

Green Bond Fact Sheet

Cadent Gas Limited		Date: 30/06/2020	
Issue date: 11-03-2020 Maturity date: 11-03-2032 Tenor: 12			
Issuer name	Cadent Gas Limited	Amount issued	EUR500m/USD555.8m
Country of risk	UK	CBI Database	Included
Issuer type ¹	Non-Financial Corporate	Bond type	N/A
Green bond framework	N/A	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 type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input 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 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 type="checkbox"/> Electric vehicles <input 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 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 type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input 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 type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input 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>Until full allocation impact and allocation reporting will be available within one year from issuance and annually thereafter in a standalone publication. Material changes will also be reported.</p> <p>The allocation report will include:</p> <ul style="list-style-type: none"> - list of eligible projects (re)financed - aggregated amount of allocation of the net proceeds at category level - proportion of net proceeds used for financing versus refinancing - the balance of any unallocated proceeds <p>Where feasible there will be impact reporting with a range of KPIs.</p>
Company information	<p>Cadent Gas Limited is a gas distribution company in the UK with the largest gas distribution network supplying customers in North West, West Midlands, East of England and North London. The company does not produce or own the gas that passes through their pipeline networks.</p>
Firsts, records and certifications	
Proceeds description	<p>Cadent names four eligible project categories:</p> <ul style="list-style-type: none"> • Retrofit of gas transmission and distribution networks • Renewable Energy • Clean Transportation • Energy Efficient Buildings <p>Types of projects within each category have been outlined and there are selection criteria in place. These are aligned with the relevant thresholds described in the EU Sustainable Finance Taxonomy.</p>
Climate Bonds view	<p>Business transitions to low-carbon activities, and therefore transition bonds, play an increasingly important a role in the debt capital markets. There have been few such bonds so far, with Marfrig (Brazil) being the first issuer last year in September to use this particular label.</p> <p>Cadent’s deal marks the first of its kind in the UK and the small number of transition bonds in the market underscores the fact that transition instruments remain in still rather uncharted, although rapidly evolving, territory. Whilst the subject is somewhat controversial and heavily debated in the finance community, transition bonds present significant potential to facilitate climate change mitigation projects in hard-to-abate industries. As such, Cadent’s bond is a good example for financing projects that are ambitious enough to be classified as green under the Climate Bonds Taxonomy. By doing so, the deal also contributes to the UK’s National Adaption Plan.</p>
Underwriters	<p>Natwest, BNP, CACIB, Mizuho</p>
Deal comments	

Credit rating	BBB+ (S&P) Baa1 (Moody's) A- (Fitch)
Pricing summary	<ul style="list-style-type: none">• Coupon: 0.750%• Price: 98.638%
Investors summary	

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