



Deutsche Bank Sustainable Finance Framework

Viktoriya Brand
Stefan Götzinger
Group Sustainability/Structured Trade & Export Finance

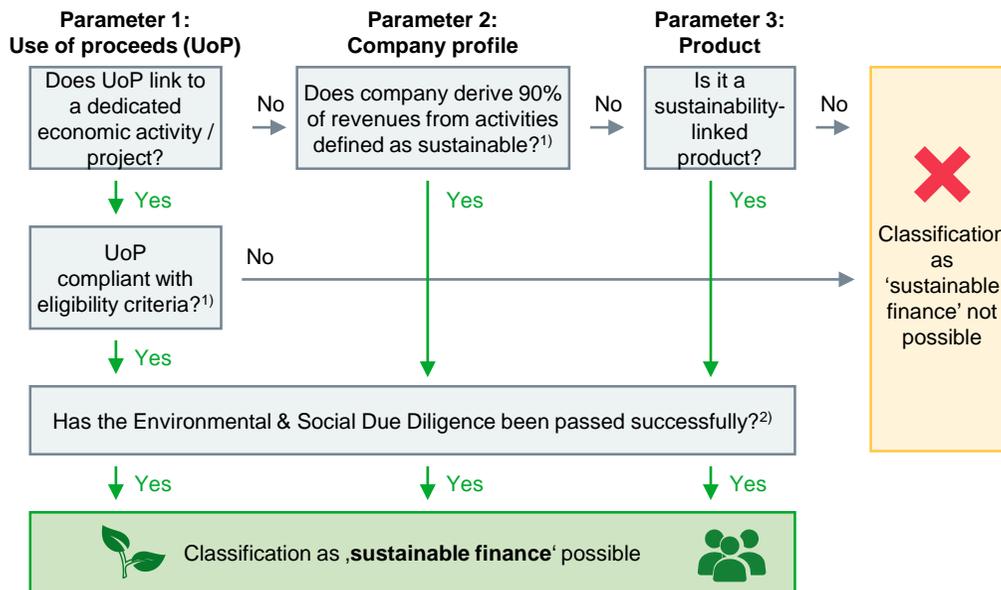
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What does Deutsche Bank consider as Sustainable Finance?

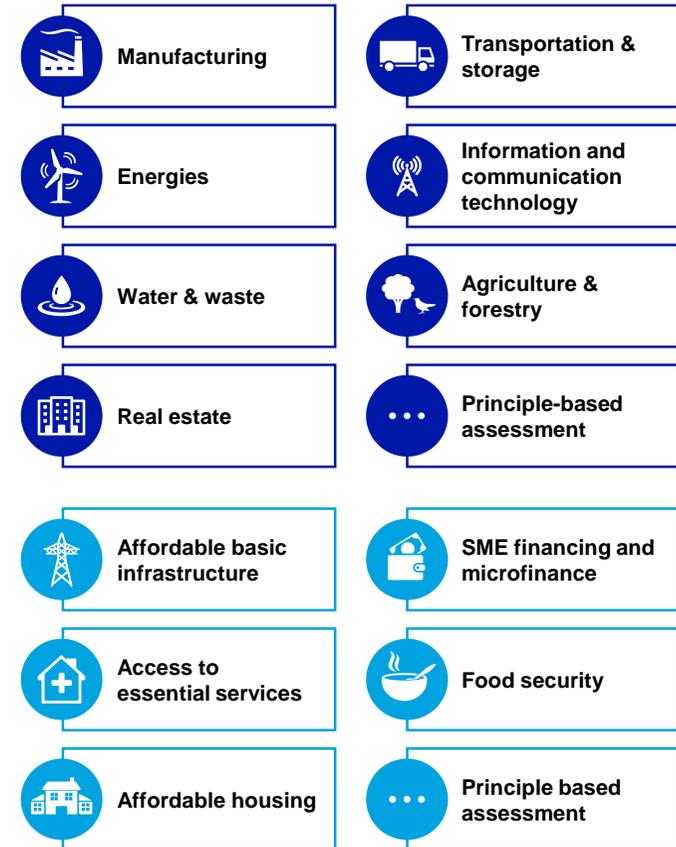


- To standardise our “Sustainable Finance” approach, scale our sustainable finance activities and establish a basis for reporting, a taxonomy – DB Sustainable Finance Framework – was disclosed in July 2020. DB set a target of EUR 200 billion of Sustainable Finance by 2023.
- The Framework follows internationally recognised standards and is aligned on a best effort basis with the EU Taxonomy. It includes both environmental and social criteria
- The Framework has received an independent Second Party Opinion by ISS ESG. ISS ESG concluded that the standards defined by the Framework are ambitious and credible

Simplified classification logics and application process:



Overview of activities eligible for classification as environmentally or socially sustainable:



(1) The eligibility criteria are aligned on the best effort basis with the EU Taxonomy and the internationally acknowledged principles e.g. ICMA Social and Green Bond Principles for the classification of economic activities. In the mid to long term, DB aims to capture in full the thresholds set in the EU Taxonomy.

(2) Transaction / client profile undergoes a ES DD either as required per DB ES Risk Framework, or on a best effort basis for low risk sectors. In the mid-to long term, DB aims to transition to a DNSH assessment that is fully compliant with the requirements set in the EU Taxonomy.

Republic of Ghana - rehabilitation of Keta Water Supply System



Transaction Overview

- The project consists of the construction of a new water treatment plant in Agordome with a capacity of 35,000m³/day, rehabilitation of the existing water treatment plant to its designed capacity of 7,200 m³/day, rehabilitation of other water supply lines and storage facilities, and installation of a transmission line and booster stations from Agordome to the Keta Peninsula via Anloga among other works.
- Ghana Water Company Limited, a state-owned company awarded and signed a EUR85m commercial contract with Lesico Infrastructure SRL for the realisation of the project.

Financing

- In 2018, STEF was mandated by MoF Ghana to structure the financing package for 100% of the project amount. Deutsche Bank in the role of Arranger and Agent structured, signed and closed a Buyer's Credit Facility of EUR84.4m supported by SACE, the Italian export credit agency and a Commercial Loan of EUR12.7m
- The SACE Buyer Credit counts with 95% SACE cover (Italian ECA), with 13-year total tenor comprehensive of (i) 3-year grace period and (ii) 10-year repayment.
- The Commercial Loan counts with 5 years total tenor comprehensive of (i) 12-month grace period and (ii) 4-year repayment

Sustainability

- The project will increase the access and reliable supply of potable water from ~190,000 to ~422,000 people in the southern Volta Region.
- The population currently relies on basic techniques for extracting water (such as pumping from local boreholes).
- This resulted in a lack of adequate water supply increasing demand for various purposes.
- The project will also support job creation for the local population and knowledge transfer to maximise long term successful operation.



**Ghana
Ministry of Finance**

EUR 97.18m

SACE and commercial loan financing for Keta Water Supply System

MLA, Agent and Lender 2020





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