



Sustainable Finance Webinars

# Environmentally Sustainable Economy in the New Landscape

Thursday 31 March 2022, 3:00pm - 6:00pm



EMPOWERING   
SUSTAINABLE GROWTH

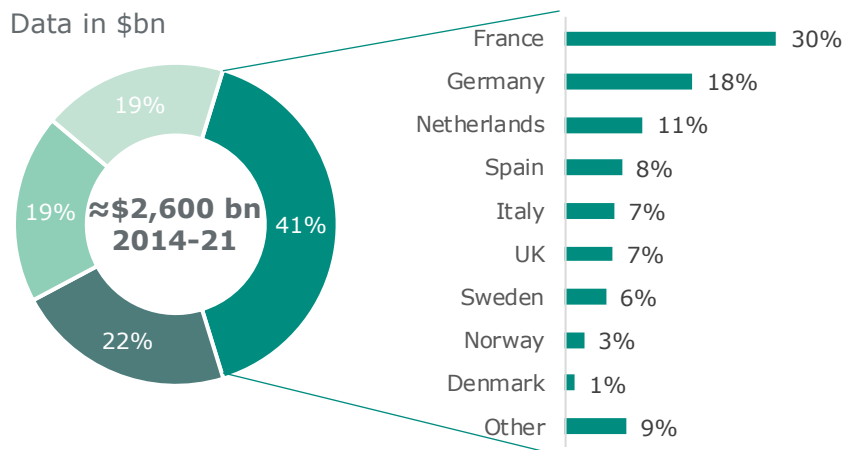
# Europe sustainable debt evolution

Europe represents the leading region overall with over \$410 bn issued in 2021

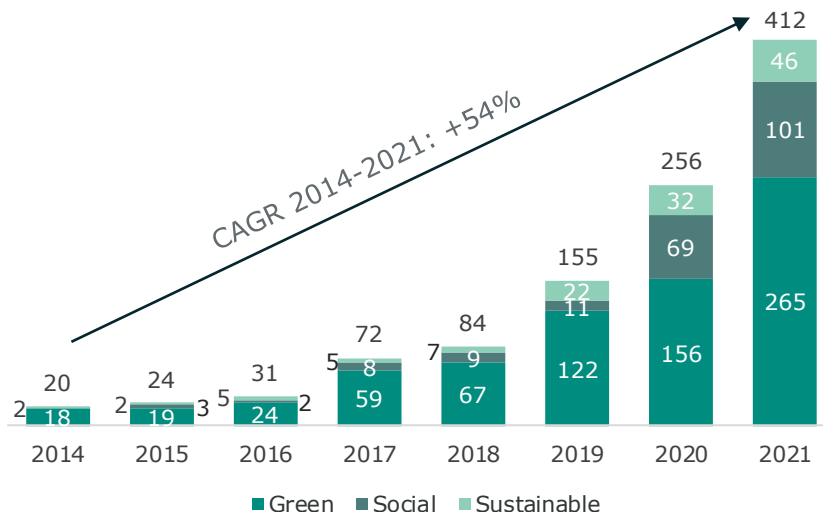
- Europe is the main market for ESG & Green bond issues (over 40% globally over the 2014-2021 period), reaching \$412 bn in 2021 (+61% YoY)
- Europe dominates in Green, driven by a more mature bond market which includes many large issuers from both the private and public sector

Worldwide (\$ bn) – 2014-2021

Data in \$bn



Europe (\$ bn) – 2014-2021



■ Europe ■ Asia-Pacific ■ Americas ■ Other

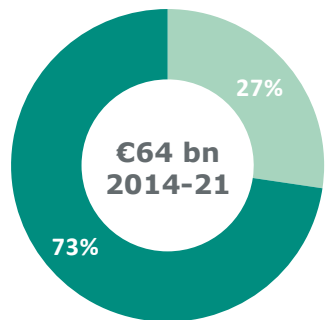
Source: Climate Bond Initiative 2021 and Equita estimates based on available data

# Europe sustainable debt evolution: focus on Italy

The Italian market registered a strong evolution both in terms of volumes and number of issues

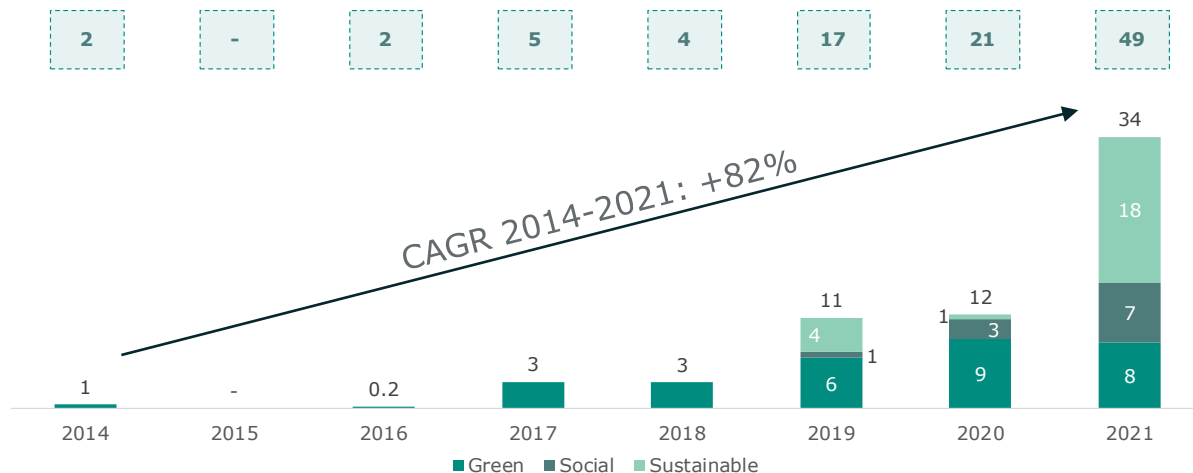
- Strong activity in Italy, particularly in the 2019-2021 period (87% of overall volumes 2014-2021), confirming the growing visibility and strong interest in this type of instruments
- Main issuers operate in the Utility and Financial Services industries (e.g. Enel, SNAM, Intesa Sanpaolo)

