

JBIC Green Policy and Practices



March 2024

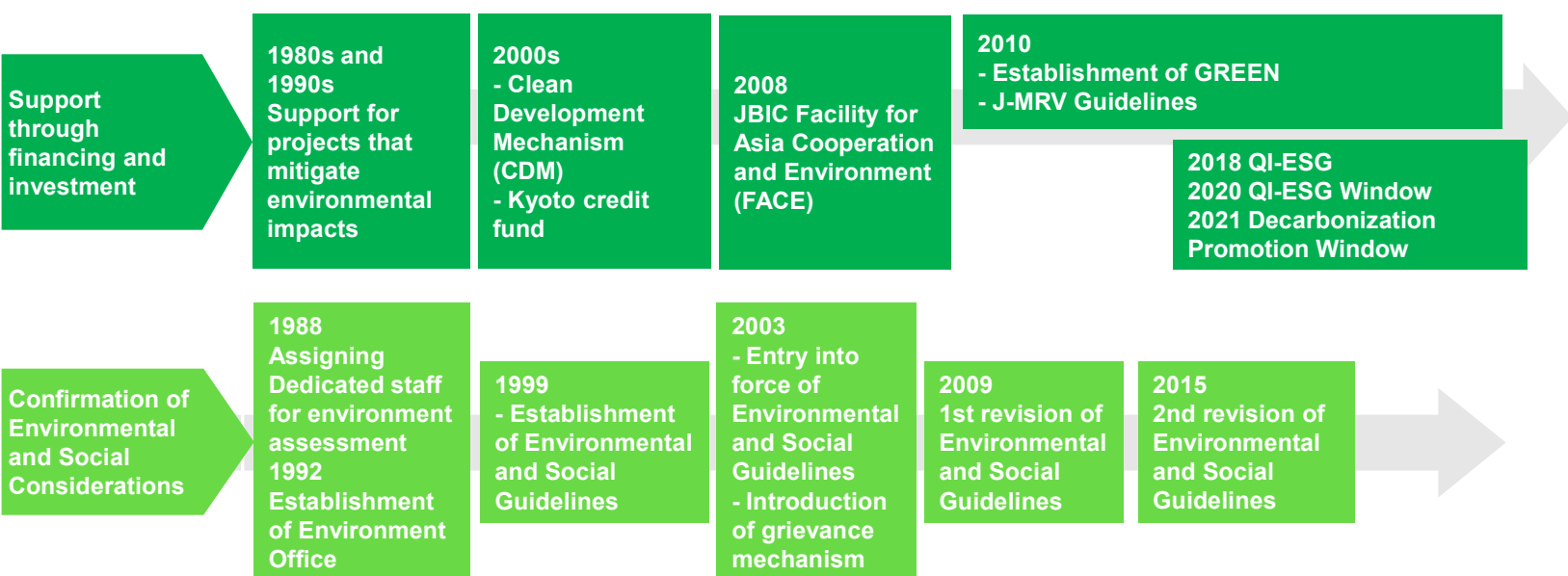
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1 Green Policy

Climate Change Policy -JBIC's Journey so far-

- ✓ In recognition of the importance of global efforts to address environmental issues, and in alignment with Japanese government policy, JBIC has been working since the 1990s to create a new finance menu and develop a governance and management systems.
- ✓ JBIC will continue to be proactive in providing financial support for efforts to tackle climate change, based on Japanese government policy.



Climate Change Policy –The environment surrounding climate change-

JBIC sets out its plans to address climate change, in advance of the United Nations Climate Change Conference (COP26) starting on October 31, 2021.

Paris
Agreement

G7
Cornwall
Summit

Japanese
Government

JBIC Climate Change Policy

**Contributing to the global
implementation of the Paris
Agreement**

- ▶ Strengthening climate change-related finance
- ▶ Enhanced climate-related financial disclosures pursuant to the TCFD recommendation
- ▶ Environmentally and socially conscious financings and investments

Climate Change Policy

Contributing to the global implementation of the Paris Agreement

JBIC is committed to pursuing ambitious and accelerated efforts to reduce its operational emissions to net zero by 2030, and to achieve net zero emissions in its finance portfolio by 2050.

