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**SUSTAINABILITY
BONDS**

India EximBank

Sustainability Bonds

India
EximBank

RESUMEN

En el año fiscal 2022-23, el Banco emitió con éxito un Bono de Sostenibilidad a 10 años por valor de \$1,000 millones en enero de 2023, bajo su Marco de ESG (Ambiental, Social y de Gobernanza). Esta emisión convirtió al Banco en el emisor de ESG en una sola colocación más grande de la historia de India, y también abrió los mercados para emisiones de bonos en dólares y de sostenibilidad en 2023. El bono atrajo un libro de órdenes máximo de 3.7 veces su valor, con aproximadamente el 20% de las inversiones provenientes de nuevos inversores. La distribución del bono fue equitativa, con un 39% en la región de Europa, Oriente Medio y África (EMEA), un 32% en Asia Pacífico (APAC), y un 29% en Estados Unidos. Posteriormente, el Banco emitió su segundo Bono de Sostenibilidad por valor de \$98.5 millones en marzo de 2023. Los ingresos netos de estos bonos financiarán proyectos elegibles bajo el Marco de ESG del Banco, tales como energía renovable, transporte limpio, servicios esenciales, vivienda asequible y gestión sostenible del agua. Hasta marzo de 2023, se han asignado \$1,019 millones de los \$1,098.50 millones emitidos, con \$79.5 millones restantes para su uso de acuerdo con las directrices de liquidez del Banco o para el pago de deuda, excluyendo actividades no verdes.

ABSTRACT

In the fiscal year 2022-23, the Bank successfully issued a 10-year Sustainability Bond valued at \$1 billion in January 2023, under its ESG (Environmental, Social, and Governance) Framework. This issuance made the Bank the largest ESG issuer in a single placement in India's history and also opened the markets for dollar and sustainability bond issuances in 2023. The bond attracted an order book 3.7 times its value, with approximately 20% of investments coming from new investors. The bond distribution was well-balanced, with 39% in the Europe, Middle East, and Africa (EMEA) region, 32% in Asia-Pacific (APAC), and 29% in the United States. Subsequently, the Bank issued its second Sustainability Bond valued at \$98.5 million in March 2023. The net proceeds from these bonds will finance eligible projects under the Bank's ESG Framework, such as renewable energy, clean transportation, essential services, affordable housing, and sustainable water management. As of March 2023, \$1,019 million of the \$1,098.50 million issued has been allocated, with \$79.5 million remaining for use according to the Bank's liquidity guidelines or for debt repayment, excluding non-green activities.

RESUMO

No ano fiscal de 2022-23, o Banco emitiu com sucesso um título de sustentabilidade de 10 anos avaliado em US\$ 1 bilhão em janeiro de 2023, de acordo com sua estrutura ESG (ambiental, social e de governança). Essa emissão tornou o Banco o maior emissor de ESG em uma única colocação na história da Índia e também abriu os mercados para emissões de títulos em dólares e de sustentabilidade em 2023. O título atraiu uma carteira de pedidos 3,7 vezes maior de seu valor, com aproximadamente 20% dos investimentos provenientes de novos investidores. A distribuição dos títulos foi bem equilibrada, com 39% na região da Europa, Oriente Médio e África (EMEA), 32% na Ásia-Pacífico (APAC) e 29% nos Estados Unidos. Posteriormente, o Banco emitiu seu segundo título de sustentabilidade avaliado em US\$ 98,5 milhões em março de 2023. Os recursos líquidos desses títulos financiarão projetos elegíveis sob o Marco de ESG do Banco, como energia renovável, transporte limpo, serviços essenciais, habitação acessível e gestão sustentável da água. Até março de 2023, foram alocados US\$1,019 milhões dos US\$1,098.50 milhões emitidos, com US\$79.5 milhões restantes para uso de acordo com as diretrizes de liquidez do Banco ou para pagamento de dívida, excluindo atividades não verdes.

1. EXPORT- IMPORT BANK OF INDIA

» OVERVIEW

The Export-Import Bank of India was established in 1981 under the Export-Import Bank of India Act, 1981, for the purpose of financing, facilitating and promoting foreign trade in India. Specifically, the Act mandates the Bank to provide financial assistance to Indian exporters and importers, and to function as the principal financial institution for coordinating the working of institutions engaged in financing the export and import of such goods and services. The Bank, which commenced its operations on January 1, 1982, undertakes these functions with a view to promoting India's international trade.

