



## PRESS RELEASE

Paris, October 6, 2023

### **Valeo completes a €600 million debut green bond and welcomes the European Investment Bank for its important participation.**

Valeo today announces the successful completion of its inaugural green bond, raising 600m worth of bonds. The European Investment Bank (EIB) has subscribed in the amount of 150m euros in what is the first green bond issued by Valeo.

A key feature of this operation is the establishment of a pioneering green and sustainability-linked financing framework covering both reporting, governance and verification, which Valeo has put in place to guarantee the funds are applied solely to activities which satisfy the EU Green and Sustainability Taxonomy. These include projects related to both production systems and the introduction of new technology in the relevant categories including clean transportation, renewable energy, energy efficiency, sustainable water and waste water management, and circular economy. Valeo has so far identified a pipeline of circa 2bn euros of eligible projects. Examples include smart heat pumps, battery terminal management systems, electric motors, and compact and quiet front-end cooling modules.

Valeo has committed to achieving carbon neutrality by 2050 covering its entire value chain – including suppliers, operating activities and the end use of products sold by the Group (direct and indirect emissions, i.e., Scopes 1, 2 and 3 emissions). By 2030, Valeo's emissions will have decreased by 45%, in absolute terms\*, compared with 2019. On the journey to carbon neutrality, 2030 is an important and fast-approaching milestone.

The bond will enable Valeo to continue to expand its portfolio of technologies that contribute to low-carbon mobility, in particular its solutions for vehicle electrification, a field in which the Group is a world leader.

Valeo joined the new "CAC 40 ESG" index, in March 2021, which includes 40 companies that have demonstrated best practices from an environmental, social and governance perspective.

Valeo is regularly recognized for its comprehensive sustainable development (environmental, social and governance) approach.\*\*

The European Investment Bank is a long-term partner of Valeo's, having provided a total of 750 million euros in funding for investments into technologies designed to reduce carbon emissions and improve active vehicle safety since 2020.

These green bonds fully comply with the Bank's framework and eligibility criteria for climate action and environmental sustainability. This green bond financing offer complements the Bank's existing long-term bank loan offering.

This operation, which is a first for the EIB in France, should help attract long-term financing on the public debt markets for green investments.

*"We are pleased with the success of this inaugural green bond. It is an endorsement of the progress we have made in establishing our Group as a leader in the development of electric vehicles in particular and sustainable mobility in general. We are particularly pleased that the EIB, which is playing a key role in financing the European Union's climate goals, has been willing to support this transaction"* said Christophe Perillat Valeo CEO.

Ambroise Fayolle, Vice-President of the EIB, commented: *"I am delighted with this transaction, carried out with a long-standing partner of the bank, which has made the green transition the priority of its investments. This first participation by the EIB as a leading investor in a senior green bond issue in France demonstrates the strong innovative capacity of our teams. A pioneer in the issuance of green bonds since 2007, the European Union's Climate Bank is proud to contribute to attracting more private sector financing for the energy transition by underwriting this green bond issue."*

*\*taking into account the positive impact of the electrification benefits of Valeo's solutions in terms of CO2 emissions reduction, also known as the "Adjusted target".*

*\*\*in reference to ESG ratings from extra-financial agencies, 2022 URD page 45*

#### About Valeo

As a technology company and partner to all automakers and new mobility players, Valeo is innovating to make mobility cleaner, safer and smarter. Valeo enjoys technological and industrial leadership in electrification, driving assistance systems, reinvention of the interior experience and lighting everywhere. These four areas, vital to the transformation of mobility, are the Group's growth drivers.

Valeo in figures: 20 billion euros in sales in 2022 | 109,900 employees at December 31, 2022 | 29 countries, 183 plants, 21 research centers, 44 development centers, 18 distribution platforms.

Valeo is listed on the Paris Stock Exchange.

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#### About EIB

The European Investment Bank (EIB) is the EU's long-term financing institution, whose shareholders are the 27 member states. It provides financing for quality investments that help to achieve Europe's key objectives, such as the European Green Pact, which aims to make the EU carbon neutral by 2050. As the EU's climate bank, it aims to encourage the emergence and deployment of new technologies to meet the challenges of the energy transition to a new low-carbon growth model. In 2022, EIB investment in France in renewable energies, clean mobility and energy efficiency amounted to 5.9 billion euros, representing 70% of its financing.

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## Transaction details

- First EUR benchmark issue in accordance with Valeo's Green and Sustainability-Linked Financing Framework
- 5.5 year bond with coupon of 5.875%
- 600m euros raised

Credit Agricole CIB acted as Sole ESG Structuring Advisor. BNP Paribas and Credit Agricole CIB acted as Joint Global Coordinators, and with Citi, MUFG, Natixis and Société Générale as Joint Active Bookrunners.

The Green Bond offering has been issued in accordance with Valeo's Green and Sustainability-Linked Financing Framework dated September 2023. A Second Party Opinion dated 25 September 2023 has been delivered by ISS Corporate Solutions.

The bond, a EUR Benchmark, RegS Bearer, senior unsecured, offering off the EMTN Programme, is expected to be rated Baa3 by Moody's, and BB+ by S&P.

In 2022, 20% of Valeo Sales was eligible under the EU Taxonomy regulation (in reference to 2022 URD page 275) which illustrates the attractiveness of Valeo's products to contribute to a greener mobility.