Data in €bn



Financial Corporate

Source: Bond Radar as of 31/12/2021



# Case study: OVS



OVS issued a Sustainability-Linked bond to support its growth strategy, demonstrating a strong commitment towards a sustainable fashion industry

- OVS is a leading apparel retail chain in Italy
- The group launched its first Sustainability-Linked bond in November 2021

▪ Coupon Step-Up of max 25bps if OVS does not achieve one or more sustainable targets by 2024 as shown below:

 Scope 1 & 2 Emission (Direct/Indirect Green House Gas): +10bps

 Scope 3 Emission (Green House Gas): +10bps

 Transparency and sustainability level of suppliers<sup>(1)</sup>: +5bps

▪ Furthermore, OVS mandated Sustainalytics to provide an independent Second Party Opinion on the Sustainability-Linked Bond Framework

(1) Measured by the platform HIGG, adopted by the Sustainable Apparel Coalition

DETAILS OF THE ISSUE	
<b>Issuer</b>	OVS S.p.A.
<b>Issue date</b>	10 <sup>th</sup> November 2021
<b>Maturity date</b>	10 <sup>th</sup> November 2027
<b>Ranking</b>	Senior Unsecured
<b>Rating</b>	Unrated
<b>Amount</b>	€160 M
<b>Tenor</b>	6 years
<b>Coupon</b>	2.25% payable annually in arrears (with a Step-up mechanism)
<b>Issue Price</b>	100% of nominal value
<b>Type</b>	Sustainability-Linked Bond
<b>Use of proceeds</b>	Refinancing part of existing indebtedness
<b>Target investors</b>	Qualified investors in Italy, institutional investors abroad and general public in Italy
<b>Listing &amp; Placement</b>	Euronext Dublin, Official list MOT of Borsa Italiana
<b>Placement Agent</b>	Equita SIM

# Case study: Alerion Clean Power

Alerion issued the second Green bond to enlarge the wind farm portfolio

- Alerion operates wind as well as solar farms to produce clean energy from natural resources
- Alerion launched its second Green bond in November 2021
- Due to the nature of Alerion's core business, the proceeds of the bond will physiologically fund green projects:
  - Alerion has undertaken in recent years a consolidation in Europe both through direct development of new projects and acquisitions of new wind farms (e.g. Ricigliano and Grottole wind farms in 2020)
- Alerion mandated DNV to provide an independent Second Party Opinion on the eligibility of its projects as 'Green'

## DETAILS OF THE ISSUE

<b>Issuer</b>	Alerion Clean Power S.p.A.
<b>Issue date</b>	3 <sup>rd</sup> November 2021
<b>Maturity date</b>	3 <sup>rd</sup> November 2027
<b>Ranking</b>	Senior Unsecured
<b>Rating</b>	Unrated
<b>Amount</b>	€200 M
<b>Tenor</b>	6 years
<b>Coupon</b>	2.25% payable annually in arrears
<b>Issue Price</b>	100% of nominal value
<b>Type</b>	Green bond
<b>Use of proceeds</b>	Refinancing of Alerion 2018-2024 Bond/ Financing of green projects
<b>Target investors</b>	Qualified investors in Italy, institutional investors abroad and general public in Italy
<b>Listing &amp; Placement</b>	Euronext Dublin, Official list MOT of Borsa Italiana
<b>Placement Agent</b>	Equita SIM

# NRRP: an unprecedented opportunity for Italy

Italy is the top beneficiary in absolute terms of NGEU (€235 bn): the Recovery and Resilience Fund alone guarantees €192 bn to be spent over 2021-26

- The resources allocated to **Green and Energy Transition** represent the bulk of the funds earmarked for economic recovery, with approx. €70 bn of potential contributions or approx. 30% of total resources
- Funds will be mainly dedicated to projects supporting:
  - Circular economy and sustainable agriculture (€5.3 bn), with the aim of increasing the percentage of sorted waste collection, recycling/reuse and the spread of RES plants in agriculture
  - Renewable energy, hydrogen and sustainable mobility (€23.7 bn), supporting the growth of renewables, electricity distribution networks, hydrogen plants and electric mobility
  - Energy efficiency and building renovation (€15.4 bn), through renovation projects aimed at energy saving (Superbonus 110%) and district heating
  - Land and water protection (€15.1 bn), through the reduction of water losses, energy efficiency in municipalities and the improvement of agricultural irrigation

NRRP resources represent an unparalleled opportunity for Italian issuers to leverage on capital markets in order to move forward in the energy transition

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