Since its establishment in 1981, the Bank's long-term strategy has evolved from a narrow focus on export credits to an emphasis on making available a broader range of financial products aimed at promoting India's international trade. Whereas the Bank initially positioned itself as a traditional export credit agency, it later broadened its goals to encourage the creation of export capability through the arrangement of competitive financing at various stages of the export cycle. In 2022-23, the Bank strengthened its long-term strategic vision to facilitating globalization of Indian businesses and empowering growth of partner countries and mission to 'Facilitate Indian Trade and Investment, and Support Partner Countries' Development Priorities as a Financially, Socially and Environmentally Responsible Institution'. Accordingly, the Bank aims at financing the production and distribution of Indian exports including overseas investments while strengthening the Bank's and its constituent's Environmental, Social and Governance (ESG) commitments, and to supplement these activities with value-added information and advisory services.

The Bank's primary goal is to develop commercially viable relationships with a target set of export-oriented companies by offering a comprehensive range of products and services intended to support the efforts of such companies in entering and consolidating their presence in the global markets. The main focus of the Bank is on export finance and export capability creation. Through its export credits line of business, the Bank finances the export of Indian machinery, manufactured goods, consultancy and technology services on deferred payment terms. The Bank extends lines of credit (LOCs) to overseas financial institutions, regional development banks, sovereign governments and other entities overseas to finance and promote the exports of Indian companies.



A large majority of the LOCs are those routed through the Bank by the Government, which guarantees the repayment of principal and interest, and provides interest equalization support in respect of such LOCs. The Bank also extends buyer's credit under the National Export Insurance Account (BC-NEIA). BC-NEIA is a unique mechanism for promoting India's project exports to traditional as well as new markets in developing countries, which need deferred credit on a medium or long-term basis. Under this facility, the Bank facilitates project exports from India by way of extending credit to overseas sovereign governments and government-owned entities for import of Indian goods and services from India on deferred credit terms. The Bank obtains credit insurance cover under National Export Insurance Account (NEIA) through ECGC Limited. NEIA is a trust set up by the Ministry of Commerce and administered by the ECGC.

The Bank has diversified its lending activities to cater to the financing needs of export-oriented companies covering various stages of the business cycle, including export production, export product development, export marketing and overseas investment. Through its Finance for Export Capability Creation (FECC) line of business, the Bank offers financing to export-oriented Indian companies (FECC Loans), including loan programs for project finance, equipment finance, working capital requirements and other corporate financing requirements, and provides overseas investment finance to Indian companies investing in ventures overseas. The Bank also engages in the financing of infrastructure projects for export development. Apart from addressing the financial needs of corporates, the Bank also caters to MSMEs and enterprises at grassroots level through its programmes such as 'Ubharte Sitaare' Programme (USP), Trade Assistance Program (TAP) and Grassroots Initiatives and Development (GRID) Program.

As of March 31, 2023, the total outstanding gross loans extended by the Bank were at ₹1,392.72 billion rupees (US\$16.94 billion), including ₹1,065.16 billion (US\$ 12.97 billion) in outstanding export credit loans and ₹327.56 billion (US\$ 3.99 billion) in outstanding finance for export capability creation loans. As of March 31, 2023, the total non-fund-based portfolio of the Bank was ₹170 billion (US\$ 2.07 billion).

In addition to finance, the Bank provides information and advisory services to enable Indian exporters to evaluate international risks and export opportunities, and to assess their competition. These services include country studies, merchant banking services, advice on international marketing and data needed for effective participation in projects funded by multilateral institutions. In addition, through its network of overseas representative offices and strategic alliances with financial institutions, trade promotion agencies and information-providers around the world, the Bank assists export-oriented Indian companies in entering or expanding their presence in overseas markets. These services include providing information on trade and investment issues, identifying technology suppliers, providing corporate finance, counselling and commercial consulting services and promoting joint ventures.

