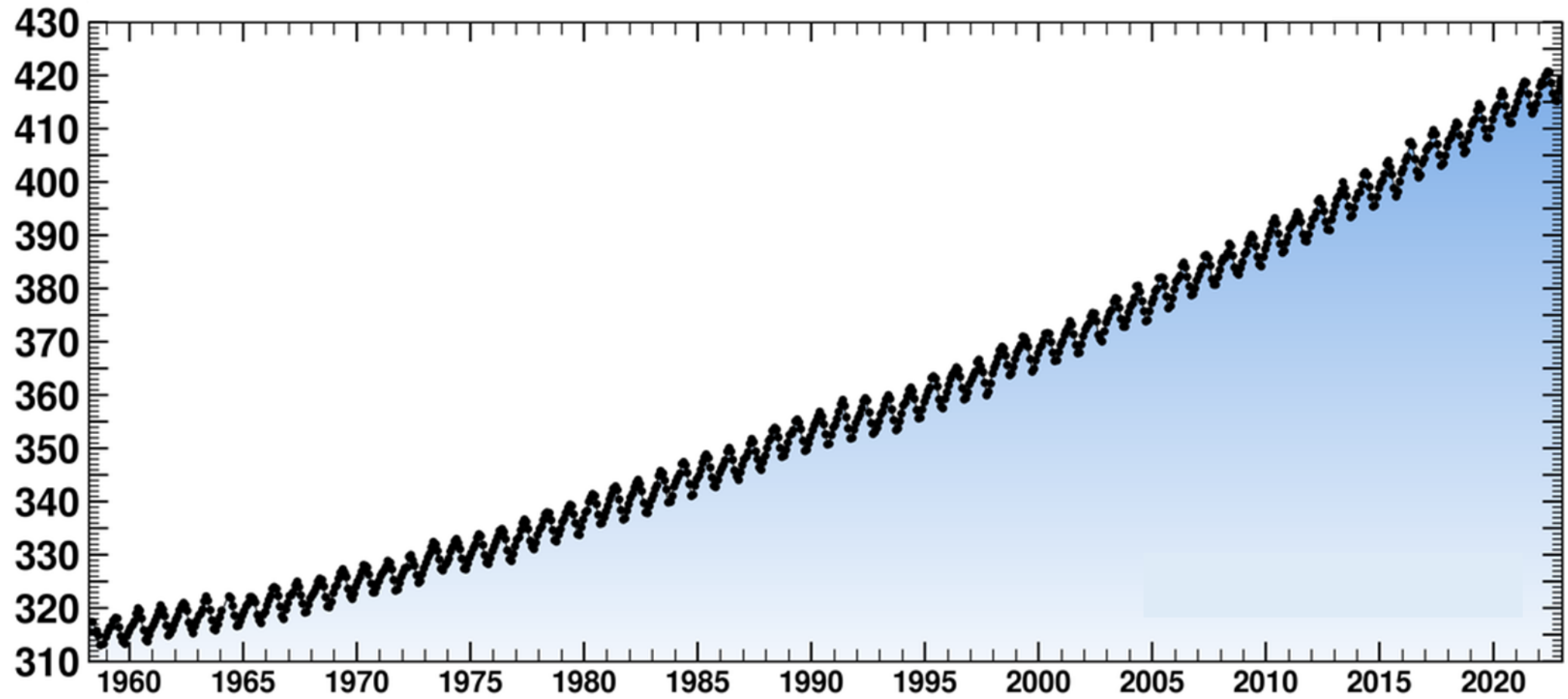


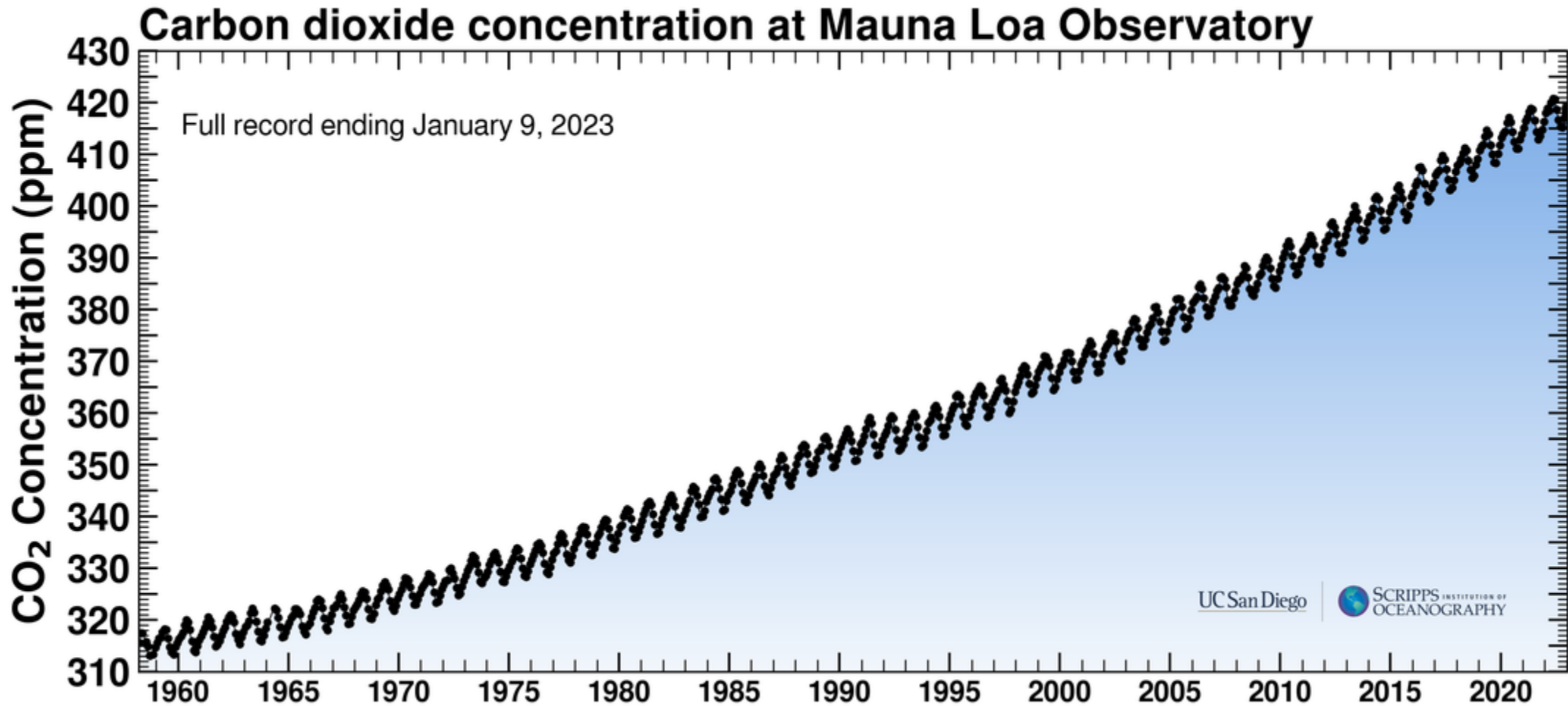
# Structuring Sustainable Finance Products

