

What is Sustainable Finance?



Sustainable Finance Market Size

Sustainable Finance issuances gained large momentum in Asia and globally. Demand for Sustainable Finance remains strong given increasing regulatory focus and guidance on greenwashing.



Global Sustainable Finance Growth

- In 2025, more than USD485bn in sustainable debt instruments were issued, making the overall sustainable market volume total more than USD9.8tn.
- Among the USD485bn, the most popular (in terms of issuance size) comprised:
 - 1. Green Bond (46%, USD225bn)
 - 2. Sustainability Bond (21%, USD101bn)
 - 3. Social Bond (12%, USD56bn)
- Over same period, composition of issuances in India were as follows:
 - 1. Green Loan (47%, USD3bn)
 - 2. Green Bond (27%, USD1.7bn)
 - 3. Social Loan (23%, USD1.5bn)

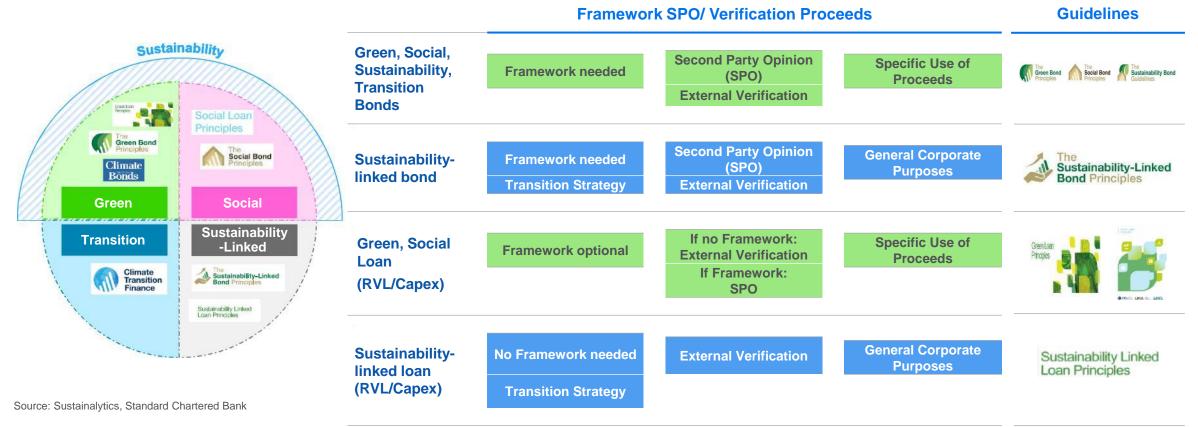


issuances

Typical Sustainable Finance Structures

These products have two broad categorisations:

- 1. Financing where the <u>use of proceeds</u> will result in tangible social or environmental benefit linked to the SGD's and can be verified and monitored. Often, guidelines on acceptable use of proceeds are outlined in industry standard frameworks and verified via a Second Party Opinion (SPO).
- 2. <u>Sustainability linked transactions</u> where the use of proceeds are not specific, but financial structure incentivises or dis-incentivises performance against pre agreed sustainability KPI's. External verification provides third-party oversight for the method, monitoring, and reporting of such targets.





Green/Social



Overview

- Green/Social Loans/Bonds are any type of debt instruments made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible Green/ Social Projects
- They are governed by the Green Loan/Bond Principles and Social Loan/Bond Principles respectively – voluntary recommended guidelines, to be applied by market participants on a deal-by-deal basis.



Green & Social Loan/Bond Principles – Core Components

Use of Proceeds



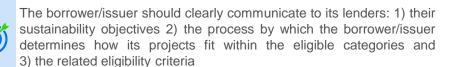
Debt proceeds must be identified for Green/Social Projects, which should be appropriately described in the finance documents.

Reporting



The borrower/issuer should make and keep readily available up to date information on the use of proceeds to be renewed annually.

Process for
Project
Evaluation and
Selection



Management of Proceeds



The proceeds of a green/social debt instrument should be credited to a dedicated account or otherwise tracked by the borrower/issuer in an appropriate manner



Potential Use of Proceeds



Eligible Green Projects:

Renewable Energy Energy Efficiency Pollution prevention and control

Terrestrial and Aquatic Biodiversity

Clean Transportation

Sustainable Water and Wastewater Management

Climate Change Adaptation

Eco-efficient products etc

Environmental
Sustainable
mgmt. of living
natural
resources and
land use

Green Buildings



Eligible Social Projects

Affordable Basic Infrastructure

Access to Essential Services e.g. Healthcare, Education

Affordable Housing

Employment Generation

Food Security

Socioeconomic advancement and empowerment

A social target population should be identified



Sustainability Linked



Overview

- Sustainability Linked Loans/Bonds (SLLs/SLBs) are debt instruments and/or contingent facilities which incentivize the borrower's achievement of ambitious. predetermined sustainability performance objectives
- Pricing is linked to progress against pre-determined sustainability targets but, importantly, there is no restriction on use of proceeds
- The Sustainability Linked Loan/Bond Principles are voluntary recommended guidelines, to be applied by market participants on a deal-bydeal basis depending on the underlying characteristics of the transaction



Sustainability Linked Loan Principles - Core Components

Selection of



The KPIs should be material to the borrower's core sustainability and business strategy, and address relevant environmental, social and/or governance (ESG) challenges of the industry



A key characteristic of a sustainability linked loan is that an economic outcome is linked to Loan whether the selected predefined SPT(s) are Characteristics met. For example, the margin under the relevant loan agreement may be reduced where the borrower satisfies a pre-determined SPT as measured by the pre-determined KPIs or vice versa.



Calibration of SPTs The SPTs should be ambitious, be compared to a benchmark or an external reference, be consistent with the borrower's overall sustainability / ESG strategy and be determined on a predefined timeline, set before or concurrently with the origination of the loan

Reporting & Verification



Borrowers/Issuer should, where possible and at least once per annum, provide the lenders up-to-date information sufficient to allow them to monitor the performance of the SPTs and to determine that the SPTs remain ambitious and relevant to the borrower's business. They must obtain independent and external verification of the performance level against each SPT for each KPI.

Potential Categories of Sustainability Performance Targets



Sustainable Increases in the use of verified sustainable raw sourcing materials / supplies

Circular Increases in recycling rates or use of recycled economy raw materials / supplies

Waste Reductions in waste produced or pollutants management discharged

Gender Improvements in the % females in the workforce diversity or senior management

assessment

Improvements in the borrower's ESG rating and / or achievement of a recognized ESG certification

Energy Improvements in the energy efficiency rating of buildings efficiency and / or machinery owned or leased by the borrower

Reductions in GHG emissions in relation to products manufactured or sold by the borrower or to the production or manufacturing cycle

Renewable Increases in the amount of renewable energy generated energy or used by the borrower

Water savings made by the borrower

Affordable Increases in the number of affordable housing units housing developed by the borrower



Transition Finance

Definition

Transition finance is any financial services (e.g., loans, trade finance, advisory services etc) provided to clients to support them align their business and/or operations with a 1.5 degree trajectory

Particulars Our Framework Assessment Criteria Qualifying Assets Is asset reflected in the qualifying asset types? **Identify and confirm** asset eligibility • Qualification per Transition Framework Electrification Hydrogen CCUS • Contributes to the client entity or group overall transition Bioenergy (inc. strategy upstream) Does asset align with principles of Do No **Significant Harm?** Risk assessment · Assess Environment and Social Risk at a client and transactional level; Assess Reputational Risk Transport Agriculture Emission reduction Iron and on existing fossil steel fuels Does client or group entity have, or is in the process of developing a Credible Transition Assessment of client Strategy? 3 transition strategy • A science-based strategy to transition to Net Zero · Check against Climate Risk Assessment, or collect data Low emission Material Aluminium Other (inc. mining fuels efficiency of critical transition

minerals)

(inc. cement)

Case Studies



Case Study: AMP Energy Green Ten Private Limited

INR 7.42 billion Project Finance Green Loan for AMPIN's 200 MWp Solar Wind Hybrid Power Project in India