Strengthening climate change-related finance

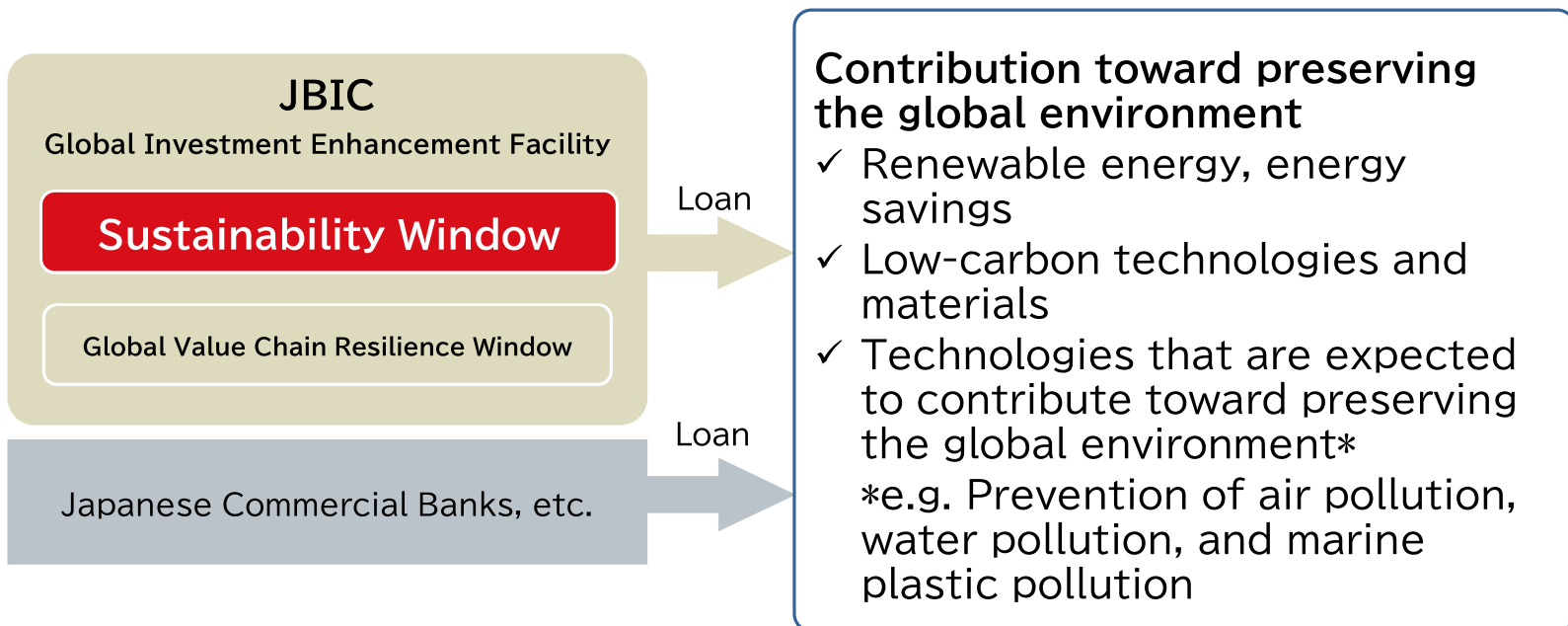
Enhanced climate-related financial disclosures pursuant to the TCFD recommendation

Environmentally and socially conscious financings and investments

Strengthening sustainability governance and management systems

Establishment of the Global Investment Enhancement Facility

In July 2022, JBIC established the Global Investment Enhancement Facility.



Major Eligible Projects

Global Warming Prevention

Renewable Energy Advanced Energy	Renewable Energy	Solar energy, Wind energy, Geothermal energy, Hydro energy, Other renewables
	Renewable Energy Business	System stability equipment and services, transmission and distribution equipment and services for dissemination of renewable energy (including international transmission cables)
	—	Manufacturing, transportation, supply, and utilization of hydrogen and fuel ammonia
Energy Savings	Industry	Highly efficient equipment and technology, Renovation for maintaining efficiency of equipment, Waste heat and gas recovery
Green Innovation	Smart Energy	Smart grid, Rechargeable battery
	Green Mobility	Modal shift (e.g. inter-city transportation), Advanced mobility (e.g. EV, electric propulsion ship)
	Smart City	Highly efficient community utility, Highly efficient office building utility, Energy-saving appliance
Other projects to reduce greenhouse gas emissions		Methane emission reduction, Chlorofluorocarbon emission reduction, Carbon dioxide capture and storage, Carbon dioxide capture and utilization, Manufacturing and sales of low-carbon technologies and materials (including key parts and equipment indispensable for the above-mentioned)
Global Environment Preservation (excluding Global Warming Prevention)		Prevention of air pollution (e.g. denitrification and desulphurization equipment), Water supply and prevention of water pollution, Waste treatment (e.g. recycling), Prevention of marine plastic pollution

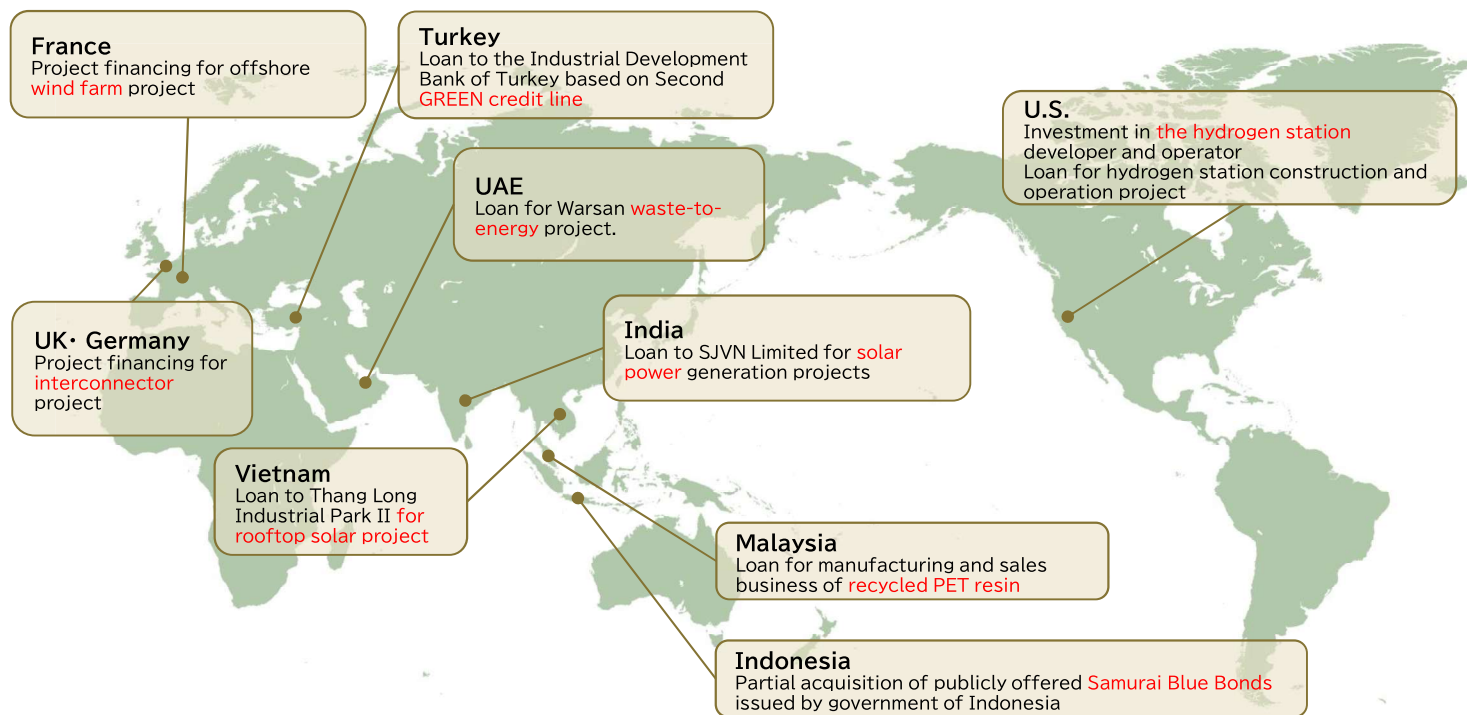


2 Green Projects

Toward the Realization of a Sustainable Society

Toward the sustainable development of an international economic society, JBIC promotes initiatives in the **Environment field**. Moreover, through continued **engagement** with the relevant national governments and authorities, as well as **multilateral cooperation**, JBIC will encourage the realization of a sustainable society, including the energy transition and the circular economy in emerging and developing countries.

Project Map



Examples of Green Finance ~Renewable Energy/ Energy Savings~

Second GREEN credit line for the Industrial Development Bank of Türkiye (TSKB) (February 2022)

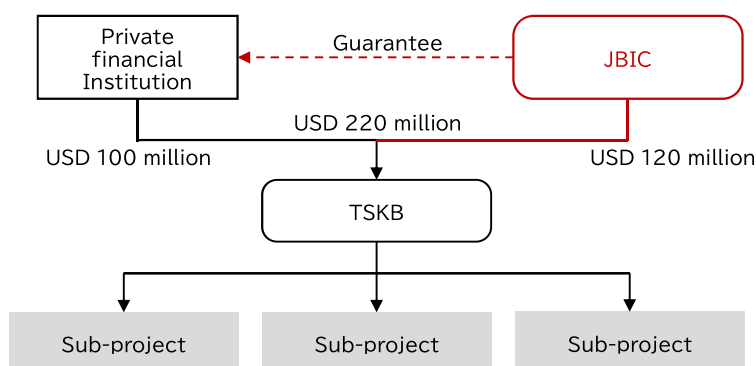
Outline

- Borrower: Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB)
- Facility: Credit Line totaling up to USD220 million (JBIC portion USD120 million)
- Purpose: Provide funds for **renewable energy projects** and **energy efficiency projects** financed by TSKB

Project Highlight

- The borrower, TSKB, has set the goal of **providing more than US\$800 million for SDGs-related financing by 2030.**
- The Government of Turkey ratified the Paris Agreement in October 2021. This GREEN support aims at further promoting **energy-saving buildings and technologies to improve the efficiency of industrial facilities and power transmission and distribution facilities.**

Finance Scheme



Examples of Green Finance ~Wind Farm Projects~

JBIC makes use of a wide range of financing tools to support renewable energy projects in countries around the world.

France/Project financing for offshore wind farm projects (April 2023)

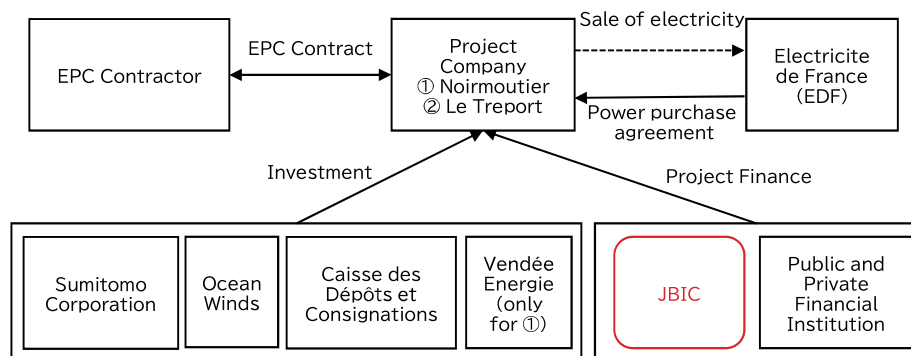
Outline

- Borrower: Eoliennes en Mer Iles d'Yeu et de Noirmoutier S.A.S. (Noirmoutier)
Eoliennes en Mer Dieppe Le Treport S.A.S. (Le Treport)
- Facility: EUR 2.2 billion for Noirmoutier (JBIC portion EUR 1.1 billion)
EUR 2.4 billion for Le Treport (JBIC portion EUR 1.1 billion)
- Purpose: Build, own, and operate offshore wind farms (approximately 500 MW each, 1 GW in total).

Project Highlight

- In April 2020, the Government of France announced the Multi-Annual Energy Plan, which aspires to introduce renewable energy on a large scale. This loan is in line with the Plan and will contribute toward **the increase of the country's offshore wind farm installed capacity.**

Finance Scheme



Examples of Green Finance ~Solar Power Projects~

Vietnam/Loan for Rooftop Solar Project (March 2022)

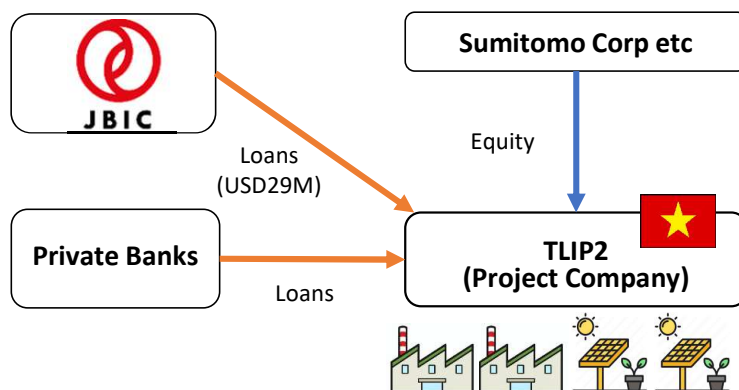
Outline

- Borrower: Thang Long Industrial Park II Corporation (TLIP II)
- Facility: USD 14 million (JBIC Portion USD 8 million)
- Purpose: To provide funds necessary for rooftop solar power generation project in Hung Yen Province

Project Highlight

- Total developed area of TLIP I to TLIP III is the largest among Japanese-affiliated industrial parks in Vietnam.
- **Rooftop Solar Power (20MW)** to be installed and operated for tenants in TLIP II, responding to demand for green power by Japanese manufacturing industry for decarbonizing in their factory operations

Finance Scheme



Examples of Green Finance

~ Waste energy generation (power generation from non-fossil fuels) ~

JBIC provides support for projects in areas such as waste management and core materials in order to realize circular society.

UAE/Loan for Warsan Waste-to-Energy Project in the Emirate of Dubai, UAE (March 2021)

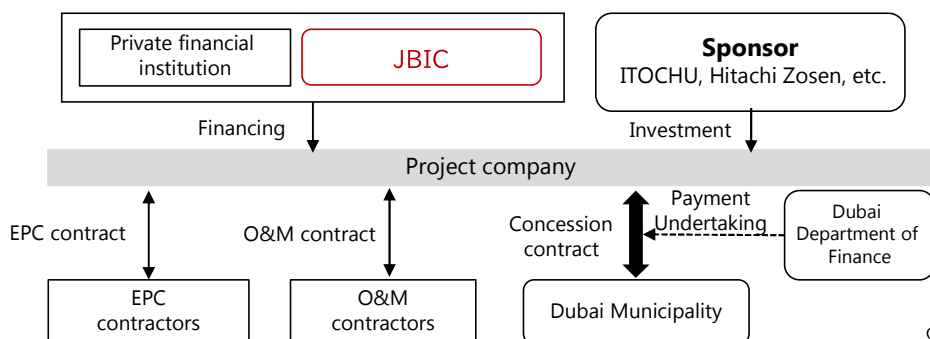
Outline

- Borrower: Dubai Waste Management Company P.S.C. (DWMC)
- Facility: USD 927 billion (JBIC portion USD 452 million)
- Purpose: Project financing for the first waste-to-energy project in Dubai

Project Highlight

- This project is **one of the world's largest waste-to-energy project** which will contribute towards reducing Dubai's landfill waste. It also aims to bring about the **diversification of the power generation mix** in UAE.
- The project is also in line with the strategies of ITOUCHU, which aims to expand its initiatives in the field of waste treatment, and of Hitachi Zosen, which is actively involved in hygienic waste treatment and the realization of sustainable society.

