

# 05 OCTOBER 2018 | **ALD successfully issues first ever positive impact bond to finance green fleet**

ALD today successfully issued an inaugural Positive Impact Bond, a EUR 500m 4-years fixed-rate senior note, demonstrating its commitment to finding innovative financial solutions to fund clean transportation and promote the transition to a low carbon future. The issuance follows a European road show, which was positively received by sustainable investors and attracted strong demand.

The proceeds of the bond will be exclusively used to finance or refinance eligible vehicles. Priority will be given to vehicles with the greatest net positive contribution to climate change (Greenhouse Gas (GHG) emissions – commonly referred to as CO<sub>2</sub>) and the environment (reduction in nitrogen oxide (NO<sub>x</sub>) emissions, in particular). ALD has therefore selected an initial portfolio of 14,348 eligible vehicles to finance, composed of 24% Electric vehicles (EV) and 76% hybrid electric vehicle (HEV) and plug-in hybrids vehicles (PHEV), across 13 countries in Europe.

The issuance is unique in that ALD's Positive Impact Bond Framework is aligned both with the ICMA Green Bond Principles and the Principles for Positive Impact Finance\* developed by the UN Environment programme. In order for the bond to qualify as having a Positive Impact, ALD developed a life-cycle-assessment approach based on robust and transparent impact measurement of the fleet at all stages of the life of the vehicles, with the help of Quantis, a company specialized in life-cycle analysis. ALD's initial portfolio avoids 17,000 tons of CO<sub>2</sub>-equivalent and 99,000 kg of NO<sub>x</sub> emissions on an annual basis, compared to a comparable fleet powered by combustion engines.

VigeoEiris issued a Second Party Opinion on the environmental credentials of the Positive Impact Bond Framework and its alignment with ALD's sustainable development strategy. Furthermore, the Bond benefits from a Climate Bond Initiative certification.

Societe Generale was sole bookrunner for the bond issue and has leveraged on its recognised advisory, structuring and distribution capabilities combined with its Positive Impact expertise to promote innovative and tailor-made financial solutions that facilitate the transition to a low-carbon economy. This issuance further demonstrates Societe Generale's commitment to remain at the forefront in the area of Sustainable and Positive Impact Finance in order to help build a sustainable bond market, and fully support its clients in their financing needs by deepening capital markets funding sources for sustainable growth projects.

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