Transaction Summary Transaction Summary Transaction Summary Transaction Summary Amp Energy Copenhagen Infrastructure Portners Amp Energy Green Ten Pvt Ltd. INR 7.42 billion Green Loan Facility Sole MLA, Underwriter & Bookrunner, Green Loan Coordinator, Lender & Account Bank \$tandard chartered Oct 2024

Borrower	Amp Energy Green Ten Pvt Ltd.
Sponsor	AMPIN Energy Transition Private Limited
Facility Type	Project Finance Green Loan Facility
Facility Size	INR 7.42 billion
Tenor	5-year facility with 2-year LCs
Use of Proceeds	To generate clean energy, benefiting 74,486 households, and offsetting 71,66,223 tonnes of ${\rm CO_2}$ per year.
SC's Role	Sole Mandated Lead Arranger, Underwriter & Bookrunner, Green Loan Coordinator, Lender & Account Bank

Borrower Overview

- Borrower: Amp Energy Green Ten Pvt Ltd., a wholly owned subsidiary of Ampin Energy Green Private Limited ("AEGPL" / "Promoter") in Rajasthan, India. AEGPL is 51% owned by the Sponsor AMPIN Energy Transition Private Limited with the balance 49% shareholding with Copenhagen Infrastructure Partners (CIP).
- Sponsor: AMPIN Group comprises of AMPIN Energy Transition Private Limited ('AETPL') and its subsidiaries. At present, the group has renewable energy projects aggregating c. 4 GWp spread across 21 states.
- Copenhagen Infrastructure Partners(CIP) is one of the largest Renewable Energy Focused Funds in the world. CIP is invested into AMPIN through the CI Growth Markets Fund I.

Transaction Highlights

- Green Labelled Rupee Term Loan, LC and BG Facility The transaction was our first project financing mandate from the AMPIN Group & CIP in South Asia and by incorporating APLMA's Green Loan Principles in the documentation for this grid connected wind-solar (110MW Solar + 40.95MW Wind) hybrid energy project, we labelled it as a Green Loan.
- SCB acted as the Green Loan Co-Ordinator for this 5-year facility with 2-year LCs. The project was supported by an offtake 25-year PPA with CESC Ltd & MPSEZ Utilities Limited.



Case Study: GIP and Tower Vision India Private Limited

USD 160 million Syndicated USD Sustainability Linked Term Loan Facility

Transaction Summary Borrower GIP EM Ascend 2 Pte Ltd **Facility Type** Syndicated Offshore USD Term Loan Facility for Onshore acquisition **TowerVision** Up to USD 160 mn structured as no-outs commitment to facilitate the **Facility Size** Sponsor's bid followed by definitive docs GIP and Tower Vision India 5 Yrs – back-ended amortization leading to an average life ~4.25 Yrs **Tenor** Private Limited Infuse funds as Non-convertible debentures into the Acquirer for bolt-**Purpose USD 160 million** on acquisition Mandated Lead Arranger, Joint Sustainability Co-Ordinator and Syndicated Offshore USD **SCB Role** Sustainable Linked Term Loan Bookrunner Facility for Onshore acquisition KPI 1. Reduction of GHG Emission Intensity Mandated Lead Arranger, • KPI 2. Increase in % of tower sites with high energy density Bookrunner and Joint **Key Performance** Sustainability Co-Ordinator batteries (Lithium-ion etc) Indicators (KPI) • KPI 3. Increase in % share of women & specially-abled in the standard chartered

Investors by Geography and Type

- Global Infrastructure Partners (Sponsor): GIP is one of the largest global independent infrastructure fund managers focused on infrastructure businesses and assets in energy, transportation, digital, water and waste sectors. Its fund targets proprietary and high-quality investment opportunities in OECD countries and select Emerging Markets countries. GIP currently manages c. USD 87bn worth of assets under management and companies within GIP's portfolio have a total combined annual revenue of c. USD 80bn. Global Infrastructure Partners India Private Limited ("GIP India") is one of the marquee infrastructure investment managers in India with ~USD 1.8 bn of capital invested.
- Tower Vision India Private Limited (Target): Established in 2006, Tower Vision is an NCR based, pan India independent tower management company with 9,048 towers, 15,438 tenancies and current tenancy ratio of ~1.71x. Like Ascend, Target specializes in the business of providing passive infrastructure and related services to the telecommunication industry in India. which is then shared among multiple MNOs. Target is owned by Tower Vision Mauritius (referred to as "Seller"), which is majority held by Quadrangle Capital Partners.

