

Annex D. Case studies on sustainability-linked instruments of select companies in hard-to-abate industry sectors in EMDEs

In order to shed light on the potential and growth challenges of sustainability-linked financial instruments, this Annex provides case studies on companies that raise sustainability-linked finance for their decarbonisation in hard-to-abate sectors, selected from emerging and developing economies. Illustrative examples include sustainability-linked instruments issued by Indorama Ventures (chemicals, Thailand), CEMEX (cement, Mexico) and JSW (steel, India). Countries were selected to focus on emerging and developing countries, and where possible, to take advantage of contacts through the OECD Clean Energy Finance and Investment Mobilisation (CEFIM) programme. Companies headquartered in these countries were selected based on whether a sustainability-linked financing framework with sufficient detail was put in place in the past 12 months (further background on the companies below).

The company case studies have been informed by background desk-based research and review of the companies' publicly available sustainability strategy, sustainability-linked financing framework and associated Second Party Opinion (SPO) documents. In order to gather additional information and insights on the opportunities and challenges around corporate use of sustainability-linked instruments and the link with credible transition plans, interviews were conducted with the relevant company staff. Subsequently, the case studies prepared by the OECD were vetted by the companies ahead of their publication in this report. Insights and lessons learnt from the case studies are incorporated in the main text of the Guidance – see Box 2.1 in Chapter 2 above. Further background on the companies and their strategies, targets and frameworks can be found below.

- Indorama Ventures is a producer of a wide range of plastic polymers, chemicals, and fibres. Headquartered in Bangkok, Indorama Ventures operates in 35 countries in Africa, Asia, Australia, Europe, North America and South America. Its SLB issuance was the largest in Thailand and one of the few in the sector in EMDEs.
- CEMEX is a Mexican multinational company that manufactures and distributes cement, ready-mix concrete and aggregates in over 50 countries.
- JSW Steel Ltd is a multinational steel company based in Mumbai, part of the JSW Group. JSW Steel is India's second largest private sector steel company. JSW Steel was the first company in the steel sector globally to issue a USD-denominated sustainability linked bond.

Table A D.1. Selected sustainability-linked financing instruments characteristics

Company	Instrument	Year	Amount raised	Maturity (years)	Over-subscription	Financiers	SPTs
Indorama Ventures	SLL (syndicated loan)	2020	USD 255 million	5	N/A	<ul style="list-style-type: none"> Japanese banks Arranged by Mizuho Bank 	<ul style="list-style-type: none"> Composite ESG score
	SLB	2021	THB 10 billion	Triple structure: 5, 7 and 10.5 years	Yes (3x)	Asset managers, commercial banks, insurance companies, cooperatives and high-net-worth individuals	<ul style="list-style-type: none"> Reducing GHG emissions intensity by 10% by 2025 (from a 2020 base) Increasing recycling of PET bale input to 750 000 tons per year by 2025 (from a 2020 base) Achieving 25% renewable electricity consumption in 2030 (from a 2020 base)
CEMEX	SLL	2020	USD 3.2 billion	5	N/A	N/A	<ul style="list-style-type: none"> CO2 emissions reduction Clean electricity consumption Alternative fuels rate (unspecified details)
	Sustainability-linked Syndicated credit facility	2021	USD 3.25 billion	5	Yes	N/A	<ul style="list-style-type: none"> Lowering its specific CO2 emissions per tonne of cementitious¹ material to below 475 kg by 2030 compared to 620 kg in 2020 (or 40% reduction compared to the 1990 level) Reaching power consumption from clean energy sources in cement of 40% by 2025 and 55% by 2030 Achieving alternative fuels rate of 43% by 2025 and 50% by 2030
JSW	SLB	2021	USD 1 billion	Dual structure: 5 and 10	Yes	Fund, asset managers and banks (mainly Asia and US)	<ul style="list-style-type: none"> Reducing CO2 emissions intensity to equal or less than 1.95 tonnes CO2 per tonne of crude steel produced, equivalent to a reduction of 23% from a 2020 baseline, by 2030

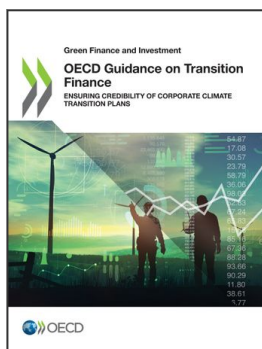
Source: (Indorama Ventures, 2020^[35]; Indorama Ventures, 2021^[36]; Indorama Ventures, 2021^[37]; CEMEX, 2021^[38]; CEMEX, 2021^[39]; CEMEX, 2021^[40]; JSW, 2021^[41]).

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Note

¹ Cementitious products are all clinker volumes produced by a company for cement making or direct clinker sale, plus gypsum, limestone, CKD, and all clinkers consumer for blending, plus all cement substitutes produced. Clinker bought from third parties for the production of cement is excluded.



From:
OECD Guidance on Transition Finance
Ensuring Credibility of Corporate Climate Transition Plans

Access the complete publication at:
<https://doi.org/10.1787/7c68a1ee-en>

Please cite this chapter as:

OECD (2022), “Case studies on sustainability-linked instruments of select companies in hard-to-abate industry sectors in EMDEs”, in *OECD Guidance on Transition Finance: Ensuring Credibility of Corporate Climate Transition Plans*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/05d4a492-en>

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