

PRESS RELEASE
For immediate release

EUR 17 billion EU SURE social bond listed on LuxSE

Luxembourg 27 October 2020: In the presence of European Commissioner for Budget and Administration Johannes Hahn and Prime Minister of Luxembourg Xavier Bettel, the Luxembourg Stock Exchange (LuxSE) today marked the listing of the first social bond issued under the EU SURE programme. The EU established SURE (Support to mitigate Unemployment Risk in an Emergency) earlier this year to help protect jobs and workers across Europe, which have been heavily impacted by the COVID-19 pandemic. The social bond will be displayed on the Luxembourg Green Exchange (LGX).

“We are extremely proud to celebrate the listing of the SURE social bond on our exchange and its display on LGX, our platform dedicated exclusively to sustainable securities. This bond raises funds to secure hundreds of thousands of jobs in multiple Member States. Contributing to inclusive and sustainable growth is at the core of LGX’s mission, and today’s bond listing marks an important milestone not just for Europe, but for sustainable finance,” commented Robert Scharfe, CEO of LuxSE.

Unprecedented investor response

The EUR 17 billion social bond issuance is the very first social bond issued by the European Commission. It consists of two tranches; a EUR 10 billion tranche with a 10-year maturity and a EUR 7 billion tranche with a 20-year maturity. The bond was 13 times oversubscribed, with demands exceeding EUR 233 billion, which reflects the enormous support from the investor community for a social bond that will safeguard jobs and fight the rising unemployment in European countries stemming from the COVID-19 pandemic and the resulting economic crisis.

“Today’s listing at the Luxembourg Stock Exchange is another highlight of a process which started months ago with our dedicated work to establish SURE. This instrument enables quick financial support for social matters, especially in the area of employment which is heavily affected by the crisis. The issuance of social bonds demonstrates the EU’s firm commitment to foster sustainable finance also at global level. Last week’s successful launch is proof that investors appreciate not only the safety guaranteed by the EU, but also the quality of

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investments, aligned with the EU's strategic political priorities such as sustainability, social fairness and an environmental-friendly economy," stated Johannes Hahn, European Commissioner for Budget and Administration.

Fighting unemployment

Earlier this month, the European Commission established a Social Bond Framework aligned with the International Capital Market Association's Social Bond Principles. The Social Bond Framework received a favourable second-party opinion by Sustainalytics. Issued under the EU Debt Issuance Programme, the social bond issuance is governed by Luxembourg law.

The EU SURE programme has a mandate of borrowing up to EUR 100 billion on capital markets to support efforts to protect jobs and fight unemployment across Europe. So far, 17 Member States will receive financial support totalling EUR 87.8 billion under the programme to protect jobs and workers in their respective countries. Under the Social Bond Framework, the Member States will report on the allocation of the funds and on the concrete impact in terms of the number of jobs supported.

Social brought to the fore

The EU SURE social bond is listed at the Luxembourg Stock Exchange, and displayed on the Luxembourg Green Exchange, the world's leading platform exclusively dedicated to sustainable securities. LuxSE established LGX in 2016 as a direct contribution to the Paris Climate Agreement and the United Nations Sustainable Development Goals. LGX facilitates sustainable investment and helps reorient capital flows towards green and sustainable development. Today, LGX encompasses around 830 securities representing more than EUR 320 billion.

The EU SURE social bond framework will contribute to the advancement of the United Nations Sustainable Development Goal 3 on Good health and well-being and Goal 8 on Decent work and economic growth. In this way, the SURE social bond programme contributes to the sustainable development strategy established by the EU.

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About the Luxembourg Stock Exchange

The Luxembourg Stock Exchange (LuxSE) is the gateway to access international investors. With more than 37,000 listed securities, including 33,000 debt instruments, from 2,000 issuers in 100 countries, LuxSE is one of the world's leading exchanges for the listing of international, financial securities and offers a unique and integrated service offering covering listing, trading and information services.

In 2016, LuxSE launched the Luxembourg Green Exchange (LGX) and became the first exchange in the world to operate a platform dedicated entirely to sustainable securities. LGX has become a meeting place for impact-conscious issuers and investors, and has a leading global market share of listed green, social and sustainability bonds worldwide.

LuxSE also operates a specialist subsidiary, Fundsquare, which provides services to support and standardise cross-border distribution of investment funds. For more information, visit www.bourse.lu

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