**Jonathan Drew**

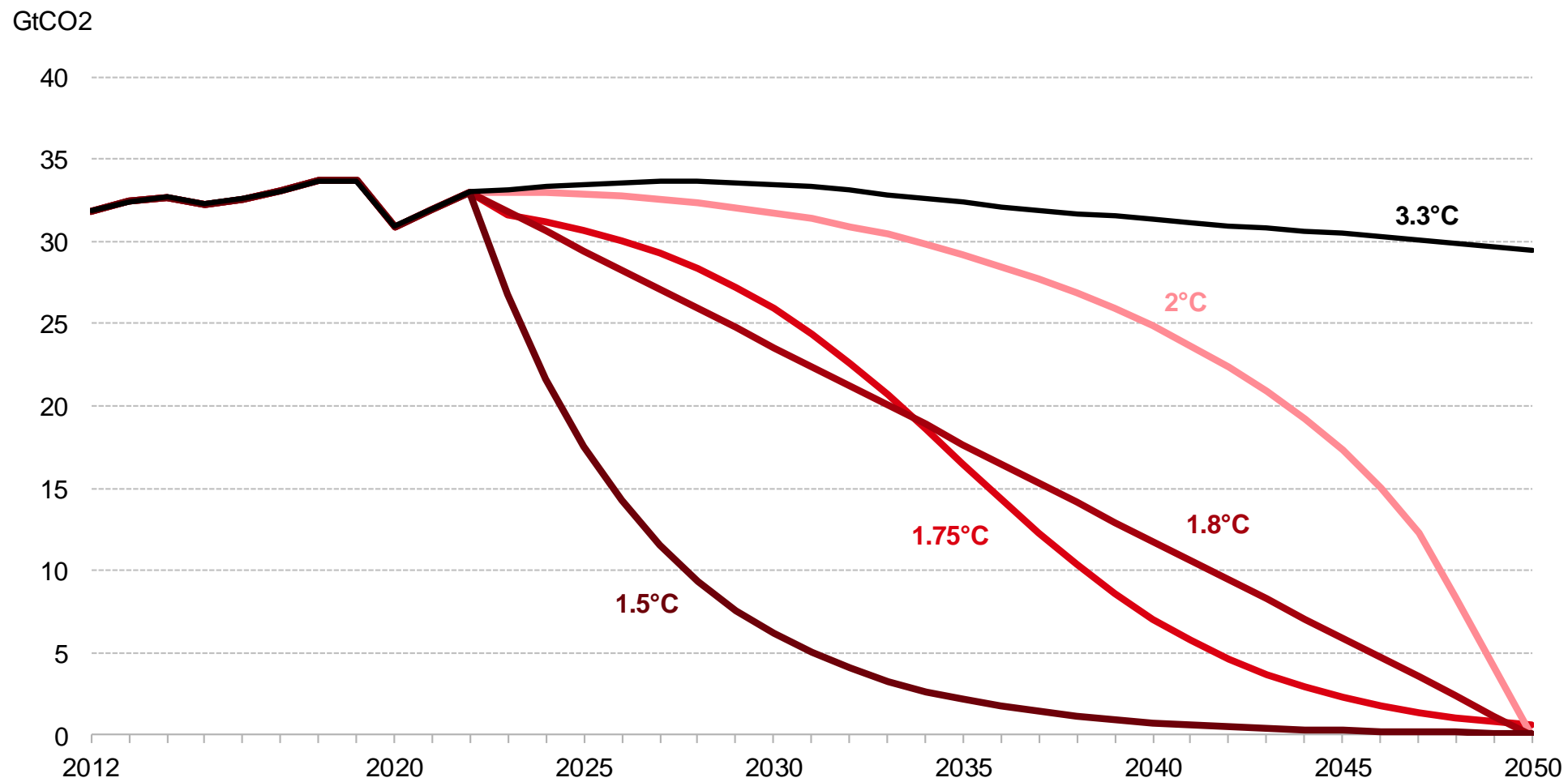
*Vice President, HKGFA;*

*Head of Global Banking Sustainability, Asia-Pacific, The Hongkong and Shanghai Banking Corporation Limited*

