds Initiative. [Climate Bonds comes in line with the EU Taxonomy on low carbon buildings](#). 30 October 2023.

scale up EU taxonomy-aligned activities, such as renewable energy solutions and low-carbon transportation, is fit for purpose in the EU context. Having said that, the EU taxonomy faces its own controversies^{20,21} and ongoing developments,²² which limit its useability. Sectors that are not yet eligible under the EU taxonomy may find it hard to use the EUGBS as a tool to fund their transition progress.

- The pre-issuance review by an SPO provider is a common practice, while the reputation of certified CBI bonds is built upon pre- and post-issuance external review by a CBI-approved verifier. The EU legislative regime reinforces this view and requires the use of external reviewers that are registered with and are subject to continued supervision by the European Securities and Markets Authority (ESMA), the EU's financial markets and securities regulator. The EUGBS further requires conditions on organisation requirements, processes and transparency—a plausible approach to tackle conflicts of interest and improve assurance quality.
- The EUGBS marks a positive move to require more standardised disclosure around how the eligible project pipeline is consistent with the issuer's sustainability strategy—set out in the annexes of the regulation. The transparency required by the EUGBS will importantly foster more comparable and comprehensive information, mostly on expected and realised contributions to environmental sustainability and a detailed capital expenditure (capex) plan with progress relating to each instrument. This goes beyond the existing market recommendation that the issuer should show coherent objectives, strategy, policy and/or processes relating to environmental sustainability.
- The EUGBS has not resolved the limited enforceability problem, which arises from green bonds being structurally not different from conventional bonds. Although ESMA has the authority to require public disclosure for failure to comply with the regulation, the consequences in the event of non-compliance with the EUGBS may remain opaque.

There are other weaknesses of the EUGBS:

- The EUGBS appears weak regarding conditions and disclosure of processes relating to the management of proceeds. It also has a loose allocation timeline for proceeds compared with that of the Climate Bonds Standard. These may let unallocated proceeds accumulate and become difficult to track. This in turn lowers investor confidence in realising timely environmental impacts, particularly for bonds with a distant maturity date associated with a long-dated capex plan.
- The EUGBS lacks guidance on standardised impact reporting, which does not help investors measure, compare, aggregate and/or quantify environmental outcomes and impacts. The top challenges for aggregating issuer impact data are a lack of issuer data, low transparency and an inconsistent baseline and benchmarks, a survey shows.²³ A standardised framework would also be beneficial for issuers to prepare reporting. The EU should consider building on

²⁰ Responsible Investor. [EU hit with legal action over 'green' label for gas in taxonomy](#). 19 April 2023.

²¹ Reuters. [EU draws criticism as it proposes green label for some aviation investments](#). 6 April 2023.

²² The European Commission has set up an ongoing [stakeholder request mechanism](#) to address stakeholder suggestions regarding EU taxonomy activities.

²³ Environmental Finance. [Green Bond Funds Impact Reporting Practices 2023](#). June 2023.

market initiatives such as the key principles and recommendations outlined by ICMA,²⁴ the Global Impact Investing Network²⁵ and the International Foundation for Valuing Impacts²⁶ to formulate a framework to evaluate projects' additionality²⁷ and develop a "gold" impact reporting framework.

The EUGBS may be seen as a barrier to green bond issuance, and thereby deter volume growth. But subject to post-implementation review, it could offer a standard of higher credibility and boost investor confidence. What's more, the standard may benefit issuers as much as investors over time, at least in the EU context, contributing to a sustainable and healthy growth of the market.

A Nuanced Standard Could Be a Win-win for Issuers and Investors

Green bond issuers incur costs relating to inflexible use of proceeds and additional measures around project selection, reporting and external reviews. These costs are usually somewhat counterbalanced by the potential benefits for issuers: lower costs of borrowing, more diversified funding channels, longer-dated debt maturity profile and access to a larger investor base. Issuers who choose to adopt the EuGB label will incur extra costs owing to enhanced disclosure and external review requirements. However, IEEFA believes the benefits of adhering to a higher standard will likely outweigh the costs over time.

²⁴ International Capital Market Association. [Handbook – Harmonised Framework for Impact Reporting](#). June 2023.

²⁵ [Global Impact Investing Network](#).

²⁶ The International Foundation for Valuing Impacts in partnership with the Value Balancing Alliance released [General Methodology 1: Conceptual Framework for Impact Accounting](#) for public comment by 31 October 2023.

²⁷ Salakhova, Dilyara. [Beyond the greenium: Assessing the additionality of green bonds](#). 30 March 2023.

