

Case Study: Sustainability Linked Finance

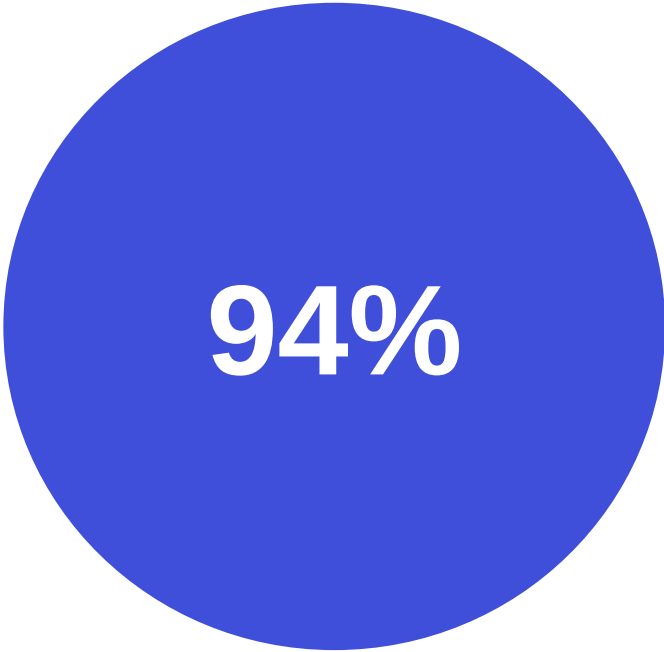
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AVIATION WEEK 
**ENGINE LEASING
TRADING & FINANCE**
EUROPE



What % of borrowers disclose aspects about their ESG performance*



94%

*According to an HSBC study

Today's agenda

1

**What is
Sustainability linked
finance?**

2

**Benefits &
limitations**

3

Case studies

**Achieving Net
Zero by 2050
is a giant task**



Who are we?

A world-leading aviation intelligence and advisory company with award-winning expertise in all aspects of the aviation industry.

Ask us
anything

Insight



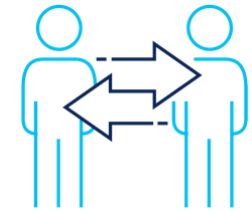
Powerful data and analytics platform combining commercial aviation data with industry news and IBA opinion

People



Award winning-team of ISTAT-certified appraisers and technical experts with an “ask us anything” approach

Partners



Proven onsite experience across the globe, for the top investors, banks, lessors, airlines, OEMs and MROs

IBA, your trusted aviation partner

Who are we?

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IBA NETZERO

The most advanced industry accredited commercial aviation emissions reporting and analysis tool

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Sustainability Linked Loans

Linked to ESG related performance

Adjusted coupon rates

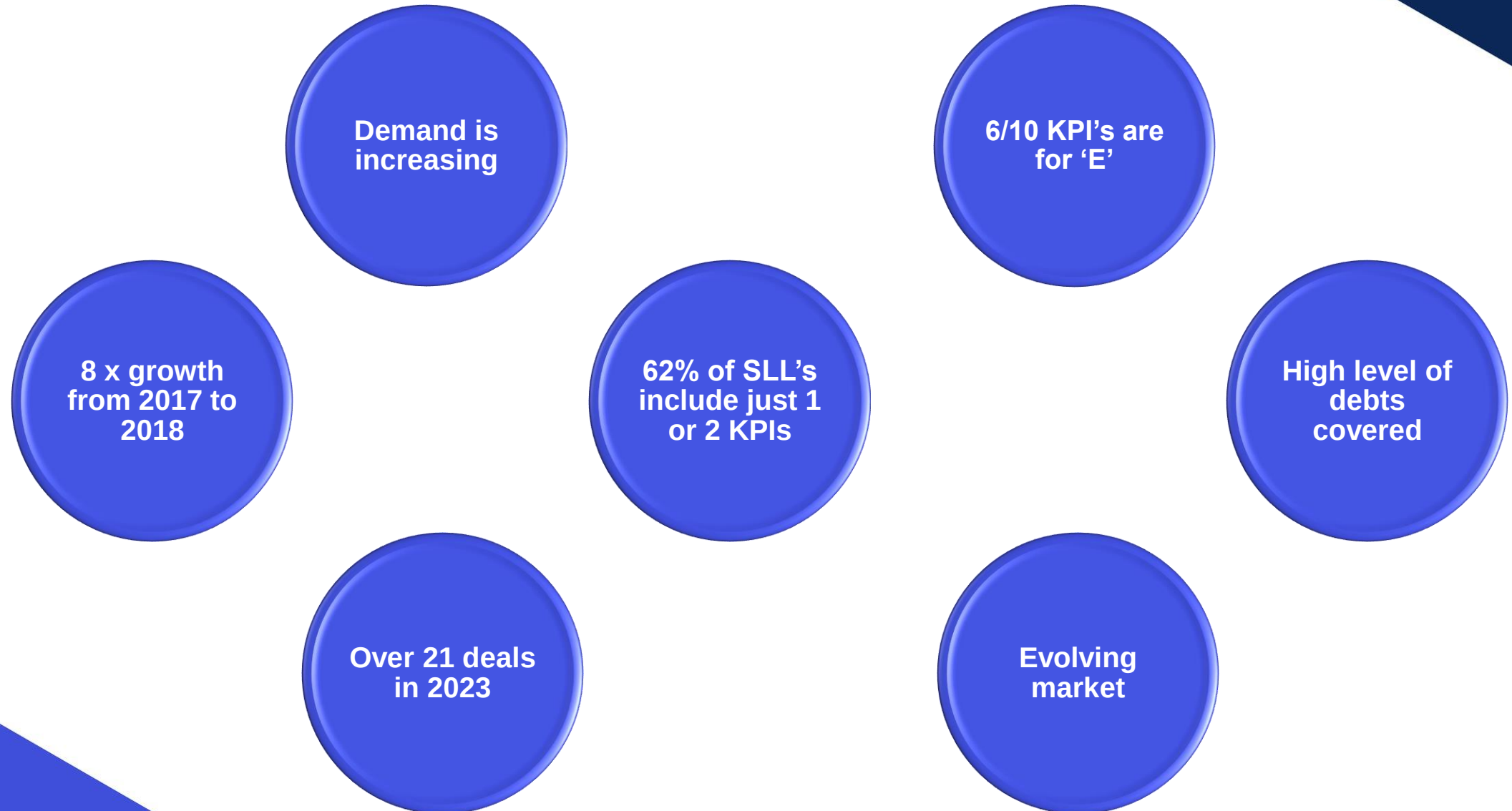
Increasing demand

Proceeds not limited to sustainability

Focus on the 'E'

Green loans

Market for Sustainability Linked Loans...



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Benefits



Limitations

**Accurate and
auditable data under
CSRD**

**Focus is on
emissions only**

Controversial

**Lack of existing
regulations**

**Perception of
Greenwashing**

**Many
measurements with
limited targets**

Poll Question

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CDB Aviation

2 Sustainability linked loans in 4 months

**Both KPI's the same: emission reduction and
social targets**

SMBC Aviation Capital

\$150 M being used for general corporate purposes

Consistent trend – financed mostly by Chinese banks

Airlines

Pegasus airlines

Air France - KLM

Viva Aerobus

Summary



SLL's broaden sector participation in the sustainable debt market



SLL's need more regulation before they become common place



They are starting to move the needle on sustainability but need further investment



Thank you

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