

Press release
Bologna, 18 May 2022

Hera: new 500 million euro green bond

Strong interest shown by international investors for the third “green bond” which will finance the sustainability projects of the multiutility in the areas of integrated water cycle, circular economy and pollution prevention and control, and energy efficiency and energy infrastructure”. Subscriptions have reached 3.4 times the amount offered.

Hera, first company in Italy to issue a "green" debt instrument in 2014, has successfully launched, in the context of its Euro Medium Term Note Programme (EMTN), its third “green bond” reconfirming itself as a reference player for sustainable finance, also at an international level.

After the publication yesterday of its new Green Financing Framework (GFF), certified by an independent advisor and already in line with the EU Taxonomy, with this issue Hera gave to the market the chance to invest in the activities of the Group, in line with the EU Taxonomy.

The characteristics of the new green bond and the projects financed

The third green bond issued by the Hera Group (Moody's rating Baa2 with stable Outlook and Standard & Poor's rating BBB+ with stable Outlook), amounts to 500 million euro overall, repayable in 7 years with a 2.5% coupon and a 2.639% return. The issue date for the new green bond is expected to be May 25. The new green bond is represented by senior, non-convertible and unsecured/not guaranteed notes, reserved to qualified investors. It is also expected that the new green bond will be assigned a rating in line with Hera's one. The strong demand, equal to 3.4 times the amount offered, and the quality of the orders received have allowed the price to be fixed at a very interesting level. The transaction has seen significant participation from international investors (in particular, Great Britain, France and Germany), most of whom investing in green and sustainable products.

The bond is expected to be listed, since the issue date, on Euronext Dublin and, at the same date or thereafter, on the Luxembourg Stock Exchange's regulated markets and on Borsa Italiana's ExtraMOT PRO.

The funds will be used to finance or refinance numerous projects, already implemented or included in the Business plan to 2025, selected on the basis of the provisions of the Green Financing Framework (GFF), that pursue one or more of the goals in the UN's 2030 Agenda or Sustainable Development Goals (SDGs). These projects have been subdivided into 3 areas:

1. integrated water cycle (aligned with SDGs No. 6, 13 and 14): waste water management projects, sewerage and water infrastructures furthering resilience and adaptation to climate change;
2. circular economy and pollution prevention and control (meeting SDGs No. 11, 12 and 13): innovative projects in plastics manufacturing, biogas and biofuel production for the use in transportation, the waste collection systems, anaerobic digestion and the compost of organic waste, and vehicle fleets for environmental services;

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MULTIMEDIA

[Hera's headquarters picture](#)

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3. energy efficiency and infrastructures (consistently with SDGs No. 7, 11 and 13): from energy production through photovoltaic systems and geothermic, to district heating networks, from installing devices and equipments for energy performance regulation and control, to renewable energy technologies, from hydrogen introduction networks to power transmission and distribution networks.

In order to guarantee that the funds are correctly and transparently allocated, Hera has introduced a monitoring and reporting process. The amount actually dedicated to each intervention will be published in the Group's 2022 Sustainability Report, along with data concerning the environmental performances reached.

Hera's partners in the transaction

The Hera green bond issue was coordinated by BNP Paribas, Credit Agricole CIB, Mediobanca and UniCredit as Joint Bookrunners; BBVA, Intesa Sanpaolo and Banco Santander as Bookrunner. The law firm Legance provided Hera with assistance, while the law firm Linklaters assisted the Bookrunners.

Sustainalytics, that examined Hera's Green Financing Framework (GFF) and issued a "second party opinion", is one of the world's leading rating firms in the field of responsible and ESG investments, it has branches in 17 Countries and over 500 international consultants.