Finance Scheme



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Examples of Green Finance ~Solar Power Projects~

India/Loan to SJVN Limited for solar power generation projects (March 2023)

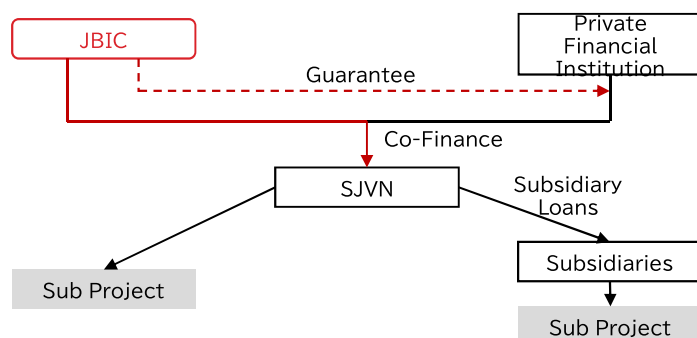
Outline

- Borrower: SJVN Limited (SJVN)
- Facility: JPY 15 billion (JBIC Portion JPY 9 billion)
- Purpose: To provide funds necessary for solar power generation projects in India

Project Highlight

- The Government of India pledged in 2021 that the country would become **"energy-independent" by 2047** and **achieve carbon neutrality by 2070**, and aspires to achieve **50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030**. SJVN, as a state-owned company, also aims to contribute to the Government's goal of carbon neutrality.
- JBIC supports the **Government of India's and SJVN's initiatives that contribute toward decarbonization** with this loan.

Finance Scheme



GREEN Bond ~Marine/Biodiversity~

Under the 'Guarantee and Acquisition toward Tokyo market Enhancement (GATE)' facility, JBIC is supporting the issuance of ESG-focused yen-denominated foreign bonds (Samurai bonds) in the Tokyo market and contributing toward the further deepening and development of economic relations between Japan and the related countries.

Indonesia / Partial acquisition of publicly offered Samurai Blue Bonds issued by government of Indonesia (May 2023)

Outline

- Issuer: The Government of Indonesia
- Facility Amount: Total JPY 20.7 billion (Partially acquired by JBIC)

Project Highlight

- This strengthens **the cooperation between the Government of Indonesia and JBIC**, through contributing toward resolving social issues in Indonesia.
- It is **the first Blue Bonds issuance supported by JBIC** as well as **the first Blue Bonds issued by the Government of Indonesia**.
- **The Government of Indonesia is the first foreign issuer** of Blue bonds in the Samurai bond market.



Source: freepik



Source: World Bank

Examples of Green Finance ~Electricity Interconnector Project~

UK & Germany／Project Financing for Interconnector Project (July 2022)

Outline

- Borrower: NeuConnect Britain LTD., NeuConnect Deutshcland GMBH & CO.KG, NeuConnect Netherlands B.V.
- Facility: GBP 1,069 million and EUR 910 million (JBIC portion GBP 270 million and EUR 156 million)
- Purpose: To provide funds for the construction of a high voltage direct current (HVDC) transmission system that will link the eastern region of the United Kingdom and Northern Germany

Project Highlight

- The project contributes to the **promotion of renewable energy and decarbonization through enabling power sharing** between the UK and Germany.
- KEPCO, the Japanese sponsor of this project, has set a policy of **promoting energy business that contributes to achieving zero carbon society**, and the loan will financially support this policy.



Examples of Finance ~ Circular Economy & Recycling ~

Malaysia/Loan for manufacturing and sales business of recycled PET resin (July 2022)

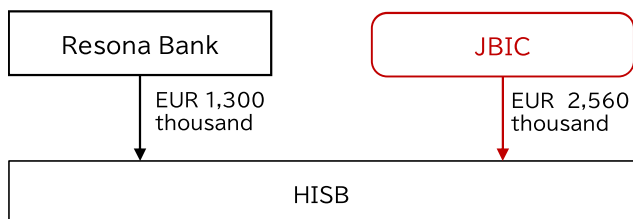
Outline

- Borrower: Hiroyuki Industries Sdn. Bhd. (HISB)
- Facility Amount: EUR 3,860 thousand (JBIC portion EUR 2,560 thousand)
- Use of loan: To finance the manufacturing and sales business of recycled PET resin in Johor, Malaysia,

Project Highlight

- HISB aims to **build a recycling-based society** and contribute to solving environmental problems in the country, and also **conducts social contribution activities (e.g., recycling projects) for elementary schools** in Johor.
- HISB has conventionally manufactured and sold stretch film and other packaging products, but started this business by utilizing its **resin processing technology**.

