

Green Bond Fact Sheet

ERG Spa		Date: 16-Apr-2019	
Issue date: 11-Apr-2019 Maturity date: 11-Apr-2025 Tenor: 6 years			
Issuer Name	ERG	Amount Issued	EUR500m (USD564m)
Country of risk	Italy	CBI Database	Included
Issuer Type ¹	Non-Financial Corporate	Bond Type	Sr Unsecured
Green Bond Framework	Green Bond Framework	Second party opinion	Vigeo-Eiris
Certification Standard	N/A	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input checked="" type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro <input type="checkbox"/> Tidal	<input type="checkbox"/> Biofuels <input checked="" type="checkbox"/> Bioenergy <input type="checkbox"/> Waste to energy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Flood protection <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience



<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
Issue details			
Reporting	<p>ERG commits to publishing an annual allocation report and impact report until proceeds have been fully allocated. Information will include the amount of net proceeds allocated per project, the percentage of refinancing, project location and status, and the amount of unallocated proceeds (if any). Impact reporting metrics will include:</p> <ul style="list-style-type: none"> • Solar: Installed renewable energy capacity (in MW) • Wind: Produced Green Energy (in MWh per year) • All projects: Estimated annual emissions avoided (in tons of CO₂ equivalent/year) 		
Company information	<p>ERG recently published a EUR1bn MTN programme that includes issuances of benchmark bonds to increase their green assets. ERG was one of the main gasoline providers in Italy not a long time ago, and after selling this branch to Total, it has been moving towards renewable energy. Currently, 29% of their electricity is produced with fossil fuels (mainly from a gas plant in Siracusa), but this share is decreasing, and their Europe-wide portfolio is getting greener.</p>		
Firsts, records and certifications			
Proceeds description	<p>The proceeds will be used to finance or refinance renewable energy projects in Europe. For refinancing, solar projects must not be older than 24 months calculated from the issuance date and for wind projects, the equivalent time limit is 36 months.</p>		
Climate Bonds view	<p>Italy has already reached its 2020 target for the share of renewable energy, driven mainly by solar power (especially in the South where solar radiation is intense). Significant investments have been made in this field, even after incentives ended in 2014. While production levels have been decent, companies have often lacked on stakeholder engagement. Green bonds are known to help with this as they facilitate transparency and accountability.</p> <p>Only 13 bonds so far have been issued by Italian energy sector players, with three issues each from Enel and Terna. The issuance from ERG is therefore a welcome addition to the pool and helps with market diversification.</p>		
Underwriters	BNP Paribas, CaCIB, MedioBanca, UBI, Banca IMI, UniCredit, Barclays		
Deal comments			
Credit Rating			
Pricing summary	Fixed rate interest of 1.875%		
Investors summary			

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign

