



# **BayWa AG's Green Bond Use of Proceeds and Impact Report**

**May 1<sup>st</sup> 2022 –  
April 30<sup>th</sup> 2023**

## Introduction <sup>1</sup>

The things that are important to people across the world – healthy nutrition, housing, energy, heat and mobility – are reflected in BayWa’s business model. Since its foundation in 1923, the company has focused on basic human needs. As an international group operating in the business areas of Energy, Agriculture and Building Materials, BayWa helps to shape the future of our world. It builds systems for generating electricity from renewable energy sources, develops solutions that make agriculture more sustainable both environmentally and economically and provides solutions for energy-efficient and healthy construction. In 2019, BayWa has issued its inaugural Green Bond to refinance renewable energy parks, such as Solar- and / or Wind Parks.



Marcus Pöllinger, CEO, BayWa AG

BayWa r.e. enabled 4.1 gigawatts of generation capacity for renewable energies globally in 2022. This was achieved through the construction and installation of wind farms and solar parks and through the sale of solar modules.

Consequently, BayWa r.e. makes an important contribution to the energy transition. “Our entry into renewable energies was an enormously important step for us and the Group as a whole profits from it. BayWa r.e. is a key generator of income and also has immense symbolic value. With it, we are at the front of the pack in shaping a climate-friendly future.”, says Marcus Pöllinger, Chief Executive Officer of BayWa AG.

The net issue proceeds of 498,15 mEUR are being used 100% to finance the development, the construction and expansion of wind and solar power plants throughout the world.

Compared to our last Green Bond Report from June 2022, there was a change in the attribution of the financed projects: Solarpark Karadoc, Australia was refinanced 100%, Solarpark Fern, USA was refinanced by 35%. Windparks Ferguson and Diapur have been sold to investors, these funds have

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<sup>1</sup> This introduction was not within the scope of Deloitte’s limited assurance engagement.

been used to finance Strauss, USA. No funds have been allocated to Windpark Mozart, USA, Chopin, USA and Kamionka, Poland, anymore, these funds have been allocated to finance Strauss, USA.

This Impact Reporting provides you with information about how the funds are allocated. We believe that it is important to report not only on the key financial data, but also, and, on the added value from our projects in terms of benefit for the climate.

Munich, June 2023

# BayWa Green Bond – Key Data

The successful placement of the first unrated EUR-Benchmark Green Bond in the amount of €500 million demonstrates that investors are very interested in green alternatives and view BayWa’s business model as very promising, especially in the field of renewable energies.

Green Bonds are issued on financial markets exclusively to fund climate-friendly projects.

Based on our Green Financing Framework, published in May 2019<sup>2</sup>, proceeds from our Green Bonds shall be used exclusively to finance or refinance, in part or in full, eligible Green Projects, as defined below:

Key Data on the Green Bond	
<b>Issuer</b>	BayWa AG
<b>Status</b>	Senior unsecured
<b>Issue Size</b>	€ 500 million
<b>Net proceeds</b>	€ 498,15 million
<b>Issue Date</b>	June 17 <sup>th</sup> , 2019
<b>Value Date</b>	June 26 <sup>th</sup> , 2019
<b>Term to maturity</b>	5 years
<b>Maturity</b>	June 26 <sup>th</sup> , 2024
<b>Cupon</b>	3,125 %
<b>Listing</b>	Luxembourg
<b>ISIN</b>	XS 2002496409

Green Bond Category	Description	Environmental benefits	UN SDG
<b>Renewable Energy</b>	<p>Projects aimed at increasing the production, connection and distribution of renewable energies, including:</p> <ul style="list-style-type: none"> <li>• Solar (photovoltaic)</li> <li>• Wind (onshore)</li> </ul>	<p>GHG emissions reduction</p> <p>-</p> <p>Climate change mitigation and adaptation through development of renewable energies</p>	

Projects financed and/or refinanced through the proceeds of the Green Notes are evaluated and selected by a working group of representatives with the required level of expertise and seniority from BayWa and BayWa r.e..

<sup>2</sup> <https://www.baywa.com/en/restcontent/downloadcenter/other-ir/green-bond.zip>

The role of the working group is to:

1. Review, select and validate the list of Eligible Green Projects, based on the Green Bond Framework;
2. Validate annual reporting for investors;
3. Review the Green Bond Framework to reflect any changes with regards to the Company's sustainability strategies and initiatives.

## BayWa Green Bond – Use of Proceeds and Impact

The projects re-/financed by the BayWa Green Bond cover the production of renewable energy from Solar and / or Wind Parks.

### a. Overall Portfolio as of April 30<sup>th</sup>, 2023

Category	Capital expenditure in total (€ million)	Capital expenditure attributable to the bond (€ million)	Thereof Proceeds used for financing (€ million)	Thereof Proceeds used for refinancing (€ million)
Solar (PV)	226,38	168,69	0,00	168,69
Wind	329,46	329,46	313,45	16,01
<b>TOTAL</b>	<b>555,84</b>	<b>498,15</b>	<b>313,45</b>	<b>184,70</b>

There are no unallocated proceeds.

### b. Breakdown Portfolio Renewable Energies as of April 30<sup>th</sup>, 2023

#### Solar Parks realized, partially or fully allocated to Green Bond

Project Name	Country	Installed capacity (MW)	Realized production (GWh) <sup>3</sup>	Realized t CO <sub>2</sub> -eq. avoidance <sup>3</sup>
Yatpool	Australia	106,00	153,34	130.645
Karadoc	Australia	112,50	183,14	156.029
Hughenden	Australia	21,20	30,56	26.036
Fern	USA	134,00	223,10	105.265
<b>TOTAL</b>		<b>373,70</b>	<b>590,14</b>	<b>417.975</b>

### Thereof attributable to Green Bond

Project Name	Country	In %	Realized production (GWh) <sup>3</sup>	Realized t CO <sub>2</sub> -eq. avoidance <sup>3</sup>
Yatpool	Australia	100,00	153,34	130.645
Karadoc	Australia	100,00	183,14	156.029
Hughenden	Australia	100,00	30,56	26.036
Fern <sup>4</sup>	USA	35,41	79,00	37.278
<b>TOTAL</b>			<b>446,04</b>	<b>349.988</b>

### Wind Parks realized, fully allocated to Green Bond

Project Name	Country	Installed capacity (MW)	Realized production (GWh) <sup>3</sup>	Realized t CO <sub>2</sub> -eq. avoidance <sup>3</sup>
Stormon	Sweden	16,00	47,47	1.936
<b>TOTAL</b>		<b>16,00</b>	<b>47,47</b>	<b>1.936</b>

### Wind Park under construction, fully allocated to Green Bond

Wind Projects	Country	Estimated installed capacity (MW)	Estimated production (GWh p.a.)	Estimated t CO <sub>2</sub> -eq. avoidance p.a.
Strauss	USA	99,00	285,50	134.705
<b>TOTAL</b>		<b>99,00</b>	<b>285,50</b>	<b>134.705</b>

Following methodologies have been applied for the calculation of “Realized / Estimated Production GWh p.a.” resp. “Realized / Estimated t CO<sub>2</sub>-eq. avoidance p.a.”:

Realized Production of GWh p.a.: The realized production is based on the monthly operation reports of the respective Solar and Wind Parks.

Estimated Production of GWh p.a.: The estimated production is calculated on a project by project basis as a result of a long term yield forecast study of the specific site as well as the installed capacity of solar modules and wind turbines.

<sup>3</sup> Realized production and tCO<sub>2</sub> equivalent avoidance refer to the period from May 1<sup>st</sup> 2022 – April 30<sup>th</sup> 2023

<sup>4</sup> Exact percentage of allocation: 35,4134274618939%

Realized t CO<sub>2</sub>-eq. avoidance p.a.: The realized avoidance is calculated by the realized net energy production of a project times the country specific avoidance factor (Scope 2). For the calculation, BayWa is using Umweltbundesamt (Federal Environment Agency) methodology<sup>5</sup> with Verband der Automobilindustrie (German Association of the Automotive Industry, VDA, 01<sup>st</sup> of July 2019) factors<sup>6</sup>.

Estimated t CO<sub>2</sub>-eq. avoidance p.a.: The estimated avoidance is calculated by the estimated/ realized net energy production of a project times the country specific avoidance factor (Scope 2). For the calculation, BayWa is using Umweltbundesamt (Federal Environment Agency) methodology<sup>5</sup> with Verband der Automobilindustrie (German Association of the Automotive Industry, VDA, 01<sup>st</sup> of July 2019) factors<sup>6</sup>.

Munich, June 15<sup>th</sup>, 2023

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<sup>5</sup> [https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2019-11-07\\_cc-37-2019\\_emissionsbilanz-erneuerbarer-energien\\_2018.pdf#page=20](https://www.umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2019-11-07_cc-37-2019_emissionsbilanz-erneuerbarer-energien_2018.pdf#page=20)

<sup>6</sup> <https://www.vda.de/de/services/publikationen/publikation/~1597~.html>

**BayWa AG**  
**Munich/Germany**

Limited assurance report of the  
independent practitioner for the period  
from May 1, 2022 to April 30, 2023

**TRANSLATION**

– German version prevails –

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/de/UeberUns](http://www.deloitte.com/de/UeberUns) to learn more.

**Limited Assurance Report of the Independent Practitioner**

To BayWa AG, Munich/Germany

**Engagement**

We have performed a limited assurance engagement on the Green Bond Use of Proceeds and Impact Report (hereafter referred to as “Green Bond Report”) of BayWa AG, Munich/Germany, (hereafter referred to as “the Company”) prepared in accordance with section iv. “Reporting” of the BayWa Green Bond Framework as of May 2019 (hereinafter referred to as “BayWa Green Bond Framework”), for the period from May 1, 2022 to April 30, 2023.

Our limited assurance engagement did not cover the assessment of whether the Green Bond issued by BayWa AG on June 17, 2019 meets the criteria of the BayWa Green Bond Framework. Furthermore, our limited assurance engagement did not cover the assessment of whether the BayWa Green Bond Framework prepared by BayWa AG meets the criteria of the Green Bond Principles issued by the International Capital Markets Association (ICMA), Zurich/Switzerland. In addition, our limited assurance engagement did not cover the passage in the section “Introduction” on pages 2 and 3 of the Green Bond Report, which the Company marked as “not within the scope of Deloitte’s limited assurance engagement”, nor any references to websites in the Green Bond Report.

**Responsibilities of the Executive Directors**

The executive directors of BayWa AG are responsible for the preparation of the Green Bond Report in accordance with the BayWa Green Bond Framework.

In preparing the Green Bond Report, the executive directors used the BayWa Green Bond Framework developed by BayWa AG, which builds on the ICMA’s Green Bond Principles as of June 2018, as a basis and indicated the BayWa Green Bond Framework in the Green Bond Report. Furthermore, the executive directors are responsible for the compliance of the BayWa Green Bond Framework with the ICMA’s Green Bond Principles as of June 2018.

These responsibilities of the executive directors of the Company include the selection and application of appropriate methods to prepare the Green Bond Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of a Green Bond Report that is free from material misstatement, whether due to fraud or error.

The accuracy and completeness of the environmental data in the Green Bond Report are subject to inherent restrictions resulting from the manner in which the data was collected and calculated as well as from assumptions made.

**Responsibilities of the Independent Practitioner**

Our responsibility is to express a conclusion on the Green Bond Report based on our work performed within our limited assurance engagement.

Our audit firm applies the Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW). We have fulfilled the professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Code of Conduct for German Public Auditors and Sworn Auditors (BS WP/vBP) including the requirements on independence

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), developed and approved by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether matters have come to our attention to cause us to believe that the Green Bond Report has not been prepared, in material respects, in accordance with section iv. "Reporting" of the BayWa Green Bond Framework. The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the practitioner's professional judgment.

Within the scope of our reasonable assurance engagement, we notably performed the following work:

- Inquiries of relevant personnel involved in the preparation of the Green Bond Report, about the preparation process, about the arrangements and measures (system) in place for preparing the Green Bond Report as well as about the disclosures contained therein
- Identification of risks of material misstatement in the Green Bond Report
- Assessment of the disclosures on the use of the proceeds raised from the Green Bond in accordance with the BayWa Green Bond Framework
- Assessment of the disclosures on the impact of the assets in service allocated to the Green Bond:
  - Total installed capacity as of April 30, 2023
  - Energy generated in the period from May 1, 2022 to April 30, 2023
  - Various approximated avoided greenhouse gas emissions in the period from May 1, 2022 to May 30, 2023
  - Gaining an understanding of the assumptions used for the model

- Assessment of the disclosures on the impact of the assets under construction allocated to the Green Bond:
  - Expected future total installed capacity
  - Expected future energy generation p.a.
  - Approximated expected avoidance of greenhouse gas emissions p.a.
  - Gaining an understanding of the assumptions used for the model
- Squaring of the disclosures in the Green Bond Report with the respective data in the annual and consolidated financial statements, in the combined management report and in the combined separate non-financial report
- Assessment of the presentation of the disclosures

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Practitioner's Conclusion**

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Green Bond Report as a whole of BayWa AG for the period from May 1, 2022 to April 30, 2023 does not comply, in all material respects, with section iv. "Reporting" of the BayWa Green Bond Framework as of May 2019.

Our conclusion does not cover the assessment of whether the Green Bond issued by BayWa AG on June 17, 2019 meets the criteria of the BayWa Green Bond Framework and whether the BayWa Green Bond Framework meets the criteria of the ICMA's Green Bond Principles. In addition, our conclusion does not cover the passage in the section "Introduction" on pages 2 and 3 of the Green Bond Report, which the Company marked as "not within the scope of Deloitte's limited assurance engagement", nor any references to websites in the Green Bond Report.

### **Specific purpose**

Without modifying our conclusion we call attention to section iv. "Reporting" of the BayWa Green Bond Framework, where the applicable criteria are laid down. The Green Bond Report was prepared in order to provide information on the appropriate use of the proceeds raised from the Green Bond issued on June 17, 2019 and on the impact related to the Green Bond. Therefore, the Green Bond Report may not be suitable for another than the aforementioned purpose.

## **Restriction of Use and Reference to Limitation of Liability**

This report is intended for BayWa AG, Munich/Germany, only and must not be handed to or used by third parties without our previous consent. We assume no responsibility with regard to any third parties.

We issue this report as stipulated in the engagement letter agreed with the Company. We are liable solely to BayWa AG, Munich/Germany, and our liability is governed by that engagement letter as well as the “General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” (IDW-AAB) in the version dated January 1, 2017.

Düsseldorf/Germany, June 15, 2023

## **Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

Signed:  
p.p. Dr. Matthias Schmidt

Signed:  
p.p. Saskia Weis