Greenium—Pricing Benefits for Issuers

The United Nations Development Programme defines greenium, or green premium, as pricing benefits based on the logic that investors are willing to pay extra or accept lower yields in exchange for sustainable impact.¹

Greenium is often studied as the existence of it represents a market imbalance: more green bond demand than supply. This is likely attributed to the sustainability preferences of investors, allowing issuers to pass on costs to investors. Studies have pointed out that higher green bond creditability can increase investors' appetite.²

Greenium can be looked at in different ways: green bond indices' or funds' performance compared with conventional bond indices or funds; paired green and conventional bonds issued by the same issuers; or bonds in comparable baskets based on several parameters, studied by CBI.³ The former can largely be distorted by issuer characteristics and maturity features. CBI monitors green bond pricing in the primary market on a half-yearly basis and observed greenium for around a third of its sample green bonds in the first half of 2023, consistent with the historical average.⁴ ESMA found there is no clear systematic pricing advantage for "ESG bonds".⁵

¹ United Nations Development Programme. [Identifying the "greenium"](#). April 2022.

² Pietsch, Allegra, and Salakhova, Dilyara. [Pricing of Green Bonds: Drivers and Dynamics of the Greenium](#). ECB Working Paper No. 2022/2728. 1 September 2022.

³ Harrison, C. [Green Bond Pricing in the Primary Market H1 2023](#). Climate Bonds Initiative. September 2023.

⁴ Ibid.

⁵ European Securities and Markets Authority. [The European sustainable debt market – do issuers benefit from an ESG pricing effect?](#) 6 October 2023.

Despite acting at times as a vital pricing motive for issuers, greenium can be problematic in the long run, as highlighted by ESMA—arising from financial stability and investor protection concerns in the EU.²⁸ Various studies have looked at how issuing green bonds can provide issuers with a "green halo" effect²⁹—a potential benefit to an issuer's overall cost of capital.^{30,31} This can be a more sustainable and broader issuer-level benefit, as greenium on a green bond

²⁸ Ibid.

²⁹ Arthur Krebbers, Head of Corporate Climate and ESG Capital Markets at NatWest, found "[increasing evidence](#)" of green halo in a study.

³⁰ Caramichael, John and Andreas Rapp (2022). "[The Green Corporate Bond Issuance Premium](#)." [International Finance Discussion Papers 1346](#). Washington: Board of Governors of the Federal Reserve System.

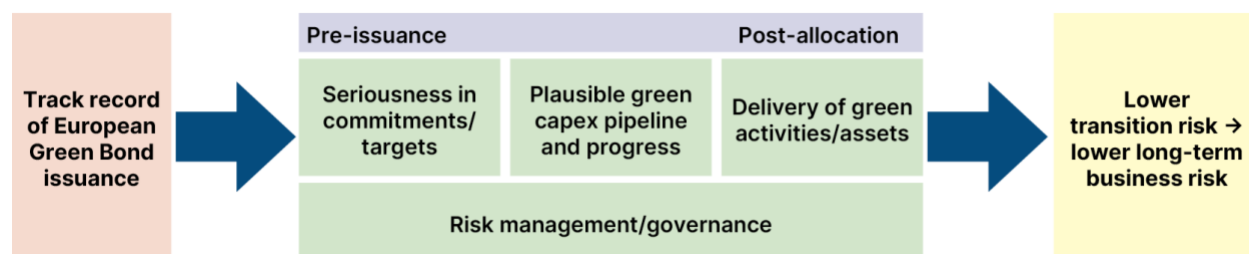
³¹ Caramichael, John and Andreas Rapp (2022) reference further empirical studies:

- Flammer, C. (2021). Corporate green bonds. *Journal of Financial Economics*, 142;
- Tang, D. Y., & Zhang, Y. (2020). Do shareholders benefit from green bonds? *Journal of Corporate Finance*, 61;
- Baulkaran, V. (2019). Stock market reaction to green bond issuance. *Journal of Asset Management*, 20(5), 331–340; and
- Forfot, J. S., & Fosse, H. G. (2021). The green halo debt effect. Norwegian University of Science and Technology: Master's Thesis.

instrument alone can be short-lived and insignificant. Opting for the EuGB label can potentially translate into a better management of environmental or transition risk and opportunities under four pillars:

