

PRESS RELEASE

IFC MARKS FIRST-EVER INVESTMENT IN A SUSTAINABILITY-LINKED BOND GLOBALLY WITH S\$675 MILLION OFFERING BY PAN-ASIAN ENERGY AND SUSTAINABLE SOLUTIONS PROVIDER SEMBCORP INDUSTRIES

- **Boosting renewable energy solutions in Asia and accelerating green growth**

Singapore, September 29, 2021 – The successful launch in Singapore of a sustainability-linked bond (SLB), raising S\$675 million for Pan-Asian energy and sustainable solutions provider Sembcorp Industries (Sembcorp), marks the latest phase in the transition to a net-zero future.

Sembcorp, through its wholly-owned subsidiary Sembcorp Financial Services Pte. Ltd., priced its inaugural SLB today, anchored by an investment of S\$150 million from IFC. It also marks IFC's first investment globally as an investor in a SLB, with the partnership between Sembcorp and IFC set to support more inclusive economic growth and private sector participation, while fostering sustainable business practices and significant employment opportunities.

Sembcorp's SLB is the first issuance by an energy company in Southeast Asia and the region's largest such issuance to date. Unlike traditional green bonds, SLBs involve issuers pledging to improve their performance against tailor-made ESG (environmental, social and governance) targets.

The ten-and-a-half-year Singapore dollar bond at a coupon rate of 2.66 per cent sets a new pricing benchmark for Sembcorp, strongly supported by high quality institutional investors. Net proceeds from the SLB will be used for the purposes of financing the general corporate working capital requirements of Sembcorp and its subsidiaries (Group), refinancing the Group's existing debt and/or financing or refinancing of the Group's renewable energy, or potentially, other sustainable projects. Sembcorp has more than 3.3 gigawatts (GW) of renewable energy capacity comprising solar, wind and

energy storage solutions in key markets such as Singapore, China, India, UK and Vietnam, with a target to quadruple its installed renewable energy capacity to 10GW by 2025 from 2.6GW in 2020.

“Sustainability is Sembcorp’s business, and we are fully committed to transforming our portfolio from brown to green,” said Wong Kim Yin, Group President & CEO of Sembcorp Industries. “The issuance of our inaugural SLB underscores this commitment. We are heartened that IFC has chosen our issuance to be its first investment in a SLB globally. Their support validates our strategy and spurs us on in our drive toward supporting the global energy transition and a low-carbon economy.”

Sembcorp’s SLB has been issued in accordance with the newly established [Sembcorp Sustainable Financing Framework](#) (Framework), which outlines Sembcorp’s strategic approach, Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) for its sustainability-linked transactions. The Framework has been reviewed by DNV Business Assurance Singapore Pte Ltd (DNV), which provided a [Second Party Opinion](#) on alignment of the Framework with the “Sustainability-Linked Bond Principles 2020” published by the International Capital Market Association (ICMA) and the “Sustainability-Linked Loan Principles 2021” published by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA). DBS Bank Ltd. and United Overseas Bank Limited are the joint lead managers and bookrunners for the issuance and the offering of the SLB.

The interest rate of the SLB will be subject to a step-up margin of 0.25% from the first interest payment date on or after April 1, 2026 if the stated SPT of greenhouse gas emissions intensity reduction to 0.40 tonnes of carbon dioxide equivalent per megawatt hour (tCO₂e/MWh) or lower is not achieved by December 31, 2025.

“Sustainable growth, decarbonisation, and energy security are key themes for both developed and emerging markets globally, but they should not be seen as mutually exclusive,” said Alfonso Garcia Mora, IFC Vice President for Asia and the Pacific. “With the success of this bond issuance, investors have made their position on the climate

crisis very clear and are continuing to shift capital to align their portfolios with net-zero targets.”

Besides being aligned with the Paris Agreement, the investment from IFC is also in keeping with the World Bank Group’s [Climate Change Action Plan](#) (CCAP) (2021-2025). Under this plan, IFC has committed to align all new real sector operations with the objectives of the Paris Agreement by July 1, 2025 and set the target of reaching 35 percent financing for climate on average over the next five years. In addition, IFC will intensify its efforts to create bankable investment opportunities and to mobilise private financing towards decarbonising key sectors as outlined in the CCAP.

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For analysts’ and media queries, please contact:

IFC

Media:

Alec Macfarlane (Mr)
Communications Officer
DID: +1 (202) 203 8324
Email: amacfarlane@ifc.org

Sembcorp Industries

Media:

Melody Wong (Ms)
Vice President
Group Strategic Communications,
Sembcorp Industries
DID: +65 6723 3439
Email: melody.wong@sembcorp.com

Analysts:

Ling Xin Jin (Ms)
Assistant Vice President
Group Strategic Communications,
Sembcorp Industries
DID: +65 6723 3384
Email: ling.xinjin@sembcorp.com

ABOUT IFC

IFC - a member of the World Bank Group - is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record US\$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic. For more information, visit www.ifc.org.

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ABOUT SEMBCORP INDUSTRIES

(Company registration: 199802418D)

Sembcorp Industries (Sembcorp) is a leading energy and urban solutions provider, driven by its purpose to do good and play its part in building a sustainable future. Headquartered in Singapore, Sembcorp leverages its sector expertise and global track record to deliver innovative solutions that support the energy transition and sustainable development. Sembcorp has a balanced energy portfolio of over 12,800MW, with more than 3,300MW of renewable energy capacity comprising solar, wind and energy storage globally. The company also has a proven track record of transforming raw land into sustainable urban developments, with a project portfolio spanning over 12,000 hectares across Asia.

By focusing on growing its renewables and integrated urban solutions businesses, it aims to transform its portfolio towards a greener future and be a leading provider of sustainable solutions. Core to its strategic transformation plan is its commitment to climate action. By 2025, Sembcorp aims to reduce its GHG emissions intensity to 0.40 tonnes of carbon dioxide equivalent per MW hour (tCO₂e/MWh) (from 0.54 tCO₂e/MWh in 2020) and its GHG emissions to 2.7 million tCO₂e by 2030 (equivalent to a reduction of 50% from 2010 levels, or 90% from 2020 levels). The company is targeting to deliver net-zero emissions by 2050.

Sembcorp is listed on the main board of the Singapore Exchange. It is a component stock of the Straits Times Index and sustainability indices including the FTSE4Good Index and the iEdge SG ESG indices. For more information, please visit www.sembcorp.com.