

22 June 2020

Press Release >

EnBW issues a further green subordinated bond

Issue size €500 million, 60-year term / sustainability impact assessment by ISS ESG and CBI / CFO Thomas Kusterer: “We continue to focus on expansion in renewable energies”

Karlsruhe. EnBW today successfully launched its third green subordinated bond issue on the capital market with a total issue size of €500 million. The proceeds are to be used exclusively to fund climate-friendly projects. Rating agencies Moody’s, Standard & Poor’s and Fitch classify 50 percent of the subordinated bond issue as equity for EnBW, which has a positive impact on the rating profile.

CFO Thomas Kusterer: “We continue to focus on expansion in renewable energies and plan to invest more than €5 billion in relevant activities in Germany and selected foreign markets by 2025. Then, by the end of 2025, half of our generation portfolio will consist of renewable energies.”

The proceeds of today’s subordinated bond issue will be used in their entirety to refinance Valeco, the French wind power and solar company. In acquiring Valeco last year, EnBW lastingly strengthened its renewable energy activities, which are a central pillar of the company’s future. “At the same time, we also secured growth opportunities in one of the most important renewable energy markets in Europe with Valeco’s existing project pipeline totalling 1,700 megawatts. We will now go on to realise those opportunities step by step,” Kusterer continued.

Sustainability rating agency ISS ESG has confirmed that today’s EnBW bond issue complies with the Green Bond Principles and has good sustainability credentials. EnBW, as the issuer, has also once again been attested good sustainability performance.

In addition, EnBW’s green subordinated bond is certified to the high standards of the Climate Bonds Initiative (CBI). These feature detailed sector-specific criteria for qualification as green bonds.

Sustainability is an integral part of EnBW’s business model today. This also includes a sustainable financial strategy. EnBW is represented in expert bodies such as the Task Force on Climate-related Financial Disclosures (TCFD) – an initiative of the Financial Stability Board – the European Commission Technical Expert Group (TEG) and the German government’s Sustainable Finance Advisory Council. Work outcomes from these bodies are successively incorporated into the company’s own activities. Today’s issue is already based on the current draft model of the EU Green Bond Standard.

EnBW was supported in issuing the bonds by a banking syndicate comprising Société Générale and NatWest as Joint Global Coordinators as well as BBVA, Morgan Stanley, SEB and Unicredit as additional Joint Bookrunners. The issue date will be 29 June 2020. The bond has a term of 60 years. For the bond issue with an initial coupon of 1.875 %, EnBW has a right of early redemption that it can first exercise on 29 March 2026 and thereafter at any coupon date.

The bond is subordinate to all other financial liabilities and ranks equally with EnBW's outstanding subordinated bonds.

Information on the subordinated bond at a glance:

Volume	EUR 500 million
Term to maturity	60 years
Initial coupon	1.875 %
Issue price	99.30 %
ISIN	XS2196328608
Issuer	EnBW AG
Bond rating	Baa2 (Moody's), BBB- (S&P), BBB (Fitch)
First interest payment date	29 June 2021
First optional redemption date	29 March 2026
Denomination	EUR 100,000.00
Further key bond features	<ul style="list-style-type: none"> • EnBW has the right to suspend interest payments. However, these must be made when EnBW distributes a dividend. • Subordinate. • For full terms and conditions please see the prospectus.
Joint Global Coordinators and Joint Structuring Advisors	NatWest Markets (B&D) / Société Générale
Joint Lead Managers	BBVA / Morgan Stanley / NatWest Markets (B&D) / Société Générale / SEB / UniCredit Bank
Legal advisory	Clifford Chance Deutschland LLB (EnBW); Linklaters LLP (Bankenseite)
Stock exchange	Luxemburg

Further information:

EnBW Green Financing Framework:

<https://www.enbw.com/company/investors/bonds/green-bonds.html>

About ISS: ISS ESG is one of the world's leading ESG research and rating agencies with an established rating methodology and high market recognition. ISS ESG analyses key equities and bond issuers worldwide for their environmental, social and governance performance.

<https://www.issgovernance.com/esg/ratings/>

About the Climate Bonds Initiative (CBI): CBI aims at increasing investments contributing to the transition to a low-carbon and climate resilient economy. The Climate Bonds Standard and Certification Scheme is a labelling scheme for bonds, loans & other debt instruments based on rigorous scientific criteria ensuring that it is consistent with the goals of the Paris Climate Agreement.

<https://www.climatebonds.net/>

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