



ADVISORY
Industry Information

Listings Advisory: ESG & Green Bonds

July 2020

If ever there was a year when ESG bonds would come to the fore, 2020 has proven to be such a year. As international capital markets respond to the Covid-19 pandemic, we have witnessed a renewed focus on the social element of ESG bonds reflecting strong investor appetite for ESG issuance, particularly where the proceeds of such issuance may have a beneficial societal impact during this crisis. Walkers has been pleased to act as listing agent on a number of recent ESG issuances and we expect to see increased demand from capital markets participants for ESG products during 2020 and beyond.

Alongside increased investor demand for ESG & green bonds, we've seen the development and promotion of ESG & Green market segments on many international stock exchanges including Euronext Dublin, the Cayman Islands Stock Exchange (CSX), The International Stock Exchange (TISE), Vienna MTF and the Bermuda Stock Exchange (BSX) for whom Walkers acts as a recognised listing agent. This advisory aims to provide clients with a flavour of our listing expertise alongside the options available when choosing to list ESG & Green Bonds.

Listing ESG & Green Bonds on a Recognised Stock Exchange

At Walkers we offer issuers a choice of market on which to list your securities with the added attraction of recognised ESG & Green segments. The process for listing ESG and Green Bonds follows the standard listing process with the additional benefit of boosting the profile of your bond through its admission to the green/ESG segment of an internationally recognised stock market. While there may be minor nuances between the processes applied by each exchange, the most common features to the green/ESG segments we offer are as follows:

Common Features of ESG & Green Segments:

- » Open to all types of ESG & green investment, including bonds, funds and trading companies
- » Open to issuers from any jurisdiction
- » Green & ESG credentials must be verified by an appropriate third party to evidence a globally recognised standard
- » Securities must first be admitted to the official list following which they will be eligible for entry to the green/ESG segment
- » No additional listing fees charged for entry to, or ongoing presence on, green/ESG segments

Market Choice

Euronext Dublin: Euronext ESG Bonds consolidates ESG bonds listed in multiple Euronext locations onto one highly visible area, allowing issuers to showcase their ESG credentials and permitting investors to rapidly identify bonds including green, social, sustainability, blue and sustainability-linked bonds. To date, more than 130 issuers are featured on the Euronext ESG Bonds segment including sovereigns, financial institutions, education companies, food companies and energy producers. Click [HERE](#) for a link to Euronext ESG Bonds.

TISE: TISE has established TISE GREEN as a market segment for green investments, including bonds, funds and trading companies, which enhance or protect the environment. TISE GREEN has recently listed four series of green bonds for an energy group involved in the production of solar energy. Click [HERE](#) to access further information on TISE GREEN.

Vienna MTF: The Vienna Stock Exchange offers a Green and Social Bonds platform promoting sustainable and transparent capital markets. Click [HERE](#) for additional information.

CSX: Recognising the commercial and environmental benefits of Clean Technology Companies ("CleanTech") and CSX's ability to provide an efficient gateway to capital markets, the CSX has devised specialist listing rules for this sector. Click [HERE](#) for further information.

BSX: The BSX has launched an ESG initiative in line with the World Federation of Exchanges' Sustainability Principles. The BSX is a leading exchange for the listing of Insurance Linked Securities (ILS) and catastrophe bonds, which are acknowledged as sustainable development investments. Click [HERE](#) for further information.



Walkers ESG Experience: We've been pleased to act on some novel and exciting transactions including:

- » We acted for ENEL in the issuance of a novel format of bond directly linked to its sustainable development goals (SDG-linked bonds), demonstrating ENEL's commitment to increasing its renewables base
- » We acted on the first ever green Euro CMBS transaction, a French property which was awarded a BREEAM certificate
- » On the CLO front we're seeing growing numbers of CLO funds adopting explicit ESG criteria to avoid investing in sectors such as gambling, tobacco, weapons and hazardous chemicals, demonstrating a heightened social and environmental awareness
- » We acted on a social bonds issuance undertaken by an education company whose proceeds will be invested in line with its Social Bond Framework.
- » We acted on a high yield bond transaction whose proceeds will be used to finance or refinance new and existing eligible green projects and assets related to generation of wind powered energy and solar power energy in Southeastern Europe.
- » We acted on a private placement bond transaction to acquire renewable solar/windfarm energy assets across the Americas and Europe.

Meet our Listing Experts:

Please contact one of our Walkers listing experts if you would like further advice or information on this topic.

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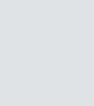
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One-stop-shop for listing services

At Walkers we offer a variety of listing solutions acknowledging our diverse client base and an even more diverse range of debt securities products. The markets we offer complement each other and ensure that we tailor our listing services to meet your listing requirements. Whether you seek to list your securities offshore or on-shore, on an EU regulated market or EU MTF market, Walkers' listing professionals are ready to seamlessly manage your listing request.

Common Reasons for Listing

- » Enhanced marketability of bonds
- » Access to institutional investors, including pension funds
- » Withholding tax exemption
- » Internationally recognised and reputable stock exchanges
- » Guaranteed turnaround times

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