

Green Bond Fact Sheet

National Grid		Date: 11/02/2020	
Issue date: 20-01-2020 Maturity date: 20-01-2025 Tenor: 5			
Issuer Name	National Grid	Amount Issued	EUR500m/USD554m
Country of risk	Spain	CBI Database	Included
Issuer Type ¹	Non-Financial Corporate	Bond Type	Sr Unsecured
Green Bond Framework	Link to Framework	Second party opinion	DNV GL
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input checked="" type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input checked="" type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid	<input checked="" type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input checked="" type="checkbox"/> Electric vehicles <input checked="" type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Flood protection <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input checked="" type="checkbox"/> Waste prevention <input checked="" type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input checked="" type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input checked="" type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	<p>Allocation and impact reporting will be available through the company’s website or the annual report within a year from the first borrowing date and will continue until full allocation. The allocation report will include the list of eligible green projects, the aggregated amount of allocated proceeds to each eligible project category, the ratio of financing and refinancing, and management of unallocated proceeds. The impact report will include indicators such as CO₂ emissions avoided, and renewable energy sources connected (MW).</p>
Company information	<p>National Grid owns, develops and operates the high-voltage electricity transmission network and distribution networks in England and Wales. It also operates but doesn’t own the Scottish networks. The utility company also operates in the North-Eastern United States.</p>
Firsts, records and certifications	
Proceeds description	<p>Eligible categories are the following:</p> <ul style="list-style-type: none"> • Renewable energy financing connection infrastructure, transmission and distribution infrastructure, and renewable energy generation (solar, wind, hydro, bioenergy) • Energy efficiency: power control devices, retrofits, smart equipment • Green buildings: Acquisition or construction of existing or new commercial buildings that meet certain certification criteria and renovations of existing buildings • Clean transportation: infrastructure, renewal of the company’s fleet • Pollution prevention and control: construction, development, operation and/or maintenance of facilities, systems or equipment aiming at reducing greenhouse gas emissions, greenhouse gas control devices, waste prevention, reduction and recycling, transforming technology • Environmentally sustainable management of living natural resources and land use: sustainable management and value enhancement of land, the preservation and restoration of natural landscapes and grid improvements
Climate Bonds view	<p>Decarbonising the energy sector plays a major role in shifting to a low-carbon economy. In addition to the process of power generation itself, it is vital to invest in grid infrastructure and storage technologies. The National Grid is doing exactly this in order to contribute to the UK’s target of becoming carbon neutral by 2050, whilst adding to the yet sparse pool of 15 British green bond issuers. Volume is currently at a total of USD15.3bn in green bonds outstanding with the largest proportions going towards renewable energy (29%) and water (23%) projects.</p> <p>The Green Bond Framework covers a broad spectrum of eligible categories on the core business side (such as connection infrastructure and retrofits to reduce energy losses) as well as the operational side (e.g. green buildings). So far grid operators from 10 different countries have issued green bonds, mainly from Europe. We hope that this encourages issuers from other regions to consider such projects in the future.</p>

Underwriters	BNP, ICBC, ING, Mizuho
Deal comments	
Credit Rating	A3 (Moody's) A- (S&P) A (Fitch)
Pricing summary	<ul style="list-style-type: none"> • Interest spread: ms + 32bps • Coupon: 0.190% • Price: 100.000%
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign