Early Warning System

IFC-45547

Sembcorp Industries Ltd

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Quick Facts

Countries	Singapore
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Borrower	SEMBCORP FINANCIAL SERVICES PTE. LTD.
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 111.63 million

Project Description

Sembcorp Industries Limited (Sembcorp - https://www.sembcorp.com/en) is a leading energy and urban solutions provider listed on Singapore stock exchange. Headquartered in Singapore and with operations across 11 countries, Sembcorp has three business segments: renewable energy, conventional energy and sustainable solutions, which comprise urban development, water and waste. Sembcorp has been proactively shifting its energy portfolio to renewable energy over the past few years. As of June 2021, it has a global capacity of more than 3,300 MW in renewable energy comprising solar, wind, and energy storage. This includes 2,419 MW of wind plants in China and India, 784 MW of solar plants in India, Singapore, and Vietnam, as well as 120 MW of energy storage assets in the UK. Sembcorp has committed to a climate action plan to significantly reduce its GHG emissions by 2030 and achieve net-zero emissions by 2050. The proposed investment is for IFC to subscribe as an anchor investor to up to SGD 150 million (equivalent to US$110 million) in the proposed bond issuance of up to SGD 800 million (equivalent to US$590 million) by Sembcorp Financial Services Pte. Ltd. (the “Issuer”), wholly owned treasury centre of Sembcorp Industries Ltd (“Sembcorp” or the “Guarantor” or the “Company”). The bond will be a senior unsecured sustainability-linked bond (“SLB”) that will be fully guaranteed by Sembcorp. This will be Sembcorp’s first SLB and IFC’s investment proceeds are expected to support Sembcorp’s greenfield as well as existing renewable energy projects and potentially, other sustainable projects, in its key emerging markets.The use of proceeds from this investment will be for: (i) three operating wind projects in India with 100.5 MW cumulative capacity (22.5 MW Parner project, Ahmednagar district, Maharashtra; 38 MW Nipanya project, Mandsaur district, Madhya Pradesh and 40 MW Rojmal project, Rajkot District, Gujarat) where IFC has an existing investment (#35415) since Feb 2015 (https://disclosures.ifc.org/project-detail/ESRS/35415/green-infra-wind); and (ii) projects to be identified that have limited environmental and social (“E&S”) impacts and are in compliance with IFC Performance Standards (PS). The specific details for three wind projects in India where IFC has an existing investment (#35415) are as under (IFC’s investment in Dec 2014 was in Green Infra Limited which in Feb 2015 was acquired by Sembcorp Green Infra Limited (wholly owned subsidiary of Sembcorp Energy India Limited (SEIL) and which is promoted by Sembcorp Utilities Pte. Ltd. (SCU)). (i) 22.5 MW Parner project in Ahmednagar district, Maharashtra: This project involved the purchase of approximately 9.5 ha of private land spread across Darodi village. The site comprises predominantly of fallow land and there is no habitation within 500 m of any wind turbine location. There are no existing wind turbines in the immediate vicinity of the project site.(ii) 38 MW project at Nipanya, Mandsaur district, Madhya Pradesh: This project involved the lease of around 19 ha of revenue land and purchase of around 4 ha of private land in Barkheda Nayak, Pichhala, Asawati and Tarawali villages in Mandsaur district. The project area is rural and consists primarily of dry waste land. There is no existing wind farm in the vicinity of the project area.(iii) 40 MW Rojmal project spread over Babra Taluka in Amreli District; Gadhada Taluka, Bhavnagar District and Jasdan Taluka, Rajkot District of Gujarat. Developed by Inox Wind Limited (IWL) on a turnkey basis and revenue land was procured on long term lease basis.The off-taker for the projects is the respective state distribution company where the projects are located. Engineering, Procurement and Construction (EPC) and Operation and Maintenance (O&M) agreements were signed for each of the projects. Starting from April 2019, Nipanya and Rojmal projects are under self-operation and maintenance by Sembcorp Green Infra Limited.

Investment Description

- International Finance Corporation (IFC)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Sembcorp Industries Ltd	Client	-

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org