The Bank's head office is located in Mumbai. The Bank has domestic regional offices in Ahmedabad, Bangalore, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Lucknow, Mumbai, New Delhi and Pune and overseas representative offices in Abidjan, Addis Ababa, Dhaka, Dubai, Johannesburg, Singapore, Washington D.C. and Yangon and an overseas branch in London.

2. EXIM BANK'S ESG CONSIDERATIONS

The Bank is firmly committed to conducting its business in an environmentally and socially responsible manner. The Bank recognises that sustainable development is essential for the long-term growth and prosperity of the economy, society and the environment. Accordingly, the Bank has integrated sustainability principles into its business policy, strategy and operations, reflecting its recognition of the increasing salience of sustainability for its various stakeholders, including customers, investors, employees, communities, government, regulators, vendors and suppliers. By aligning its operations with sustainability objectives, the Bank is striving to meet the expectations of its stakeholders, ensuring that it adopts environmentally friendly practices, focuses on sustainable and transition finance, promotes social inclusivity, and fosters good governance. The Bank's sustainability approach is also complementary to its objective of promoting international



trade and globalization efforts of Indian companies. Indian companies are gearing up for changing demand trends in light of the transition of partner countries, individuals and supply chain partners to lower carbon trajectories, and the Bank is committed to support them in this pursuit.

Exim Bank has in place a board-approved ESG Policy for Sustainable Development / Responsible Financing since 2009. The ESG Policy sought to ensure compliance with the respective host country regulations and envisages evolution of a common policy approach for all lenders in the consortium.

Exim Bank has also been involved in the deliberations led by the Indian Banks Association (IBA) on a sustainability framework for banks. The IBA has appreciated the efforts of the Bank, among others, for making progress on integrating ESG-based risk assessment into the credit appraisal process, as well as on aspects of green investment using new modes of green finance.

Externally, the Bank has been promoting sustainable banking both in India as well as internationally through its various financing programmes. The Bank has been funding projects in areas such as renewable energy, energy efficiency, waste management, mass transportation and energy efficient transport. Notably, the Bank was awarded for its best practices in the Category of Sustainable Financing Programme in the Latin American Association of Development Financing Institutions (ALIDE) Awards for 2019, held at the 49th General Assembly of ALIDE in Madrid, Spain.

Internally, as well the Bank has been reviewing its operations for ESG-related parameters. The Bank has taken up electrical audit and associated measures for optimizing energy consumption. Notable initiatives include the installations of solar panels at the Bank's staff quarters, LED lights in the work areas and motion sensor lights at its Head Office, which has considerably reduced energy consumption. Other initiatives include minimizing the use of paper through digitization of workflows, organizing sapling plantation drives, replacement of paper cups and single-use plastic water bottles with reusable glass mugs and bottles in the Bank's facilities, and participation in beach clean-up drives. The Bank was also awarded with the Indian Green Building Council's (IGBC) Green Interiors Platinum rating for its New Delhi office.

In terms of social responsibility, the Bank has also been at the forefront in supporting causes including women empowerment and upliftment of underprivileged children. The Bank also promotes inclusive growth through its grassroot initiatives and development group.

» EXIM BANK'S ESG FRAMEWORK

In its endeavor to align with the global ESG considerations, and enhancing transparency and communication with its stakeholders, the Bank set up its ESG framework in December 2021 to issue green, social or sustainable bond and loans. The ESG Framework outlines the Bank's intent to enter into sustainable financing transactions to finance projects that have a positive environmental and/or social impact while supporting its business strategy. The ESG Framework defines eligibility criteria in six green and four social areas, being renewable energy, sustainable water and wastewater management, pollution prevention and control, clean transportation, green buildings, energy efficiency, access to essential services and basic infrastructure, food security and sustainable food systems, MSME financing, and affordable housing.

This ESG Framework has been reviewed by a Second Party Opinion ("SPO") provider "Sustainalytics". The SPO has confirmed that the ESG Framework is 'Credible and Impactful' and is aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by International Capital Market Association (ICMA), and Green Loan Principles 2021 and Social Loan Principles 2021, as administered by Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications and Trading Association (LSTA). The SPO also states that the Bank is well-positioned to address common environmental and social risks associated with projects. As per the ESG Framework, each sustainable financing transaction will adopt procedures for managing the use of proceeds, project evaluation and selection, management of proceeds and reporting. The use of proceeds of such bonds are required

to be used exclusively to finance or re-finance, in whole or in part, new or existing eligible green and/or social projects aligned to ICMA Principles.

» EXIM BANK'S ESG POLICY

In March 2022 and 2023, the Bank strengthened its ESG policy by setting in place the board-approved ESG policy – 'Environment, Social and Governance Policy of the Bank for Sustainable Development/Responsible Financing'. The key objectives of the policy include promoting ESG competitiveness of Indian companies; contributing to the Government of India's (GOI) carbon neutrality goal; expanding social value creation; and enhancing predictability, transparency, and accountability of the Bank's financing decisions through measurement and management of ESG risks. The Policy provides a governance structure and risk assessment model that ensures robust oversight over ESG matters. Cognizant of the risks arising from climate change, and the Bank has included climate risk aspects in its ESG risk assessment model.

» EXIM BANK'S SUSTAINABLE FINANCING COMMITTEE

The Bank has also set up a sustainable financing committee (SFC), including representations from the Bank's operating, compliance and legal groups. The SFC implements the Bank's sustainability strategy and works with the business units to minimize negative and maximise the positive environmental and social impacts from its lending operations. The Bank's ESG policy empowers the Bank's SFC to screen every credit proposal, and categorize them into High, Moderate and Low ESG risk, based on an internally developed model. Through this rigorous evaluation process, the Bank ensures that potential ESG risks are mitigated, and the Bank's financial activities are in alignment with the sustainable development agenda. The SFC has the authority to classify a project as green, sustainable or social in line with the criterion mentioned in the ESG Framework. In addition to the above, an annual review of all such projects will be undertaken by the SFC and projects which no longer meet the criteria will be removed. Any such changes to the overall portfolio considered under the green, sustainable or social categories including removal and addition of individual projects from the portfolio shall have to be cleared by the SFC. The annual reporting of the allocation of proceeds of each ESG bond and loan are also reviewed by SFC prior to its publication in any domain, including the Bank's annual report, ESG or sustainability report.

» SUSTAINABLE FINANCE PROGRAMME

Exim Bank has also launched a new lending programme, Sustainable Finance Programme (SFP) for the purpose of extending green, transition, social or sustainability-linked finance to eligible borrowers. The SFP is a new lending programme, under the Bank's commercial portfolio wherein, the Bank may extend direct finance or by way of refinance of both fund-based and non-fund-based financial assistance inter-alia term loan, working capital, guarantees etc. The purpose of extending such an assistance should primarily fall under green, transition, social or sustainability-linked finance. The broad categories, mentioned in the Framework for acceptance of Green Deposits, issued by RBI, shall be referred for classifying the eligible activities as 'green' under the SFP. Transition finance includes any form of financial support that helps companies to lower their GHG emissions. The broad categories viz. access to essential services and basic infrastructure, food security and sustainable food systems and affordable housing, as mentioned in the Bank's ESG Framework, shall be referred for classifying the eligible activities as 'social' finance. Sustainability-Linked Finance comprises financial products and instruments that are designed to incentivize and reward companies for achieving predefined sustainability targets.

» SUSTAINABLE FINANCE TARGET

In the Board approval for the SFP, the Bank has also committed to achieve lending under the SFP equivalent to 10% of the direct commercial loan book of the Bank by FY2027.

The Bank's ESG policy and ESG framework serve as guiding principles for decision-making processes in the Bank. Thus, enabling the Bank to contribute towards sustainable development in India and partner countries.



3. ABOUT EXIM BANK'S SUSTAINABILITY BONDS

To enhance its commitment towards sustainable financing in accordance with global best practices, the Bank, in FY 2022-23, the Bank successfully issued a 10-year Sustainability Bond of US\$ 1 billion in the 144A/Reg-S format in January 2023 (maturing on January 2033), under its ESG Framework. The issuance made the Bank the largest ever single tranche investment-grade ESG issuer out of India, apart from making it the first Indian issuer to open the markets for dollar and sustainability bond issuances in 2023.

» DETAILS OF THE JANUARY 2023 SUSTAINABILITY BOND

The issue attracted a peak order book of 3.7 times, from marquee investors and garnered interest from several new investors, with nearly 20% of investments by first-time investors. The bonds were evenly distributed with 39% in the Europe, the Middle East and Africa (EMEA) region, 32% in the Asia Pacific (APAC) and 29% in the US. The investor base was more diverse for the issuance with outside Asia investors accounting for two-thirds of the allocation. This issuance is the largest sustainability bond to be listed on the India INX GSM Green platform, and the first sustainability bond to be listed on AFEX Green, Afrinex's platform dedicated for social, green and sustainable financing. This Bond was also listed on London Stock Exchange's Sustainable Bond Market (SBM) Platform. Apart from these, the Bond has also been listed on the Singapore Exchange.

The Bank, on January 30, 2024, won the 'Best Sustainability Bond' award at the prestigious 'Asset Triple A Awards 2024 - South Asia, India' for this US\$ 1 bn Senior Sustainability Notes issuance.

Further, given the increased investor interest in the Bank's first sustainability issuance under the Framework, the Bank issued its second Sustainability Bond of US\$ 98.5 million in the Reg-S format in March 2023, by way of private placement.

» USE OF PROCEEDS

The net proceeds of the Sustainability Bonds will be used towards eligible projects under the Bank's ESG Framework that are aligned to select Green and Social categories in the Framework, including renewable energy, clean transportation, access to essential services



and basic infrastructure, affordable housing, and sustainable water and wastewater management.

» PROCESS FOR MONITORING AND TRACKING OF PROCEEDS

The Bank's Sustainable Finance Committee identified the eligible projects under the framework, thus ensuring that these projects not only comply with the 'Use of Proceeds' as identified in the Framework and the SPO, but also the environmental and social guidelines under the Green Bond Principles and Social Bond Principles. Further, for the Sustainability Bond Post-Issuance Review, the Bank engaged 'Sustainalytics' and the review is available on the Bank's website. India Exim Bank has pioneered the market, in its commitment towards sustainable financing.

» POST ISSUANCE ON EXIM BANK'S SUSTAINABILITY BONDS

The evaluation criteria for the projects and assets funded with proceeds from the 2023 Sustainability Bonds was based three aspects - on whether the projects and programmes:

- a) Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
- b) Complied with the Project Evaluation and Selection and the Management of Proceeds commitments outlined in the Framework; and
- c) Reported on allocation of proceeds category outlined in the Framework.

Table N° 1

List of Use of Proceeds Categories and Eligibility Criteria

Use of Proceeds Category	Eligibility Criteria
Renewable Energy	<ul style="list-style-type: none"> ▶ Investments in renewable energy production, transmission, construction including equipment, appliances and products. ▶ Eligible renewable energy technologies: solar, wind and small hydro (<25MW).
Sustainable Water and Wastewater Management	Sustainable infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation.
Pollution Prevention and Control	Emissions reduction, waste treatment, recycling or reuse, energy/ emissions-efficient waste to energy.
Clean Transportation	Electric or hybrid rail transportation, freight and people rail transport, mass transit projects, electric or hybrid vehicles and related infrastructure, complying with the Climate Bonds Initiative Low Carbon Transport Criteria Version 2 (dated 3 November 2020).
Green Buildings	<p>Acquisition, construction or refurbishment of buildings which (i) meet one or more recognized standards, such as:</p> <ul style="list-style-type: none"> ▶ U.S. Leadership in Energy and Environmental Design (LEED): minimum 'Gold'; or ▶ Building Research Establishment Environmental Assessment Method (BREEAM): minimum 'Excellent'; or ▶ Indian Green Building Council (IGBC): minimum 'Gold'; or ▶ Any other appropriate green building label, which is an equivalent standard as the above;
Energy Efficiency	<ul style="list-style-type: none"> ▶ Investments in energy efficient appliances and products (e.g. LED lights and motion sensor lights) ▶ Refurbishment of buildings that delivers a minimum 30% increase in energy efficiency or grade improvement(s) according to local certifications.
Access to Essential Services and Basic Infrastructure	<ul style="list-style-type: none"> ▶ Increasing or providing access to free or subsidized healthcare, emergency services and education and vocational training for the general public. ▶ Increasing or providing access to clean drinking water, sewers, sanitation, transport, telecommunications and energy in developing countries as defined by the OECD.
Food Security and Sustainable Food Systems	<ul style="list-style-type: none"> ▶ Physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements. ▶ Reduction of food loss and waste;
MSME Financing	Lending to MSMEs and contributing to creating or maintaining local jobs in low and lower middle-income countries (L & LMI), including under Exim Bank's Grassroots Initiatives and Development Programme (GRID), Marketing Advisory Services (MAS) and Ubharte Sitaare Programme (USP).
Affordable Housing	Finance construction of affordable housing projects in developing countries as defined by OECD Development Assistance Committee (DAC) list of Official Development Assistance Recipients.

