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CREDIT ENERGY SUSTAINABILITY

# Corporate ESG bond issuance holds firm into 2027

We expect corporate ESG bond supply in 2027 to be slightly higher than our full-year estimate for 2026. Utilities have been responsible for most of the issuance so far in 2026, and we expect the trend to continue in 2027 given high capital expenditure plans in the sector




We expect corporate ESG bond supply to remain high in 2027, slightly above 2026 levels

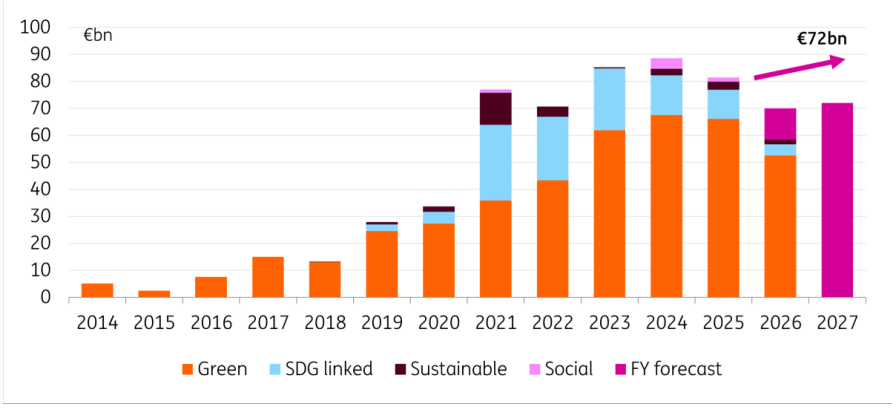
## Uncertain market backdrop to benefit ESG issuance

Corporate Environmental, Social and Governance (ESG) issuance is set for another healthy year in 2027, with volumes likely to edge only slightly higher. We expect regulatory drivers such as SFDR 2.0 to continue to support structural demand for ESG bonds in the medium term.

Our forecast incorporates a slight increase in the share of ESG issuance of total bond supply, as we expect corporates to try and take advantage of the wider investor base offered by sustainable issuance amid an uncertain market backdrop. Our conservative overall supply outlook outside hyperscalers, however, limits the potential growth in sustainable issuance.

## Corporate ESG supply set to reach €72bn in 2027

Realised and forecast euro-denominated corporate ESG bond supply




Source: ING, IGM

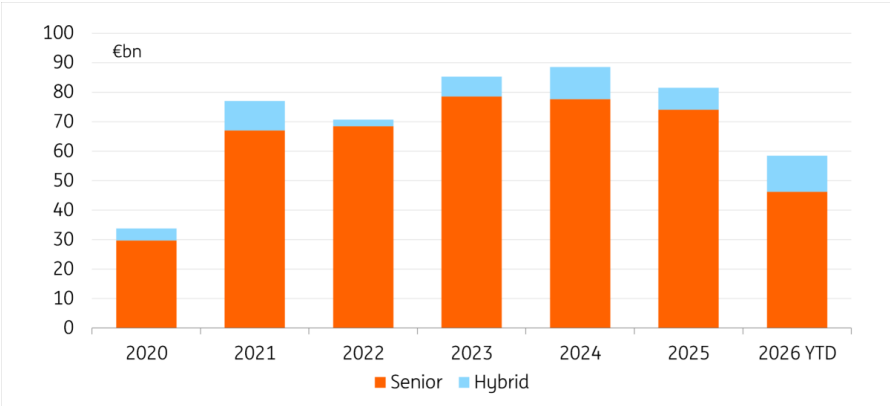
## We expect corporate ESG supply to reach €72bn in 2027

We pencil in €72bn in sustainable corporate issuance, slightly higher than our 2026 full-year estimate of €70bn. Net supply is also higher at €41bn, up from €34bn year-on-year, with redemptions falling €5bn YoY to €31bn next year. Supply is likely to remain supported by existing issuers refinancing redemptions and expanding their ESG curves, with utilities expected to remain active, as well as by new issuers entering the market. Over the past two years, 80-90% of issuance has been green, and we think this trend will continue next year.

Utilities accounted for 66% of all issuance so far this year. Given their substantial capital expenditure plans, this dynamic is unlikely to change in 2027. The dominance of utilities in ESG issuance also means that sustainable hybrids will remain commonplace. So far in 2026, around 25% of sustainable issuance from utilities has come in the form of hybrids, as companies seek to protect their credit profiles and ratings against the impact of significant investment pipelines.

## Corporate hybrids are a growing driver for ESG supply

Corporate ESG senior and hybrid bond supply




Source: ING, IGM

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