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Iberdrola was the world's largest company issuer of such bonds in 2016

Iberdrola has completed its sixth green bond issue worth €750 million

- The issue has a ten-year maturity (September 2027), 1.25% coupon payment, and has been placed amongst major international investors with a significant involvement of 'green' investors.
- The funds obtained, the responsible use of which has been validated by the independent agency Vigeo Eiris, will be earmarked to finance and refinance investments in onshore wind farms in the United Kingdom and offshore wind farms in Germany.

Iberdrola has successfully completed a *green* bond issue on the Euromarket, with proceeds earmarked to finance and refinance investments in onshore wind farms in the United Kingdom and an offshore wind farm in Germany (Wikinger, which the company is developing in German waters of the Baltic Sea).

The issue amounted to €750 million and will mature in September 2027. The coupon has been set at 1.25%, which was made possible by achieving a 58 basis point spread over the mid-swap.

The cost of the operation is very competitive in light of the volume reached and current market climate, characterised by the uncertainty over interest rate trends, current geopolitical risks and the concerns pervading the market regarding the upcoming monetary policy decisions (the European Central Bank is scheduled to meet tomorrow). The operation was nevertheless executed satisfactorily, underpinned by strong interest from fixed income investors and its *green nature*.

The operation has improved the conditions of Iberdrola's most recent issue this past February, since it was able to close without paying any additional new issue premium compared with the theoretical listing level on the secondary market.



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Iberdrola thus continues making headway in its strategy to make a large proportion of its liability 'green', in accordance with the company's commitment to a low-carbon energy mix. The Group was the world's largest green issuer at company level in 2016.

The demand for today's operation exceeded €2,200 million in the initial phase, thereby allowing placement to be increased to €750 million, which was initially scheduled for €500 million. Over 150 investors will be taking part in the issue.

Accordingly, green bonds tend to generate greater demand since they attract the interest of Socially Responsible Investors (SRI). Indeed, a large part of the operation has been subscribed across investors of this sort, enabling Iberdrola to continue diversifying its investment base while increasing demand, which enhances the execution of such operations during volatile periods of trading.

A key feature of *green bonds* is that the funds obtained are used for financing sustainable and socially responsible projects, a use that is [certified by an independent validating agency, namely Vigeo Eiris](#).

Today's issue is Iberdrola's sixth public issue of this type and builds on the success attained both in April 2014, when the company became the first Spanish company to complete a placement of green bonds and the issues made subsequently: April, September and December 2016, and February 2017.

The [group also reached an agreement with BBVA towards the end of 2016 for the world's first green loan](#) for a power utility, worth €500 million. By doing so, Iberdrola solidifies its role as the international bellwether for financing of this sort.

Similar to the bond issued today, Vigeo then acknowledged that the projects for which the obtained resources will be used are in line with the following [UN Sustainable Development Goals \(SDGs\)](#), which Iberdrola has incorporated into its strategy: number 7 - Clean, Affordable Energy - and number 12 - Responsible Production and Consumption.

About Vigeo Eiris

Founded in 2002, Vigeo Eiris has established itself as a leading European expert in assessing practices and behaviours of companies



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and public corporations in the areas of environment, social responsibility and good governance.

The agency evaluates the commitment of companies and public corporations in meeting environmental, social and corporate governance objectives which are considered to be both risk factors and business opportunities when defining and developing corporate strategy.

In a published statement on Iberdrola, Vigeo Eiris highlighted that the Group meets all international requirements in terms of sustainable development and that it is positioned amongst the top-rated corporations assessed by Vigeo within the *utilities industry*.