The post-issuance letter stated that based on the limited assurance procedures conducted, there is nothing that has come to the attention of Sustainalytics that causes to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Framework. The Bank has disclosed that as of March 2023, of the total US\$ 1,098.50 million issuance, US\$ 1,019 million of the 2023 Sustainability Bonds proceeds were allocated and a balance of unallocated proceeds of US\$ 79.5 million will be held in accordance with the Bank’s liquidity guidelines for short term time deposits or investments or will be used to repay debt, excluding any debt towards non-green activities.

Table N° 2

Detailed Findings of the Post-Issuance Letter

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the 2023. Sustainability Bonds to determine if projects aligned with the use of proceeds criteria outlined in the Environmental, Social and Governance Framework.	All projects reviewed complied with the Framework’s Use of Proceeds criteria.	None
Project Selection, and Management of Proceeds Criteria	Verification of the projects funded by the 2023 Sustainability Bonds to determine if the commitments under processes for project selection and management of proceeds were consistent with the Framework.	The Bank’s processes for project selection and management of proceeds for the 2023 Sustainability Bonds issuance are consistent with the commitments described in the Framework.	None
Reporting Criteria	Verification of the projects funded with proceeds from the 2023 Sustainability Bonds to determine if the impact of projects was reported in line with the reporting criteria outlined in the Framework.	The Bank reported on the allocation of proceeds and is committed to report on the Eligible Green and Social Investments’ environmental or social benefits per Use of Proceeds criteria.	None



Table N° 3

Allocation Reporting by Use of Proceeds Category

Use of Proceeds Category	Net Proceeds Allocation (US\$ million)
Renewable Energy	16.60
Sustainable Water and Wastewater Management	201.94
Clean Transportation	327.00
Access to Essential Services and Basic Infrastructure	396.11
Affordable Housing	77.30
Total, Proceeds Allocated	1019.00
Total Proceeds Raised	1,098.50
Total Unallocated Amount	79.50

Table N° 4
Allocated Project Details

Use of Proceeds Category	Project description	Project location	Proceeds allocated towards eligible projects (US\$ million)	Total Proceeds allocated for each use of proceed category (US\$ million)
Renewable Energy	Rural electrification of villages through solar photovoltaic system	Niger	6.30	16.60
	Solar PV farms	Mauritius	2.70	
	Solar mini grid electrification and solar street lighting project	Nigeria	7.60	
Sustainable Water and	Stung Sva Hab/Slab water resources development project	Cambodia	0.30	201.94
Wastewater Management	Rehabilitation and upgradation of potable water system	Ghana	0.44	
	Engineering, Procurement and Construction (EPC) services for conversion and commission of diesel pumps into electric pump sets and upgradation of electric pumps	Lao People's Democratic Republic	1.00	
	Construction of a new water supply system from Likhubula River	Malawi	6.60	
	Water supply schemes	Tanzania	15.70	
	Construction of water supply scheme to the towns and villages in Tanzania	Tanzania	9.20	
	Extension of Lake Victoria Pipeline	Tanzania	38.20	
	Construction and execution of the works related to rehabilitation and improvement of water supply scheme	Tanzania	71.70	
	Construction of water supply schemes in 25 towns	Tanzania	49.10	
	Up-gradation of Deka pumping station and river water intake system	Zimbabwe	9.70	
Clean Transportation	EPC of Metro Express Project Phase-III	Mauritius	327.00	327.00
Access to Essential Services and Basic Infrastructure	Procurement of medical equipment and rehabilitation of health establishment	Benin	7.00	396.11
	Drinking Water Supply System	Benin	5.30	
	Health care project	Cote d'Ivoire	7.30	
	Replacement of asbestos water pipes with UPVC pipes	Gambia	15.10	

