



LINARI LAW FIRM

AVOCATS A LA COUR

EU Green Bond Standard



In a bid to meet its future climate goals, the European Commission proposed a new European Green Bond Standard to help increase funding in projects focused on sustainable financing. The aim of the standard is to strengthen the EU's sustainable investments while addressing environmental challenges.

The strategy contains six sets of measures, although not obligatory, issuers are strongly encouraged to incorporate in their bonds. These measures are (1) to ease access to a broadened range of sustainable finance instruments; (2) to include customers more by providing them with tools and incentives to access sustainable finance; (3) to preserve the integrity of the EU financial system; (4) to increase sustainability in the financial sector; (5) to make

the economic and financial system more resilient to sustainability risks and; (6) to propose international initiatives and standards for sustainable finance while supporting EU partner countries.

The new standard will encourage issuers to report in detail how the proceeds of the bonds are allocated and on the environmental performance of their assets and economic activities.

The overall aim is to create a new "gold standard" for green bonds which will set the benchmark for other market standards to compare with.