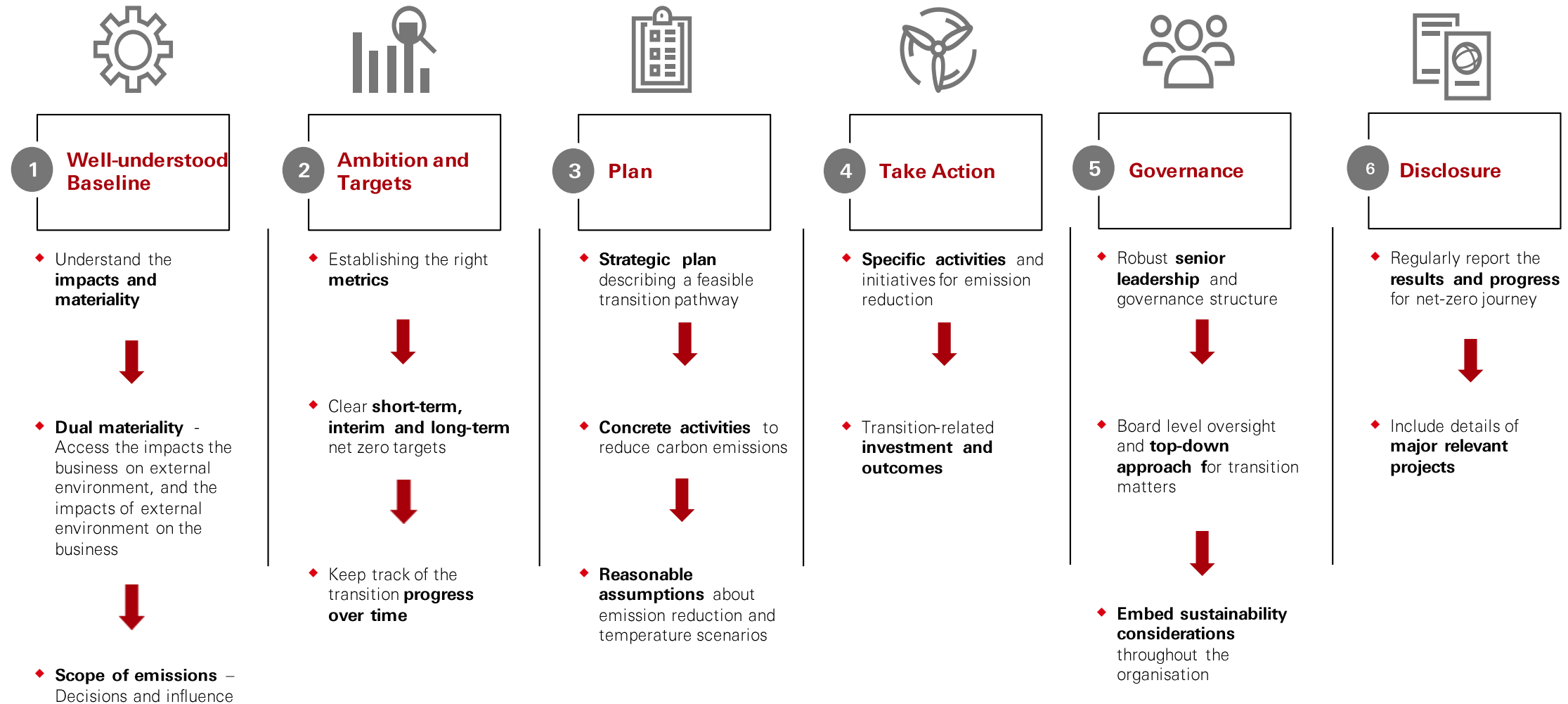




# Keeping inside 1.5 degrees requires immediate and significant emissions reductions



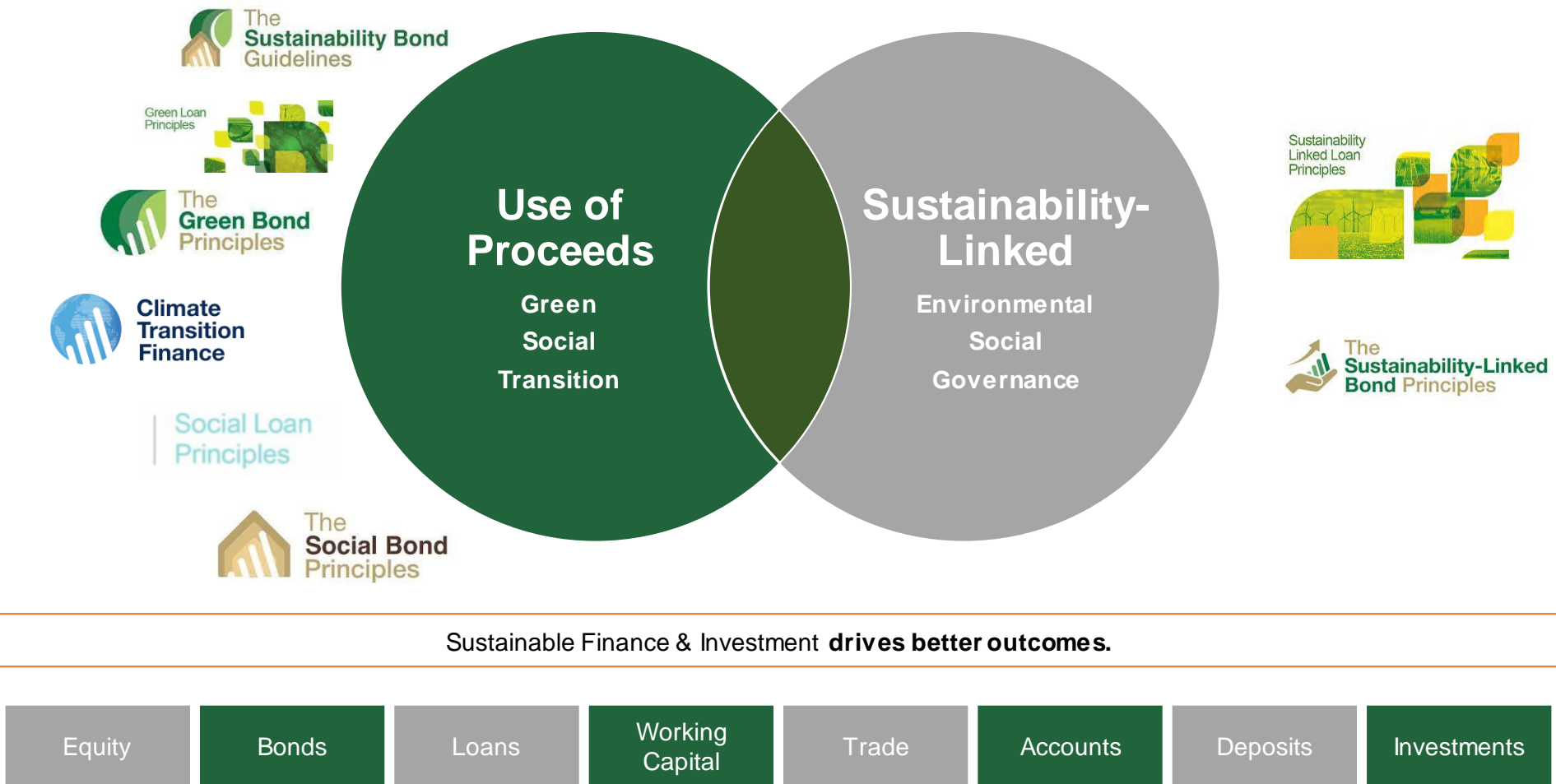
# Planning and Action for Net Zero

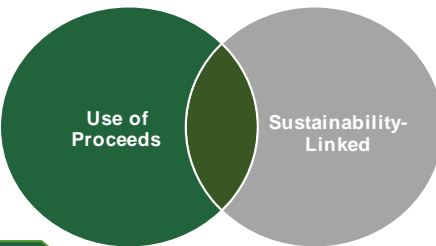


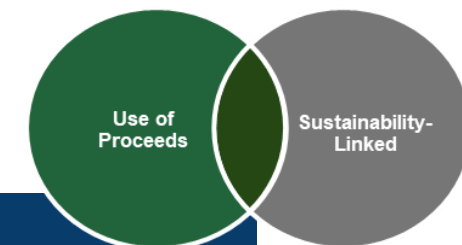
# Overview of Sustainable Financing Options



Turning Financing Needs into Sustainable Finance & Investment







## Sustainability Linked

Financing terms such as the margin can be linked to the ESG score/KPI performance of the borrower

### Core Components:

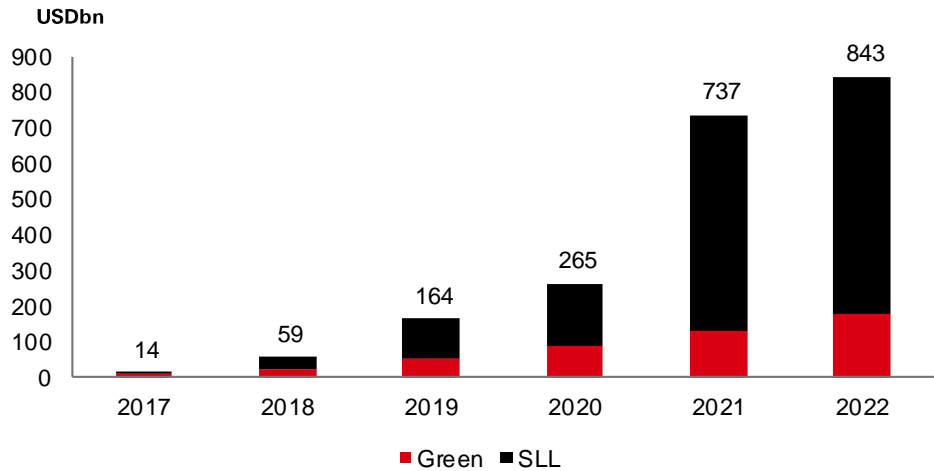
1. Selection of KPIs	Internal or external metrics that measures one or more material ESG considerations for the company/sector
2. Calibration of SPTs	Details the level of ambition – how much the company seeks to improve their performance over the life of the deal
3. Characteristics	Economic outcome is linked to selected pre-defined SPTs
4. Reporting	Performance should be reported at least once per annum to enable the Characteristics to adjust
5. Verification	Borrowers must obtain independent and external verification of the borrower's performance level against each SPT for each KP



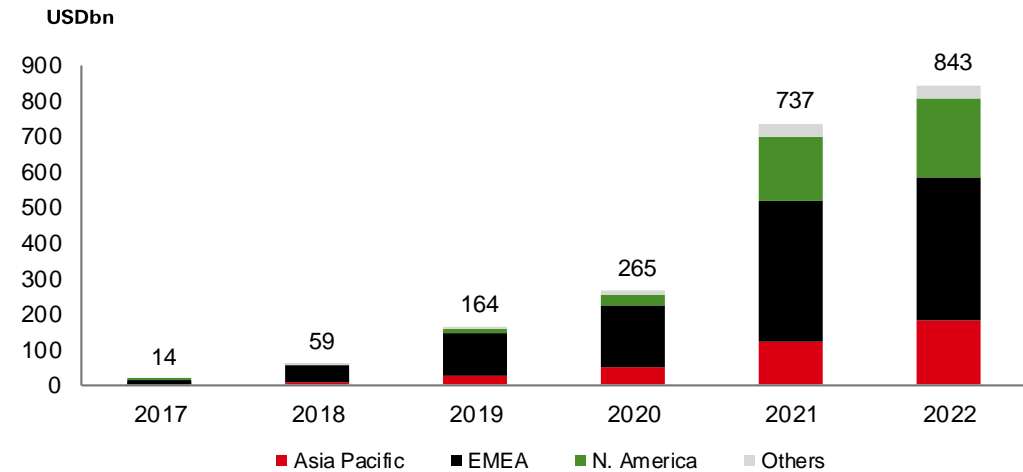
# Sustainable Loan Market Update



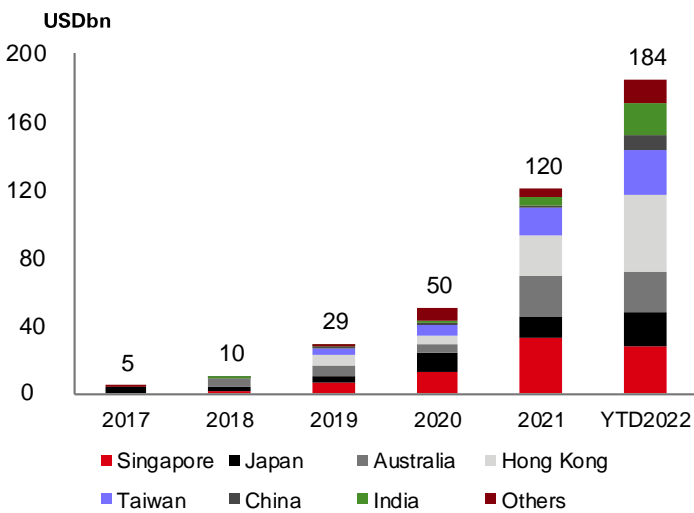
Global Green and Sustainability Linked Loan (SLL) Volumes by Type



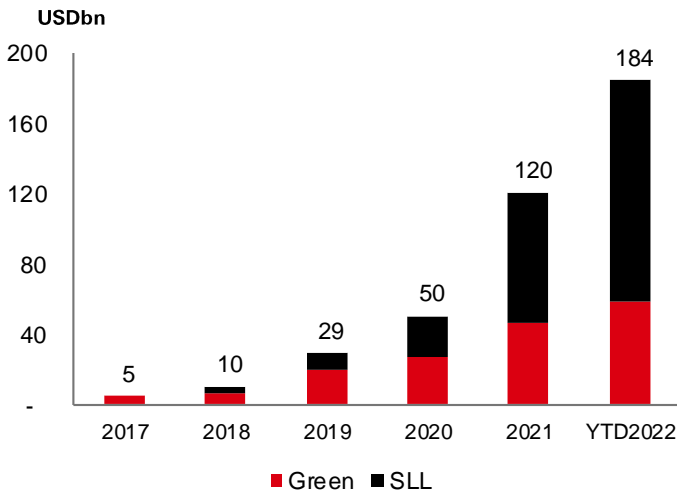
Global Green and Sustainability Linked Loan (SLL) Volumes by Region