Use of Proceeds Category	Project description	Project location	Proceeds allocated towards eligible projects (US\$ million)	Total Proceeds allocated for each use of proceed category (US\$ million)
Access to Essential Services and Basic Infrastructure	Vocational Training Center (Atal Bihari Vajpayee Centre for Excellence in Information Technology and Outsourcing)	Mongolia	7.70	396.11
	Construction of borewells with handpumps and small water systems	Mozambique	0.10	
	Transmission line project	Nepal	69.30	
	Upgrading/ improvement of road in underdeveloped and rural areas	Nepal	124.60	
	Transmission line & substation project	Nicaragua	14.00	
	EPC for establishment of center of excellence in farm mechanization	Rwanda	2.60	
	Prefabricated health posts	Zambia	12.20	
	Plant & design integrated water supply project	Sri Lanka	130.90	
Affordable Housing	Design and construction of social housing units	Maldives	53.60	77.30
	Social Housing Project	Mauritius	23.70	
Total Proceeds Allocated				1019.00



a) Select Examples of Projects Financed Under the Sustainability Bonds

The Bank, through the proceeds of such sustainability bonds, would actively contribute towards sustainable development in India and partner countries. Select examples of the sustainable finance provided through the proceeds of these bonds are listed as under.

» MAURITIUS: SOLAR PV FARM

Mauritius has no known oil, natural gas or coal reserves, and is, therefore, heavily dependent on imports for its energy needs. In its Long-Term Energy Policy, the Government of Mauritius has established an action plan for the development of the energy sector in Mauritius. One key principle underpinning the Policy is greater use of renewable energy in the electricity generation mix, with a view to reduce the dependence on imported fossil fuels. To assist the country in its transition towards cleaner energy, Exim Bank funded a project to set up a Solar PV Farm with an AC power output of 8MW in the region of Tamarind Falls. This Solar PV Farm, once operational, is expected to generate more than 12 GWh of power annually and shall contribute towards meeting the objective of attaining 35% renewable energy mix by 2025.

» NIGER: SETTING UP OF SOLAR PV POWER STATION AND SOLAR ELECTRIFICATION OF 90 VILLAGES

Niger has one of the lowest electrification rates in Sub-Saharan Africa. Only one in seven Nigeriens have access to modern electricity services, and just 4% of rural residents have access through the national utility. Solar power offers a cost-effective, fast pathway for increasing the energy access in the country.

The Bank contributed towards the country's plan to increase access to clean energy through its support for a Solar Photovoltaic Power Station of 7 MW in Malbaza, Niger. The plant consists of a total of 21,500 solar panels over an area of 11 hectares. The plant is connected to the grid and supplies electricity to approximately 30,000 homes in Madoua, Malbaza and Konni regions of the country.

Apart from the power plant, the Bank has also supported off-grid initiatives in Niger for enhancing access to electricity in rural areas of the country that are not connected to the grid. The Bank funded electrification of 90 villages in the country. The support has enabled access to electricity to 8,950 households and approximately 45,300 villagers. Apart from

this, school classrooms, an integrated health center, a mosque and a recreation center were also electrified in each of the villages.

The project had a significant impact on the local community. It has helped to enhance the quality of life of the people, as students can study at night, mobile phones can be charged at home without paying extra money at shops and women can continue sewing, weaving, etc., even during the night. Apart from these benefits accruing from better access to electricity, the project also led to creation of job opportunities for 330 people.

Further, under this project, solar water pumping systems have also been installed in 10 villages, enabling these villages to access potable water for their daily drinking and other requirements. More than 15,000 people in Niger get clean potable water with this support.