Transaction Highlights

2023

· Ideation and structuring of the complex transaction alongside Sponsor to comply with regulatory framework, meet Sponsor's objectives

workforce across levels

- First Sustainability Linked Loan in the telecom tower space, aligned with LMA's Sustainability Linked Loan Principles
- Second largest tower LBO financing in India for a sponsor in over a decade, driven by strong underlying opco credentials with robust business model and synergistic potential for the acquirer, coupled with strong macro trends in the underlying industry
- Fully Underwritten solution to a strategic sponsor on the back of a "First of its Kind" bolt-on acquisition financing structure in India
- Successful closure of primary syndication before drawdown with participation from first-time investors into India LBO space.



Case Study: DCM Shriram Limited

INR 1000 million First Transition Finance facility by SC in India

Transaction Summary DCM SHRIRAM Growing with trust DCM Shriram Limited USD 12 million Transition Finance Secured Term Loan Secured Term Loan Apr 2024

Borrowers	DCM Shriram Limited
Booking Location	India
Facility Type	Transition Finance Secured Term Loan facility
Facility Size	INR 1000mn
Tenor	7 years
Use of Proceeds	Capex financing for setting up a 12 TPD Compressed Bio-Gas (CBG) plant using pressmud (waste generated in sugar manufacturing operations) as a feedstock

Borrower Overview

- DCM Shriram Limited is a diversified company with presence in key segments of chlor alkali, sugar, agri farm solutions and fenesta building systems amongst others.
- It was incorporated in 1990 after the split of the reputed erstwhile DCM group and is managed by Ajay Shriram (past CII president) and his brothers, Vikram Shriram and Ajit Shriram.
- It has manufacturing plants in Kota (Rajasthan), Bharuch (Gujarat) and Uttar Pradesh along with captive power plants at each location.
- Company is listed with current market cap of USD 2bn and enjoys credit rating of AA+

Transaction Highlights

- First Transition Finance facility for DCM Shriram Ltd and Standard Chartered Bank, India. The project will support Govt of India's aspiration to achieve 5% mandatory phased blending of bio-gas by 2028.
- Secured amortising term loan facility provided for financing company's 12 TPD Compressed Bio-Gas (CBG) project. The project will use pressmud as feedstock (waste generated in company's sugar manufacturing operations) with confirmed offtake from OMC's. Further, the state-of-the-art plant has been designed as a Zero Effluent discharge plant.
- Well-structured Transition finance. Our facility structured as Transition finance to support company's CBG project, is a step further in our effort to assist our clients in their transition journey. We are also strategically engaged with the company management for M&A advisory as well as potential future financing mandates.



Supporting Carbon Removal Projects



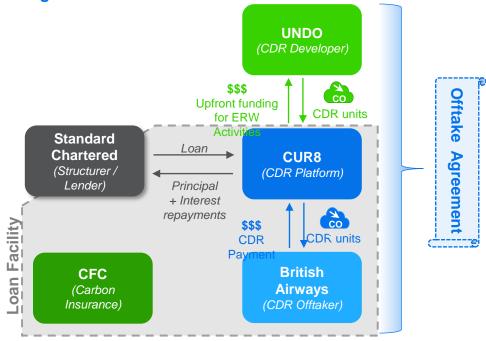
Case Study: BA|SCB|CUR8 Carbon Removal Financing Facility

Transaction background

- Carbon removals need to be rapidly developed to limit global warming to 1.5 degrees by 2050, according to the Intergovernmental Panel on Climate Change (IPCC). However, the traditional banking products needed for scale are often difficult to access for project developers.
- British Airways ("BA"), Cur8 and Standard Chartered ("SCB") partnered to develop a first-of-its-kind debt financing pilot for carbon removals.
- The pilot facility creates a blueprint loan solution to establish a bridge to bankability for CDR projects, backed by specialist insurance underwritten by CFC.
- Leveraging Cur8 as an intermediary, the transaction provides a loan to UNDO's Enhanced Rock Weathering ("ERW") activities related to their multi-year offtake agreement with British Airways.