- Issuing European Green Bonds could send a signal of seriousness in the issuer's environmental policy. The pre-issuance disclosures (see Appendix 1) would contextualise the issuer's commitment. An issuer could define and describe the intended use of proceeds and their contributions in a concrete way.
- Continued or large issuance would see European Green Bonds accounting for a large part of the issuer's capital structure. This may indicate that the issuer has a significant legitimate capex pipeline that is aligned with the EU taxonomy, suggesting strong transition progress. Continued monitoring of the timeliness of proceed allocation and progress on capex indicates the extent of an issuer's implementation efforts.
- A series of fully allocated green bond proceeds indicates sound project delivery. Once a track record of project completion is demonstrated, the new EU taxonomy-aligned assets would bear a lower exposure to climate or environmental risk over time.
- An issuer's risk management and corporate governance may show more rigour through its higher transparency and reporting standard for pre-issuance, post-issuance and post-allocation. External review adds to governance.

Figure 3: Four Pillars of How a Track Record of European Green Bond Issuance Can Translate Into Lower Transition Risks



Source: IEEFA.

Better environmental performance could reflect improved fundamental credit strength in the long term. This may in turn support the issuer's access to capital and potentially lower its overall cost of capital, often thanks to investors' sustainability preference. The sustainability preference has been facilitated through the European Central Bank's intervention in its more climate-conscious³² corporate bond purchase programme.³³ Conventional investors, beyond impact-led investors, increasingly integrate long-term environment risk and opportunities into their investment decisions based on risk-adjusted returns.

³² European Central Bank. [ECB takes further steps to incorporate climate change into its monetary policy operations](#). July 2022.

³³ Bloomberg. [ECB Climate Comments Boost ESG Bond Performance, Allianz Finds](#). 27 June 2023.

For example, Ørsted A/S, the world's largest offshore wind developer, has issued only green bonds since 2017 and has outstanding green bonds accounting for a large majority of its debt. This demonstrates coherence between its financing strategy and its transition to environmentally sustainable activities—the company reported in 2023 that 99% of its capex and 86% of its revenue is taxonomy-aligned. Despite recently abandoning some US offshore wind projects³⁴ and exiting several offshore markets (including Norway, Spain and Portugal)³⁵ amid supply chain bottlenecks and the cost inflationary environment, Ørsted's track record of project completion has positioned itself favourably in the long-term transition. This contrasts with the key Europe-based fossil fuel players—Shell, BP, TotalEnergies and Eni—that have not issued any green bonds nor do they publish a green financing framework to define their use of proceeds, despite being large conventional bond issuers by volume.³⁶ These oil majors have committed to net-zero targets, but a lack of use-of-proceeds instruments may indicate a weak flow towards environmentally sustainable capex. This may in turn increase their exposure to stranded asset risk in the long term. IEEFA research shows that the fossil fuel sector faces various business risks that make long-term investments undesirable.³⁷ Illustrative examples detailed with sector- or issuer-specific attributes might be scope for further study.

While strong investor demand and oversubscription at primary markets are widely seen to support the overall growth of green bond markets, some occasional flow out of green bonds versus conventional bonds³⁸ may somewhat imply a greenium market correction process or scepticism around achieving sustainable impact. A high standard is therefore important to continually incentivise flow into green bonds of high credibility, safeguarding investor confidence in impact returns.

Institutional investors appear to largely welcome the EUGBS to support market transparency³⁹—and to some extent credibility. This comes at a time when they face growing regulatory and social pressure to develop a well-defined green financing and investing strategy and a credible portfolio decarbonisation plan. Amid regulatory calls for increased disclosure, the EUGBS relates particularly to the EU taxonomy disclosure regime (see Appendix 3).⁴⁰ The regime allows investors to contextualise how the bonds contribute to an increasing share of companies'

³⁴ Ørsted. [Ørsted ceases development of its US offshore wind projects Ocean Wind 1 and 2, takes final investment decision on Revolution Wind, and recognises DKK 28.4 billion impairments](#). 31 October 2023.

³⁵ Ørsted. [Capital Markets Update: Ørsted presents updated business plan following comprehensive portfolio review – Thomas Thune Andersen steps down as Chair at upcoming AGM](#). 7 February 2024.

³⁶ According to Refinitiv data as of 12 February 2024, the four fossil fuel players combined have about US\$200 billion of bonds outstanding.

³⁷ IEEFA. [Two economies collide: Competition, conflict, and the financial case for fossil fuel divestment](#). 13 October 2022.

³⁸ Refinitiv. [Everything Green Flows. H123: Sustainable Bonds in Red Despite Strong Conventional Flows for Asset Class](#). 1 August 2023.

³⁹ Responsible Investor. [Big Read: What's next for the EU Green Bond Standard](#). 10 November 2023.

⁴⁰ [Regulation \(EU\) 2021/2178](#) of 6 July 2021 supplements Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

environmentally sustainable activities and report on their own taxonomy-aligned share of investments.

The efforts by climate target standard setter and validation body the Science Based Targets initiative (SBTi)^{41,42} on standards for the financial sector are one sign of rising attention on whether financial institutions have set credible net-zero targets and are shifting their capital away from fossil fuels to environmentally sustainable activities.⁴³ A tendency to construct a portfolio of instruments that comply with a high standard helps institutional investors tackle greenwashing criticism.

The EU Will Need to Set an Example as an Issuer

Supranational issuers, particularly given their prominent roles in developing sustainable capital markets and mobilising capital, should set an example by adopting the EUGBS for their upcoming issuance. In particular, as an issuer, the EU should ideally go beyond aligning with the EUGBS, setting best practices and communicating with a high level of granularity on each element of the regulatory requirements. Other issuers would then find themselves closing any knowledge gaps, lowering obstacles that disincentivise them from issuing EuGB-labelled bonds.

The Commission has committed to raise up to €250 billion of green bonds to fund up to 30% of the €800 billion NGEU recovery plan. This would position the EU as the world's largest issuer of green bonds. As part of the plan, the Commission is expected to issue green bonds in the first half of 2024.⁴⁴

Since its first green bond issue in October 2021, the Commission has issued green bonds totalling €48.91 billion. All its green bond transactions have received strong orderbooks in terms of quality and size.⁴⁵ Expectations from investors raise the EU's obligation, as an issuer, to demonstrate a credible sustainability and climate strategy that is consistent with the bond issuances and to gradually align all its issuances with the EUGBS—a commitment already made by the European Investment Bank,⁴⁶ the EU's lending arm. While the Commission acknowledges in its NGEU Green Bond Framework the importance of “ensuring consistency with the upcoming EUGBS where feasible”, it has not made a clear alignment pledge.

⁴¹ Science Based Targets initiative. [The SBTi launches three draft financial sector resources for public consultation](#). 16 June 2023.

⁴² Science Based Targets initiative. [SBTi Opens Call for Financial Institutions to Pilot its Draft Near-Term Criteria V2](#). 24 November 2023.

⁴³ IEEFA. [SBTi steps up its game on net zero for finance](#). 24 August 2023.

⁴⁴ European Commission. [European Commission to issue €75 billion in long-term EU-Bonds in the first half of 2024](#). 12 December 2023.

⁴⁵ European Commission. [EU Investor Presentation – Investing in EU-Bonds & EU-Bills](#). 12 December 2023.

⁴⁶ European Investment Bank. [Climate Awareness Bonds](#).

Table 3: The European Commission's Green Bond Issuance's Intended Use of Proceeds (UoP) Is Not Well Designed to Align With the EUGBS

EUGBS Requirement	Preparedness of EUGBS Alignment Viewed by IEEFA	IEEFA Analysis—Pre-issuance
Environmental strategy and rationale	Aligned	<p>The expected size of the bond programme is clearly outlined, together with a stated rationale to support the ambitions confirmed by the European Council in July 2020 that at least 30% of the EU budget and NGEU expenditures should support climate objectives, in line with the European Green Deal objectives.</p> <p>It is clearly stated that EU member states are required to explain how the measures in the Recovery and Resilience Plans will contribute to the green transition. These measures must be consistent with the information in their National Energy and Climate Plans and any updates to explain to what extent the plan will help achieve 2030 climate and energy targets, climate neutrality by 2050 and other environmental goals.</p>
Intended UoP—substantial contribution	Not aligned	<p>Proceeds are intended to finance climate-relevant reforms and investments under the Recovery and Resilience Facility (RRF) regulation. But the coefficients of 100%, 40% and 0% climate relevance are not consistent with the EUGBS—the Commission declares that “a significant number of intervention fields in the EU climate coefficients is being in line with the EU Taxonomy, even though some differences remain”.</p> <p>Proceeds raised from multiple NGEU green bonds are expected to be allocated to multiple eligible measures by member states, in line with a portfolio approach.</p>
Intended UoP—DNSH	Aligned	Compliance with the EU taxonomy is mandatory.
Estimated environment impact	Potentially aligned	Not stated in a granular way but reviewed externally.
Reporting	Aligned	<p>The framework commits to annual reporting on allocation until proceeds have been fully allocated (also to reporting on the share of climate expenditure under the RRF aligned with the EU taxonomy). The framework also indicates the intention to publish impact reporting annually after the initial report with potential indicators.</p>
Capex plan	Not determined	Not explicitly stated.
External review	Likely aligned	<p>The framework's alignment with ICMA GBP and the selected intervention fields' alignment to EU taxonomy were externally reviewed; the estimated environmental impacts were also reviewed.</p>

Source: European Commission, IEEFA.

Note: Assessment based on the latest available green financing framework.⁴⁷

⁴⁷ European Commission. [NextGenerationEU Green Bond Framework](#). September 2021.

The NGEU Green Bond Framework published in September 2021 governs all the outstanding green bonds issued by the EU. The use of proceeds of green bonds, forming the eligible pool of expenditures, are governed by the RRF regulation⁴⁸ to determine “climate relevance”.⁴⁹

The eligibility does not seem to follow the EU taxonomy (the RRF regulation predated the delegated acts for the EU taxonomy). One key difference is that in the RRF regulation a coefficient is applied—moderate contribution (coefficient of 40%) is allowed if an activity does not fully comply with the necessary conditions for 100% coefficient-substantial contribution; for EU taxonomy, only projects or assets of SCC are considered. This represents a fundamental discrepancy, despite the Commission’s efforts to refine the RRF regulation. However, the framework shows robust preparedness of EUGBS alignment on other fronts—in particular, the sound commitment to DNSH technical guidance shows a best practice.

Table 4: The NGEU Green Bond Allocation Has Not Been Aligned With the EUGBS

EUGBS Requirement	Preparedness of EUGBS Alignment Viewed by IEEFA	IEEFA Analysis—post-issuance allocation
Environmental strategy and rationale	Likely aligned	Contributions to climate neutrality goals are briefly stated; it reports that NGEU green bond-eligible projects are expected to result in 44 million tonnes of CO ₂ equivalent per year of emissions avoided, representing about 1.2% of the EU’s greenhouse gas emissions in 2022.
Allocation of bond proceeds	Not aligned	NGEU green bonds totalling €44.2 billion had been issued, greater than the reported €21.0 billion expenditures. This leaves €23.2 billion of unallocated proceeds—a misalignment based on a portfolio approach under EUGBS. The percentage of EU taxonomy-aligned allocated proceeds is low at 41%.
Progress of capex plan	Not determined	Not explicitly stated.
External review	Partially aligned	There is limited assurance on selected information and allocation, but it is unclear if the proceeds’ alignment with the taxonomy is externally reviewed.

Source: European Commission, IEEFA.

Note: Assessment based on the latest allocation and impact report as of 1 August 2023.⁵⁰

⁴⁸ Official Journal of the European Union. [Regulation \(EU\) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.](#)

⁴⁹ The largest component of the NGEU funds is the [Recovery and Resilience Facility](#) (RRF), which allows for up to €723 billion to be requested by member states. At least 37% of member states’ recovery and resilience plans must be spent on measures defined as “climate-relevant”.

⁵⁰ European Commission. [NextGenerationEU Green Bonds Allocation and Impact Report.](#) 1 December 2023.

The latest NGEU green bond allocation report shows that €8.7 billion of spending is fully aligned with the EU taxonomy, representing a mere 41% of the total allocated proceeds of €21.0 billion, as of 1 August 2023. The share reaches 46% when including those compliant and partially compliant, still far lower than the 85% required by the EUGBS (factoring in flexibility pocket). The alignment figures were not disclosed in the previous reporting period (as of 19 October 2022).

The alignment of the green bond eligibility pool (the maximum amount to which the NGEU green bond proceeds can be allocated) may predict future expenditures' alignment. The alignment ratio is at an even lower level at 38%, despite an improvement from the previous reporting period of 20%.

Misalignments are observed by looking at the SCC and DNSH criteria individually. This reflects a clear mismatch between the definition of “climate relevant” by RRF regulation and the EU taxonomy. This also raises questions about the applicability of the DNSH criteria, despite a clear commitment to full compliance.

Table 5: Low Levels of EU Taxonomy Alignment Represent Regulatory Inconsistency and Raise Useability Concerns for the EUGBS

	% of Full Alignment With SCC and Full Coverage With DNSH	% of Full Alignment With SCC	% of Full Coverage With DNSH	Total Amount (€ billion)
Actual expenditure (as of 1 August 2023)	41%	42%	89%	21.0
Actual expenditure (as of 19 October 2022)	Not disclosed			13.5
Eligibility pool (as of 1 August 2023)	38%	46%	68%	190.6
Eligibility pool (as of 19 October 2022)	20%	47%	50%	185.0

Source: European Commission, IEEFA calculations.

