

To: Corporate Reporting - Investments & Sustainable Finance WG, Sustainability WG
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Subject: European Commission's factsheet on market uptake of EU Taxonomy - June 2024

Summary

In 2023 large, listed EU companies started to report against the Taxonomy's two climate objectives, i.e. climate change mitigation and climate change adaptation. First reports from 2024 are becoming available, which also include information on the Taxonomy's other four environmental objectives. Therefore, on 5 June, the European Commission issued a factsheet to show the current market uptake of the EU Taxonomy ([here](#)).

According to the Commission, the initial evidence is encouraging as companies, public entities and financial actors are increasingly using the Taxonomy for their business strategies, transition planning, investing and lending.

The main findings of the Commission's factsheet are:

- **Capital investments into Taxonomy-aligned activities have increased in 2024** compared to the previous year: in 2023, companies reported €191bn of such investments; so far in 2024, companies have already reported €249bn of such investments.
- Companies have started using the Taxonomy to plan their green investments: on average, around **20% of companies' capital investments are aligned with the Taxonomy**.
- Companies are increasingly using the Taxonomy to guide their **taxonomy-aligned capital investments** in key sectors **to meet the Green Deal targets**.
- Stock market **data indicates that alignment to the Taxonomy correlates with positive market performance**, as companies disclosing high Taxonomy figures have outperformed the overall market in recent years.
- 56% of EU funds either promote environmental or social characteristics or have a sustainable investment objective, as disclosed according to the Sustainable Finance Disclosure Regulation. The assets aligned with the Taxonomy form a small but growing part of what these funds invest in.
- In 2023, 90% of green bonds issued by EU public actors referenced the Taxonomy to illustrate their commitment of using the raised funds for green projects.
- Mortgages and other loans to activities in the scope of the Taxonomy represent, on average, over 50% of the assets of large EU banks (based on first-year figures).
- Latest figures show that €180bn of assets under management meet the criteria of the EU climate transition benchmarks and EU Paris-aligned benchmarks (the EU climate benchmarks).

Next steps

The European Commission and the EU Platform on Sustainable Finance are expected to continue working on better usability of the EU Sustainable Finance framework, while also addressing transition finance.