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Media release

NBN Co's latest European Green Bonds raise AUD 2.16 billion

NBN Co has successfully raised EUR 1.3 billion (A\$2.16 billion equivalent) from its second Euro Green Bonds issuance in the European debt capital markets.

The Euro dominated benchmark transactions in green format were priced on 14 March 2024 across a dual-tranche offering, with EUR 700 million (A\$1.16 billion) in a six-year tranche and EUR 600 million (A\$995 million) in a 10-year tranche.

The combined proceeds will be fully allocated to eligible green projects undertaken as part of the company's commitment to energy efficiency in line with its Sustainability Bond Framework¹. The transaction settled on 22 March 2024.

nbn has attracted strong interest in Europe, with the transaction order book significantly oversubscribed, demonstrating that investors have a strong interest in sustainable financing and Environmental, Social and Governance (ESG) initiatives.

In February 2024, global ratings agency Fitch upgraded NBN Co's long-term Issuer Default Rating to AA+, from AA, and noted that the company's outlook remains stable.

nbn is currently the largest Australian corporate issuer in Green Bond format, now with approximately A\$5.9 billion equivalent of Green Bonds outstanding in the domestic and international markets.

The latest Euro issuance follows NBN Co's inaugural European Green Bond issuance of EUR 1.35 billion (A\$2.1 billion equivalent) completed in March 2023.

nbn's debut Euro issuance in March 2023 was the largest Green Bond transaction in any currency issued by an Australian corporate issuer at the time. It was also the first ever benchmark Euro use of proceeds Green Bond from any Australian or New Zealand corporate.

nbn has raised A\$1.65 billion in green format in the domestic market to date, positioning the company as the largest corporate bond issuer in the Australian Medium Term Note (AMTN) market. This includes a A\$850 million Green Bond issued in August 2023 and a A\$800 million Green Bond issued in April 2022, under NBN Co's A\$10 billion AMTN Programme.

The net proceeds from the green bond issuances were allocated to fund eligible energy efficiency projects including expanding energy-efficient fibre to more homes and businesses.

nbn issued two Sustainability Bond Reports² in 2023, which set out details of its green bonds, allocation of proceeds from these green bonds and impact reporting as required under the Sustainability Bond Framework, and tracks the company's green credentials, performance and progress.

nbn's Sustainability Approach has an ESG objective to align its governance and reporting requirements with applicable global market standards for sustainable financing.

In February 2023, **nbn** committed to long-term emission reductions by 2050 (or sooner) in line with science-based net-zero via the [Science-Based Targets initiative](#) (SBTi).³

In April 2023, the company's near-term emissions reduction targets were validated by the SBTi and are as follows:

- NBN Co commits to reduce absolute scope 1 and 2 GHG emissions by 95 per cent by FY30 from a FY21 base year.
- NBN Co also commits to reduce scope 3 GHG emissions from use of sold NBN Co products by 60 per cent per device within the same timeframe.
- NBN Co further commits that 80 per cent of its suppliers by spend covering purchased goods and services, capital goods, and downstream transportation and distribution will have science-based targets by FY27.

The company expects to submit its long-term emissions reduction targets to the SBTi for validation in the near future.

By pushing energy-efficient fibre deeper into communities, the company is enabling long-term reductions in network power demand and helping ensure the network is future-ready and more available for consumers when they need it. **nbn** is on track to enable over 10 million premises – or up to 90 per cent of the **nbn** Fixed Line network – to access close to Gigabit speeds by the end of 2025.

The company's largest fibre upgrade program is the Fibre-to-the-Node (FTTN) to Fibre-to-the-Premises (FTTP) network upgrade program, which will enable up to 3.5 million premises to access our fastest residential wholesale download speed tier of close to 1 Gbps⁴ by the end of 2025.

Fiona Trigona, Executive General Manager, Group Treasurer, NBN Co said:

"In addition to the moral imperative to operate our business in the most environmentally conscious and sustainable way, our ESG commitment also serves an important commercial imperative.

"We have monetised and commercialised our sustainability approach with the issuance of Green Bonds into the international private debt markets, so this naturally elevates the governance of our sustainability approach to investment grade reporting requirements.

"Our program to roll out fibre across the network not only delivers a faster and more reliable customer experience, fibre is also a greener technology than copper, thereby enabling us to complete a virtuous circle. Our ESG approach enables our company to access deep pools of liquidity via the international debt and capital markets, because these international institutional investors have their own targets for green investments.

"High-speed, secure and reliable broadband connectivity enabled by the **nbn**[®] network supports economic, social and environmental benefits for residential and business customers and the nation.

"Through ongoing investments in delivering a faster, more sustainable and resilient network, NBN Co is helping drive the nation's productivity and as a result, delivering important economic and social impacts to communities across Australia."

ENDS

1 [NBN Co Sustainability Bond Framework](#)

2 [Sustainability Bond Report](#)

3 [Ambitious corporate climate action - Science Based Targets](#)

4 Regardless of the retail service you purchase, the actual wholesale download speeds delivered to providers will be less than 1Gbps due to equipment and network limitations. Your experience on FTTP, including the speeds actually achieved, depends on the configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside of nbn's control (like your equipment quality, software, chosen broadband plan, or how your provider designs its network).

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