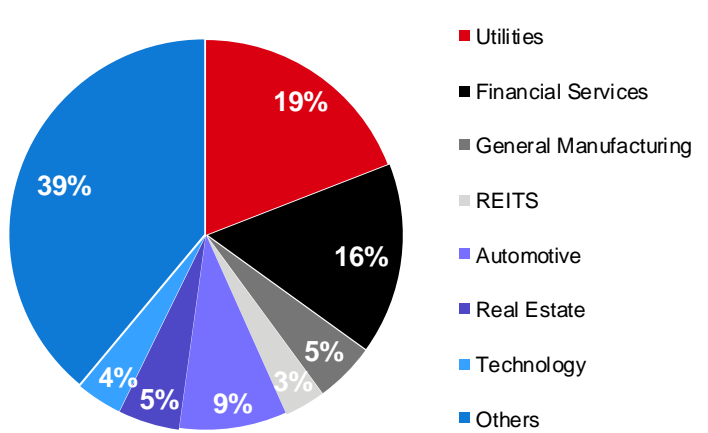
APAC Green & SLL Volumes by Country



APAC Green & SLL Volumes by Type

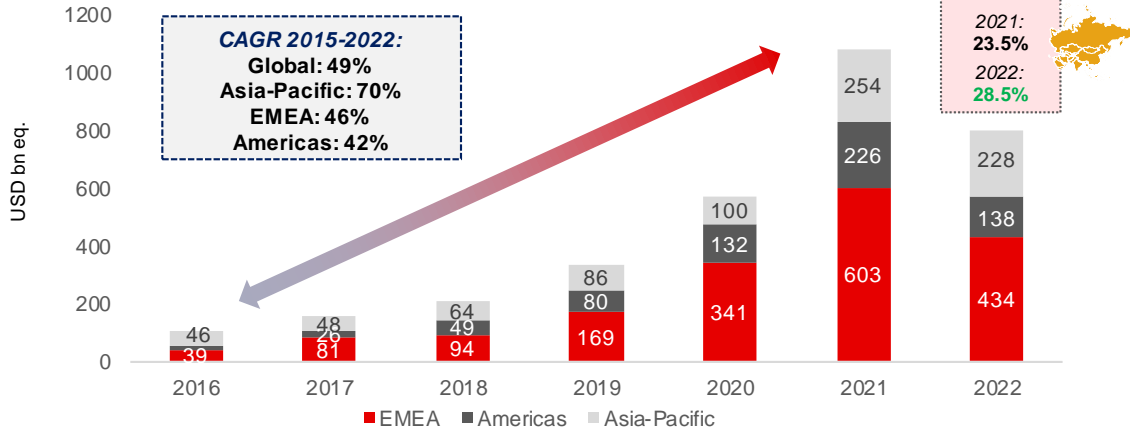


Global Green & SLL Volumes by Sector (FY22)