Finance Scheme



Pet Bottles to be Recycled



Recycled Pet Resin

Examples of Green Finance

~Promoting Production, Transportation, and Utilization of Hydrogen~

JBIC is enhancing its support toward projects in the field of hydrogen, which is drawing attention as a next-generation energy source.

California, U.S./ Loan for hydrogen station construction and operation project (December 2021)

Outline

- Borrower: Iwatani Cooperation (Iwatani)
- Facility: USD 26 million (JBIC portion USD 15 million)
- Purpose: To provide fund for the hydrogen station construction and operation project based in the State of California, undertaken by Iwatani Corporation of America (ICA), the U.S. subsidiary of Iwatani in Japan.

Project Highlight

- Iwatani was **the first Japanese corporation to operate hydrogen stations in the U.S.**, which it began in 2019. It has decided to install more new hydrogen stations in the State of California.
- Iwatani anticipates growth of demand for hydrogen, which is a next-generation energy source. In view of that, the loan will financially support for **the expansion of hydrogen station construction and operation projects in the U.S.**

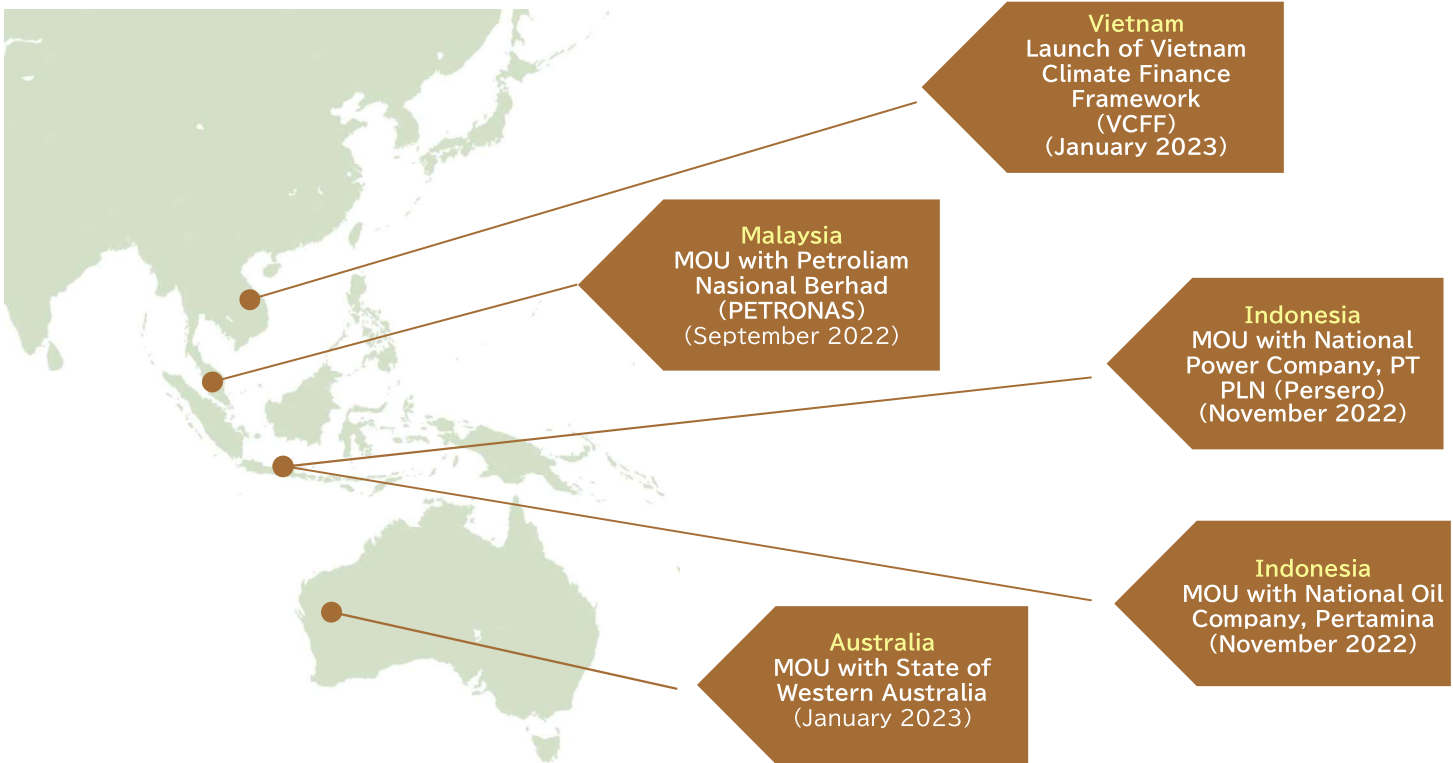


@Iwatani Corporation

Examples of Engagement

~Cooperation with Government and International Agencies~

By strengthening cooperation with foreign government agencies, JBIC provides support from the financial aspects to create new business opportunities for Japanese companies and promote business in sectors such as decarbonization.



Examples of Engagement

~Cooperation with Government and International Agencies~

By strengthening cooperation with international agencies, JBIC provides support from the financial aspects to create new business opportunities for Japanese companies and promote business in sectors such as decarbonization.