» MALAWI: NEW WATER-SUPPLY SYSTEM INCLUDING WATER TREATMENT PLANT

Exim Bank's support as part of the development partnership programmes of the GOI, is contributing towards the building of a water-secure world. An example of such support is the construction of a new water supply system, including construction of a water treatment plant, from Likhubula River in Mulanje to Blantyre, Malawi. Blantyre, the second largest city in Malawi, is the finance and commerce center of the country. The city has witnessed rapid urbanization in the last decade, which led to an increase in the water requirement in the city to 120,000 cubic meters per day. The old water treatment plant in the area could not meet the increased requirements, and the city was stricken with chronic water shortage and frequent outbreak of waterborne diseases. Exim Bank's support helped address this critical issue.

The new water supply system, constructed with a support from Exim Bank, has led to an increase in water supply by 20,000 cubic meters. The improved water access and quality has led to an increase in supply hours from an average of 18 hours to 23 hours in the area and has brought relief from the intermittent water supply. The improved water access has also led to better health outcomes for the people in the area.

The support was also exemplary of the appropriate, adaptive and affordable nature of Indian equipment and technology that is utilized in the projects supported by Exim Bank in partner countries. Under the project system in Malawi, the high cost incurring electric pumps were replaced with gravity flow pipelines, making it not only more environmentally sustainable, but also leading to a lot of savings for the Blantyre Water Board.

The construction of a new water supply system also led to several ancillary benefits for the local community. During the project's construction phase, hundreds of people, including women, were employed in the project. Further, a service road to the storage tank now serves as an access road for the local people.

» MAURITIUS: ELECTRIC METRO PROJECT

The Government of Mauritius is implementing a transport strategy focused on lowering greenhouse gas emissions, reducing travel time and costs, reducing consumption of non-renewable resources, making transport systems more cost effective, and reducing pollution related to transport and its adverse health effects. Exim Bank, under the Lines of Credit programme, supported the construction of dual-track standard gauge Light Rail Transit system between Port Louis to Curepipe, and the extension of Metro Express Project from Reduit to Rosehill stations, for providing electric rail-based public transport system to the commuters in Mauritius. The metro will be providing commuters a frequent, timely and fast public transport system, while at the same time reducing carbon emissions.

» ZAMBIA: PREFABRICATED HEALTH POSTS

The Bank supported construction of 650 prefabricated health posts in different provinces of Zambia. The project involved providing basic medical equipment in the health posts, along with solar power, boreholes and hand pumps. The construction of prefabricated structures, and supply and installation of essential equipment has helped connect the rural population in Zambia to the health system. This critical investment in primary healthcare is set to improve the delivery of health services in far flung areas of Zambia. Each health post in the rural area caters to 3,500 people, whereas in urban areas it caters to nearly 7,000 people. In Zambia, the odds of survival for pregnant women and newborns living in rural communities were poor. Water-borne and mosquito-borne diseases, which require immediate medical interventions, were also common in the country. With only 46% of population living within 5 km of a medical facility, the healthcare situation in the country was dire. With these health posts, healthcare services could be moved closer to the families, especially in the rural areas. Healthcare posts were part of the strategy of the Government of Zambia to provide 80% of the population with medical facilities within a 5 km radius. The health posts are providing pre- and post-natal care, vaccination, mother and child healthcare, treatment and medicines for communicable and noncommunicable



diseases, etc. Quick access to quality maternal and child healthcare facilities is helping in reduction of the country's high infant and maternal mortality rate.

4. CONCLUSION

India's G20 presidency "One Earth, One Family, One Future" underscores the urgent need for global cooperation and collective action to address the pressing challenges facing our planet, and the imperative of building a more equitable, sustainable, and resilient world for all. Aligning itself to India's commitment, the Bank has taken

significant strides in integrating sustainability across its operations and enhancing sustainable finance. The Bank's Sustainability report, which was published in 2022-23, was also one such step in this regard, to highlight the role of the Bank in promoting Sustainable finance both domestically and internationally.

Further, the Bank's sustainability commitment extends beyond environmental considerations, emphasizing social responsibility, community engagement, and employee well-being. In this context, the Corporate Social Responsibility initiatives of the Bank cover a broad spectrum, including health, nutrition, sanitation, education, sports, skill development, livelihood support, and environmental sustainability.

Through such sustainability issuances, in particular, that are aligned with global best practices, the Bank has chosen a path of endorsing the collective action against the evolving climate and environmental challenges present today, along with ensuring a transparent reporting of the same that has been externally verified.