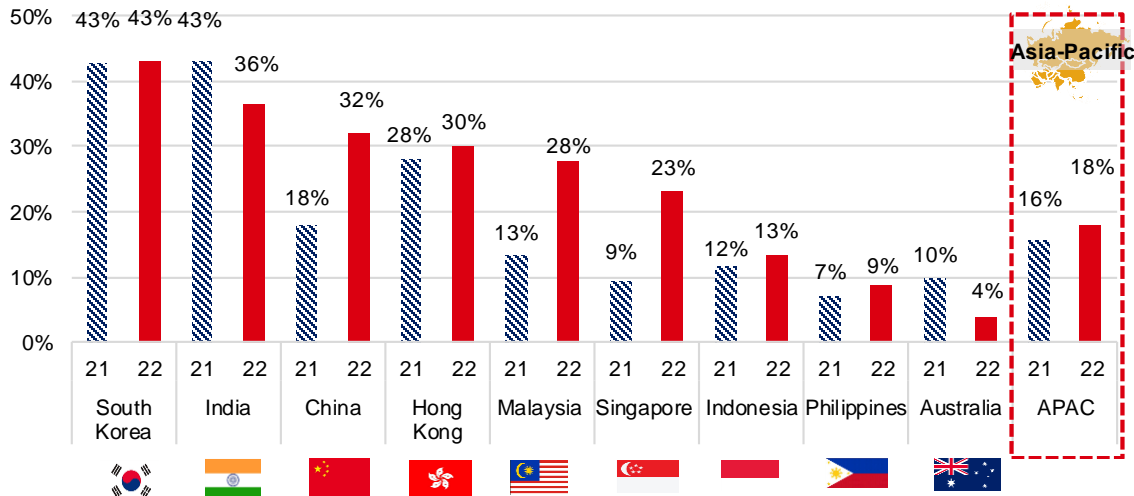


# Sustainable Bond Market Update

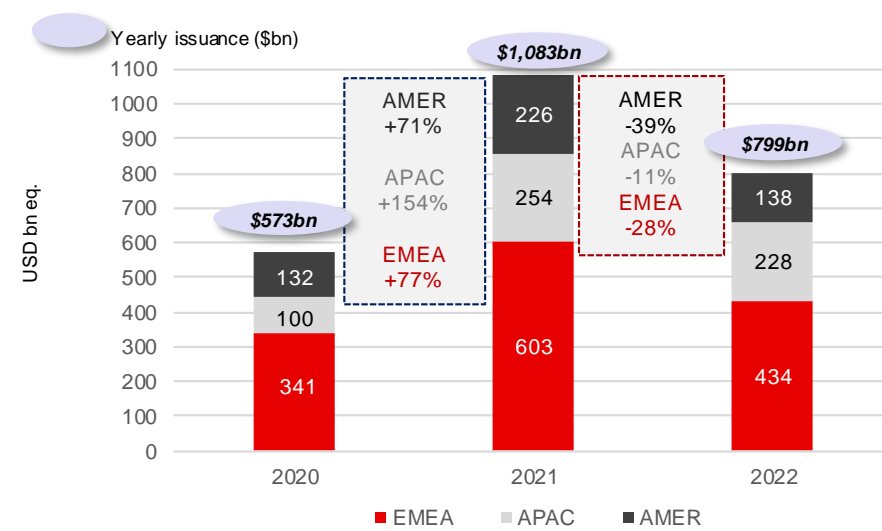
**Issuance progression – USD573bn eq. in 2020; USD1,083bn eq. in 2021; USD799bn eq. in 2022**



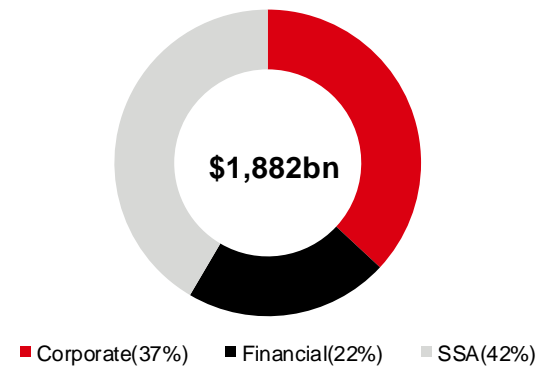
**Sustainable Bond market accounts for 18% of total bond issuances in APAC countries in 2022 (International Market issuances)**



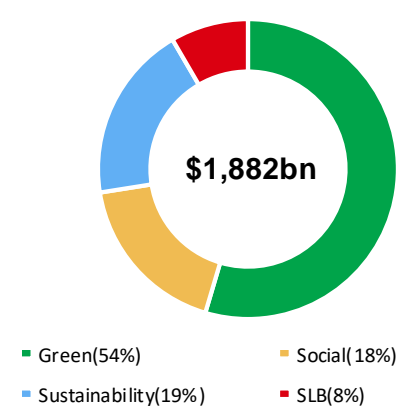
**Sustainable Bond supply: USD799bn in 2022 (-26% vs last year), USD1,083bn in 2021, USD573bn in 2020**



**Global issuances by issuer type (2021 – 2022)**



**Global issuances by bond type (2021 – 2022)**





**Thank you**