Transaction Diagram



Transaction flow

- 1. BA enters into a multi-year fixed price CDR 3. SCB disburses funds to Cur8 to on-lend to offtake agreement related to UNDO's ERW Activities, intermediated by CUR8.
- 2. SCB structures a loan facility with partial risk mitigation via an insurance solution co-created with CFC.
- UNDO for ERW activities implementation and the associated Monitoring, Reporting & Verification required for CDR generation.
- 4. UNDO generates and delivers CDRs, which releases the offtake payment from BA to pay down the loan facility.



Supporting Biodiversity Conservation



The Bahamas Debt Conversion Project for Marine Conservation

Catalyzing funding for conservation, climate and the sustainable blue economy

Transaction Summary



The Government of The Commonwealth of The Bahamas

USD 300 million

15-year debt conversion for nature to improve ocean conservation and management of The Bahamas National Protected Areas

Sole Structuring Bank, Arranger, Lender, Dealer Manager, Embedded Swap Provider, and Paying Agent under the Conservation Agreement



November 2024

٦	Transaction	Debt Conversion for Nature
	Borrower	The Government of The Commonwealth of The Bahamas ("Bahamas")
	Facility Size	USD300m
	Tenor / Average Life	15-year / 10-years
	Credit Enhancement Package	 USD200m guarantee from the Inter-American Development Bank ("IDB")
		 USD70m collateralized guarantee from Builders Vision (A Lukas Walton impact platform)
		USD30m credit insurance policy from AXA XL
	Use of Proceeds	Fund the Public Tender Offer - to repay external commercial bank debt, and cover transaction fees and expenses
	Total Transaction Savings	USD124 million
	Savings as % of Facility	41%
	Financial Advisor	Rothschild & Co
k	Conservation Advisor	The Nature Conservancy ("TNC")
t	SCB Roles	Sole Structuring Bank, Arranger, and Lender on the Facility
		Sole Dealer Manager on the Tender Offer
1		Embedded Swap Provider
		Paying Agent under the Conservation Agreement

Conservation highlights

Effective Management

Framework & procedures for enhanced management of expanded MPAs with climate-smart plans.

Marine Spatial Plan

Developing & implementing a plan with a transparent, participatory and science-based approach with local communities & key stakeholders.

Mangrove Management Plan

Complete national plan to enhance protection, management and restoration. Minimize the risk of climate impacts.

Co-Benefits for Species, Adaptation and Livelihoods

Conservation of The Bahamas' ocean can help protect extensive coral reefs, seagrass meadows, and mangrove forests - all of which provide critical habitats for diverse species, protect coasts from storms and sustain local livelihoods.

First-of-its-kind marquee transaction



1st debt conversion for nature for SCB, which acted as Sole Structuring Bank, Arranger, and Lender on a new USD300m loan, as well as Sole Dealer Manager on the liability management exercise.



1st time a family office has been brought in to provide a meaningful component of the credit enhancement package, with impact platform Builders Vision providing a USD70m collateralized guarantee alongside a USD200m guarantee from the IDB.



1st time a private insurer is providing credit insurance alongside a Multilateral Development Bank in support of a sustainable issuance for nature and climate, with AXA XL providing USD30m in credit insurance.



1st time a new financing by the Bahamas features an innovative Natural Disaster and Pandemic Event Clause, advancing the Government's climate resilience efforts and providing liquidity headroom in case of adverse climate or pandemic events.



1st time that climate-smart Marine Protected Area (MPAs) commitments are included explicitly in the conservation outcomes to support climate mitigation and adaptation goals.