More than half of the proceeds remained unallocated as of 1 August 2023. This does not seem to fit the EUGBS requirement that the total value of fixed assets or financial assets should exceed the total value of outstanding European Green Bonds under a portfolio approach. Yet the Commission has sought to justify the large volume of expected eligible expenditure by the phasing of the programme, milestones and targets, and a “rigorous construct” of the green bond eligibility pool. The Commission has said all green bond proceeds will be matched to eligible green measures when the RRF is fully implemented by the end of 2026.

The Commission's first impact report (published in December 2023) fares somewhat better than the allocation. The report discloses methodology and assumptions used to evaluate impacts,

with the support of a specialised external party, which adds integrity. It discloses expected and realised output and impact metrics by intervention fields (the categories to classify measures under the RRF regulation—from renewable energy, new or upgraded railways, to adaptation measures). However, the measurements are not detailed by individual projects and only cover slightly more than half of the total eligible expenditures.

Given a relatively short period—two years—since its first issuance, the EU has not yet established a track record as a green bond issuer, nor has it shown readiness to align its future issuance with the EUGBS. The Commission should pick up its pace to refine the RRF regulation and reform its green bond framework and further allocations. This is the best way to rebut any criticism against the useability of the EUGBS and the EU taxonomy.

Summary: EuGB Label Uptake Is Key for Growth

The EUGBS can support long-term green bond market growth, boosting investor confidence and enabling issuers to demonstrate better climate performance. But a low uptake would have no meaningful impact on green bond market growth. The standard remains voluntary, to appease a concern that mandating its use would constrain the market.⁵¹ However, the uptake of voluntary labels remains questionable.⁵²

IEEFA calls for follow-up policy measures—forming a coherent EU sustainable finance strategy—to support the uptake of EuGB labels versus other self-claimed labels.

Upcoming EU taxonomy disclosure requirements are relevant, but a systematic uptake in investments would require complementary policies, primarily: ongoing refinements and expansion of the EU taxonomy and launch of a comparable impact reporting framework. This would further enhance the credibility of the EUGBS over time by removing the 15% flexibility pocket (designed for activities not yet covered by the EU taxonomy and for certain specific activities) and standardising import reporting requirements.

Supported by these largely demand-driven incentives, a standard of higher credibility may boost greenium, which indicates an imbalance between supply and demand—but benefits issuers. The pricing of EuGB-labelled bonds, once systematically adopted, will need to be closely monitored to ensure financial stability. But at the same time, issuers need to be incentivised to issue EuGB-labelled bonds in a continued manner. Subsidising all the additional costs relating to technical project planning, transparency and verification could directly ensure the costs would not add to the burden of issuers nor be passed onto investors. This measure was recommended

⁵¹ European Commission. [Commission Staff Working Document Impact Assessment Report Accompanying The Document Proposal for a Regulation of the European Parliament and of the Council on European Green Bonds](#). SWD/2021/181 final. July 2021.

⁵² S&P Global Market Intelligence. [New EU green bond standard may see low uptake with challenges exceeding benefits](#). 18 May 2023.

by the Commission's Technical Expert Group on Sustainable Finance in 2019⁵³ and is particularly needed for issuers that do not have readily available resources nor a funding base.

European Green Bonds are still no different from conventional bonds in terms of legal and structural features. Losing the EuGB label can potentially impose reputational damage to a company, arising from governance concerns. But an issuer aiming to reap funding benefits on an issuer level, beyond an instrument level, may choose to issue a track record of European Green Bonds. The issuer could in turn demonstrate its strong ambitions, project pipelines of a high technical standard backed by implementational capability, delivery of green assets, and a robust governance and reporting standard.

As this report highlights, the NGEU green bond issuance has not yet set an example of EUGBS alignment as an issuer. If the EU could detail best practices and contextualise the disclosure details on what constitutes a credible capex plan, timely allocation of proceeds, and the causal attribution of proceeds and impact, this would effectively educate and guide issuers in preparation for their potential EuGB-labelled issuance, in turn incentivising uptakes.

The adoption of EUGBS is not a guarantee that greenwashing will not happen, but at least it represents a step in the right direction, especially when better transparency will enable wide stakeholder scrutiny. Europe is the home to a large base of green bond issuers and sustainable investors. Systematic adoption of EuGB labels, supported with necessary revisions of the regulation, would help fulfil the European Green Deal objectives. It would also set an example to lead the world towards a more nuanced standard which is essential to the credibility of the green bond market globally as it continues to grow, given the increasingly important role these instruments will play in fulfilling the ample needs for net-zero projects and capital in years to come.

⁵³ EU Technical Expert Group on Sustainable Finance. [TEG Report on EU Green Bond Standard](#). June 2019.

Appendix 1: Snapshot Conditions for Use of the “European Green Bond” or “EuGB” Designation

Use of Proceeds Requirements			
Allocation	Full allocation according to EU taxonomy ⁵⁴ requirements. Flexibility applies up to 15% of proceeds if no technical screening criteria are in force or to activities in the context of international support reported in accordance with internationally agreed guidelines, criteria and reporting cycles		
Allocation timeline	Fully allocated before bond maturity or allocated from a portfolio of bonds to a portfolio of eligible assets of an exceeding value		
Transparency and External Review Requirements			
	Factsheet	Allocation Reports	Impact Report
Disclosure requirement	Prior to issuance	Reporting every 12 months until full allocation	Reporting after full allocation and at least once during the lifetime of the bond
External review	Required	Required	Optional
Environmental strategy and rationale	Expected contribution to environmental strategy, taxonomy-aligned key performance indicators (KPIs) and transition plans	Contribution to environmental strategy, taxonomy-aligned KPIs and transition plans	Final contribution to broader environmental strategy and explanation of any changes; contribution to taxonomy-aligned KPIs and transition plans
Allocation of proceeds	Intended allocation; process and timeline for allocation	Gradual or portfolio approach: project description; share of financing versus refinancing; economic activities; amount and taxonomy-aligned amount; taxonomy screening criteria; nature of assets/expenditure Portfolio approach only: removals from the portfolio in case of bond maturity; new projects versus new issuance amount	Final allocation
Environmental impact of the bond proceeds	Estimated environmental impact or justify otherwise	N/A	Methodology and assumptions used to evaluate impacts; impacts and related metrics at the project level or justify otherwise
Capex plan	Detailed description	Progress made in the implementation	Progress made in the implementation

⁵⁴ Official Journal of the European Union. [Regulation \(EU\) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088](#). 22 June 2020.

Appendix 2: Comparison of Various Green Bond Labelling Standards or Principles

Note: Green shading indicates a higher standard

	European Green Bond Standards	Climate Bonds Initiative: Use of Proceeds Certification ⁵⁵	Climate Bond Initiative: Green Bond Database Screening ⁵⁶	ICMA Green Bond Principles ⁵⁷
Designation	EuGB	CBI certified	CBI aligned	GBP aligned
Pre-issuance Requirements				
Use of proceeds	100% to aligned fixed assets, capex, operational expenditure, financial assets, households' assets and expenditures; 15% flexibility applied	100% to projects and assets aligned with sector criteria ⁵⁸	100% to aligned assets, projects or activities	Exclusive to eligible green projects
Use of proceeds—eligibility	Technical screening criteria applied—SCC and DNSH	CBI taxonomy and sector criteria	CBI taxonomy and screening criteria (less ambitious than sector criteria)	High-level green project mapping ⁵⁹
Evaluation and selection	<ul style="list-style-type: none"> Environmental strategy and rationale based on KPIs and transition plans Process for allocation Detailed capex plans 	<ul style="list-style-type: none"> Decision-making process: climate-related objectives and how they are positioned within the context of the issuer's overarching environmental goals; issuance rationale; project selection <p>List of proposed projects and assets</p>	Not specified	<ul style="list-style-type: none"> Environmental sustainability objectives Project selection process Risk management process

⁵⁵ Climate Bonds Initiative. [Climate Bonds Standard Version 4.0](#). April 2023.

⁵⁶ Climate Bonds Initiative. [Green Bond Database Methodology](#). July 2022.

⁵⁷ International Capital Market Association. [Green Bond Principles](#). June 2021 (with June 2022 Appendix 1).

⁵⁸ The [draft Climate Bonds Standard Version 4.1](#) includes a 5% flexibility pocket.

⁵⁹ International Capital Market Association. [Green Project Mapping](#). June 2021.

