

Green Bond Fact Sheet

| BKW Group | | Date: 23/07/2019 | |
|---|--|---|---|
| Issue date: 29-07-2019 Maturity date: 29-07-2027 Tenor: 8 | | | |
| Issuer Name | BKW Group | Amount Issued | CHF200m/USD201.7m |
| Country of risk | Switzerland | CBI Database | Included |
| Issuer Type ¹ | Non-financial corporate | Bond Type | Senior unsecured |
| Green Bond Framework | Link to framework | Second party opinion | ISS-oekom |
| Certification Standard | Not certified | Assurance report | N/A |
| Certification Verifier | N/A | Green bond rating | N/A |
| Use of Proceeds | | | |
| <input checked="" type="checkbox"/> Energy | <input type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input checked="" type="checkbox"/> Hydro | <input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid | <input checked="" type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience |
| <input checked="" type="checkbox"/> Buildings | <input checked="" 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"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience |

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|--|---|
| <input checked="" type="checkbox"/> Land use & agriculture | <input type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper |
| <input type="checkbox"/> Other | <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process |
| Issue details | |
| Reporting | <p>BKW will annually report on the allocation of net proceeds and associated impact metrics until the bond matures as a part of the annual report. In case there are material developments, this will be reported as necessary. The report will contain the following:</p> <ul style="list-style-type: none"> - (Re-)financed Green Projects <ul style="list-style-type: none"> Description Aggregated amount of allocation of net proceeds Impact measurement metrics - Proportion of net proceeds used for financing versus refinancing - Balance of any unallocated proceeds invested in cash and/or cash equivalents |
| Company information | <p>BKW AG is an energy and infrastructure company that provides energy supply services. The company plans, builds and operates infrastructure in order to produce energy through nuclear power, large-scale hydropower, natural gas, wind energy, biomass, solar and other renewable energy sources. BKW plans to achieve 75% of the production capacity to be renewable by 2023. Clients range from businesses, households to the public sector. BKW AG employs around 8,000 people and is based in Bern, Switzerland.</p> |
| Firsts, records and certifications | <p>First utilities issuer in Switzerland</p> |
| Proceeds description | <p>The BKW Green Bond Framework allows financing including capital expenditures, operating expenditures, research and development, as well as acquisitions of companies for the following categories:</p> <ul style="list-style-type: none"> - Renewable Energy: projects aimed at increasing the production, connection and distribution of renewable energies and related infrastructure - Energy Efficiency: investments in smart grid/meters and grid infrastructure improvements as well as storage systems development - Green Buildings: New, existing or refurbished buildings which have to meet a certain set of criteria - Terrestrial Biodiversity Conservation: Land preservation and grid improvement through, the replacement of overhead power lines with efficient underground cable or installation of underground cables instead of overhead power lines <p>As for now, BKW allots the proceeds to small hydro power plants (12%) and wind plants (88%) in Norway, France and Switzerland.</p> |
| Climate Bonds view | <p>It is great to see the first climate bond issued by a utility company from Switzerland distributing the proceeds to hydro power and wind plants in Norway, France and Switzerland. We hope this will lead as an example and more countries in Europe will follow.</p> |
| Underwriters | <p>BNP Paribas (Suisse), UBS</p> |

| Deal comments | |
|-------------------|---|
| Credit Rating | |
| Pricing summary | <ul style="list-style-type: none"> • Interest spread: ms+60bps • Yield: 0.207% • Coupon: 0.250% • Price: 100.337% |
| Investors summary | |

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