



## PRESS RELEASE

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## ENEL RECEIVES IFR'S "ESG ISSUER OF THE YEAR" AND "2019 YANKEE BOND" AWARDS FOR ITS GAME CHANGING SDG-LINKED BONDS

- *Enel was named 2019 ESG Issuer by the world's leading global capital market intelligence provider IFR for the company's commitment to sustainability resulting in the innovation of the sustainable finance market brought about with the first general purpose bonds linked to SDGs*
- *The 1.5 billion US dollar SDG-linked five-year bond was named Yankee Bond of the year*

**Rome, December 16<sup>th</sup>, 2019** - Enel has been recognized by International Financing Review (IFR), the world's leading provider of global capital market intelligence, as ESG Issuer of the year in the IFR Awards 2019. The award was given for Enel's commitment to a sustainable strategy resulting in the innovation of the sustainable finance market brought about through the world's first general purpose bonds linked to the achievement of the United Nations Sustainable Development Goals (SDGs), launched by the Group on the US dollar and euro markets, in September and October this year respectively. Furthermore, the Group's 1.5 billion US dollar SDG-linked five-year bond was named Yankee Bond for 2019.

*"These awards are an important recognition of our commitment towards sustainability, which is not only fully integrated into our business model, but is also increasingly a key driver of our financing strategy,"* said Enel Chief Financial Officer **Alberto de Paoli**. *"The IFR awards underscore the work that went into the introduction of SDG-linked general purpose bonds in capital markets, a new and ground-breaking tool through which we have demonstrated that sustainability generates real value for companies and their stakeholders."*

IFR praised Enel's SDG-linked bonds, which directly connect the Group's business and cost of capital to its progress on sustainability goals, for raising the profile of SDGs in investment banking, while creating a framework to scale up sustainable financing.

Thanks to their general corporate purpose structure, Enel's SDG-linked bonds promote a more widespread use of these tools by decoupling sustainable financing from a project-based approach to a more strategic corporate model, boosted by a pricing step-up that can encourage companies and investors to accelerate change.

In September, the world's first general purpose SDG-linked bond launched by Enel on the US market for a total of 1.5 billion US dollars, was oversubscribed by almost three times, with total orders of approximately 4 billion US dollars. The bond issue, which is linked to SDG 7 "Affordable and clean energy", includes a coupon that steps up by 25 bps should the Group miss the target to achieve, by December 31<sup>st</sup>, 2021, a percentage of installed renewable generation capacity (on a consolidated basis) equal to or greater than 55% of total consolidated installed capacity.

After the successful US market placement, Enel tapped into the euro market with a new SDG-linked bond totalling 2.5 billion euros, which was almost four times oversubscribed, with total orders of about 10 billion euros. This latest bond added to the renewable generation capacity goal set in the US bond, a target



linked to SDG 13 (Climate action) to achieve a level of greenhouse gas emissions by 2030 equal to or less than 125 g of CO<sub>2</sub> per kWh, foreseeing for both a 25 bps step-up mechanism if targets are not reached.

The SDG-linked bonds underscored the value of sustainability as reflected by the demand mechanics and the pricing of the issues, enabling Enel to obtain an average discount of approximately 15 bps with respect to comparable issues without sustainability features.

Enel is fully committed towards this innovative financing tool, expecting to increase the share of sustainable finance sources, such as the SDG-linked bonds, on Enel's gross debt, from around 22% in 2019 to approx. 43% in 2022 and to around 77% in 2030.

**Enel** is a multinational power company and a leading integrated player in the global power, gas and renewables markets. It is the largest European utility by market capitalization and ordinary EBITDA, and is present in over 30 countries worldwide, producing energy with around 90 GW of managed capacity. Enel distributes electricity through a network of over 2.2 million kilometers, and with around 73 million business and household end users globally, the Group has the largest customer base among its European peers. Enel's renewables arm Enel Green Power already manages around 46 GW of wind, solar, geothermal and hydropower plants in Europe, the Americas, Africa, Asia and Oceania.