Major Examples of Cooperation with International Agencies

MOU with
European Bank
for
Reconstruction
and
Development
(EBRD)
(October 2022)

MOU with Inter-
American
Development
Bank and Inter-
American
Investment
Corporation
(April 2023)

MOU with
European
Investment
Bank (EIB)
(October 2021)

MOU with West
African
Development
Bank (BOAD)
(August 2022)

MOU with Africa
Finance
Corporation
(AFC)
(May 2023)

Issuance of Green Bonds

In January 2022, JBIC issued the first Green Bonds as a Japanese government-guaranteed foreign bond, followed by the second issuance in October 2022. Through green finance, JBIC is contributing to the formation of a new ecosystem for GHG reduction and the decarbonization of Japan.

Outline

- Significantly oversubscribed due to a large demand from a wide range of investors, particularly overseas green investors.
- The raised funds will be used for eligible assets, including renewable energy, based on the JBIC Green Bond Framework, which is certified by Sustainalytics, a renowned organization in the sustainability field.

Features of the issuance

	The First (JBIC50)	The Second (JBIC55)
Guarantor	The government of Japan	
Currency	U.S. dollar	
Maturity	5 years	
Coupon rate	1.625%	4.375%
Amount	USD 500 million	

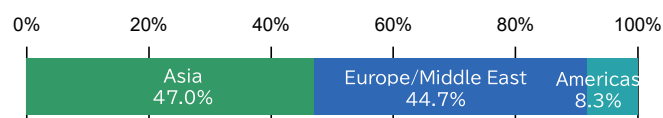
Projects eligible for use of funds

- Renewable energy (e.g. wind power in Africa, geothermal power in Southeast Asia, etc.)
- Clean transportation (e.g. high-speed railway projects in Europe)



Sales by Region

The first Green Bonds (JBIC50)

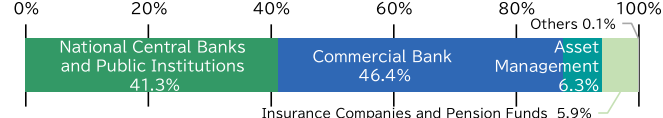


The second Green Bonds (JBIC55)

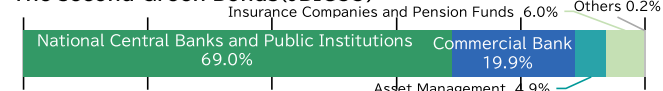


Sales by Sector

The first Green Bonds (JBIC50)



The second Green Bonds (JBIC55)



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