	European Green Bond Standards	Climate Bonds Initiative: Use of Proceeds Certification ⁶⁰	Climate Bond Initiative: Green Bond Database Screening ⁶¹	ICMA Green Bond Principles ⁶²
Management of proceeds	Not specified	Systems, policies and processes required for tracking proceeds, managing unallocated proceeds and earmarking funds to nominated projects and assets	Not specified	Formal internal process
Pre-issuance document	Required (European Green Bond factsheet)	Required (green finance framework)	Not required	Recommended (green bond framework)
External review	Required (by external reviewer registered with and supervised by ESMA)	Required (by approved CBI verifier)	Recommended; Screening determined by CBI	Recommended
Post-issuance Requirements				
Allocation of proceeds	Fully allocated before bond maturity or allocated from a portfolio of bonds to a portfolio of eligible assets of an exceeding value	Within 24 months of issuance, which can be extended for up to five years (exceptionally 10 years if duly justified); net proceeds no greater than total investment exposure to nominated projects and assets	Not specified	Not specified
Evaluation and selection	<ul style="list-style-type: none"> • Contribution to environmental strategy • Project description, economic activities, amount allocated and taxonomy-aligned amount • Financing versus refinancing • Nature of assets/expenditure Progress on capex plan 	<ul style="list-style-type: none"> • Climate-related objectives and how they are positioned within the context of the issuer’s overarching environmental goals • List of nominated projects and assets and amount allocated • Financing versus refinancing • Process to determine eligibility • Geographic distribution 	Not specified	<ul style="list-style-type: none"> • Environmental sustainability objectives, project selection process, risk management • List of projects, amount allocated and expected impact

⁶⁰ Climate Bonds Initiative. [Climate Bonds Standard Version 4.0](#). April 2023.

⁶¹ Climate Bonds Initiative. [Green Bond Database Methodology](#). July 2022.

⁶² International Capital Market Association. [Green Bond Principles](#). June 2021 (with June 2022 Appendix 1).

	European Green Bond Standards	Climate Bonds Initiative: Use of Proceeds Certification	Climate Bonds Initiative: Green Bond Database screening	ICMA Green Bond Principles
Management of proceeds	Not specified	<ul style="list-style-type: none"> • Credited to a sub-account, moved to a sub-portfolio • Maintain an earmarking process or ring-fence the proceeds Conditions of unallocated net proceeds	Not specified	<ul style="list-style-type: none"> • Credited to a sub-account, moved to a sub-portfolio or tracked appropriately
Allocation reporting	Required (annual update)	Required (annual update)	Not required	Required (annual update)
External review—allocation	Required (by external reviewer registered with and supervised by ESMA)	Required (by approved CBI verifier)	Not required/recommended	Recommended
Impact reporting framework	<ul style="list-style-type: none"> • Impacts and related metrics at the project level or justify otherwise • Methodology and assumptions used to evaluate impacts 	<ul style="list-style-type: none"> • Use qualitative performance indicators and, where feasible, quantitative performance measures of the outcomes or impacts (examples outlined) Methods and key underlying assumptions (examples outlined)	Not specified	Core principles and recommendations outlined ⁶³ <ul style="list-style-type: none"> • Ex-ante estimates and ex-post verification samples • Estimated lifetime results • Sector-specific core indicators
Impact reporting	Required	Recommended	Recommended	Recommended
External review—impact	Recommended	Recommended	Not required/recommended	Not required

Source: IEEFA, Official Journal of the European Union, Climate Bonds Initiative, ICMA.

⁶³ International Capital Market Association. [Handbook – Harmonised Framework for Impact Reporting](#). June 2023.

Appendix 3: How the EUGBS Relates to the EU Taxonomy Disclosure Regime

Undertakings	Required KPIs to be Disclosed ⁶⁴	Relevance to EUGBS
Non-financial companies	The proportion of activities covered by the EU taxonomy (taxonomy-eligibility) and compliant with the criteria set in the taxonomy delegated acts (taxonomy-alignment) in terms of turnover, capex, operating expenditure	How bond proceeds contribute to an increasing share of companies' environmentally sustainable activities can be contextualised by company-level, taxonomy-aligned KPIs
Asset managers	Weighted average of the value of investee companies' investments in taxonomy-aligned economic activities versus the value of all assets under management	The requirement increases motives for asset managers to expand their taxonomy-aligned investments, which raises demand for EuGB-labelled bonds
Credit institutions/banks	Green asset ratio—a credit institution's exposure to taxonomy-aligned economic activities as a proportion of its total covered assets	The requirement increases motives for banks to raise green financing capacity, which boosts their own funding needs that can be matched by green bond issuances

Source: Official Journal of the European Union, IEEFA.

⁶⁴ Regulation (EU) 2021/2178 of 6 July 2021 supplements Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

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