



Debt Capital Markets: A Conduit of Financing to Enable Net Zero

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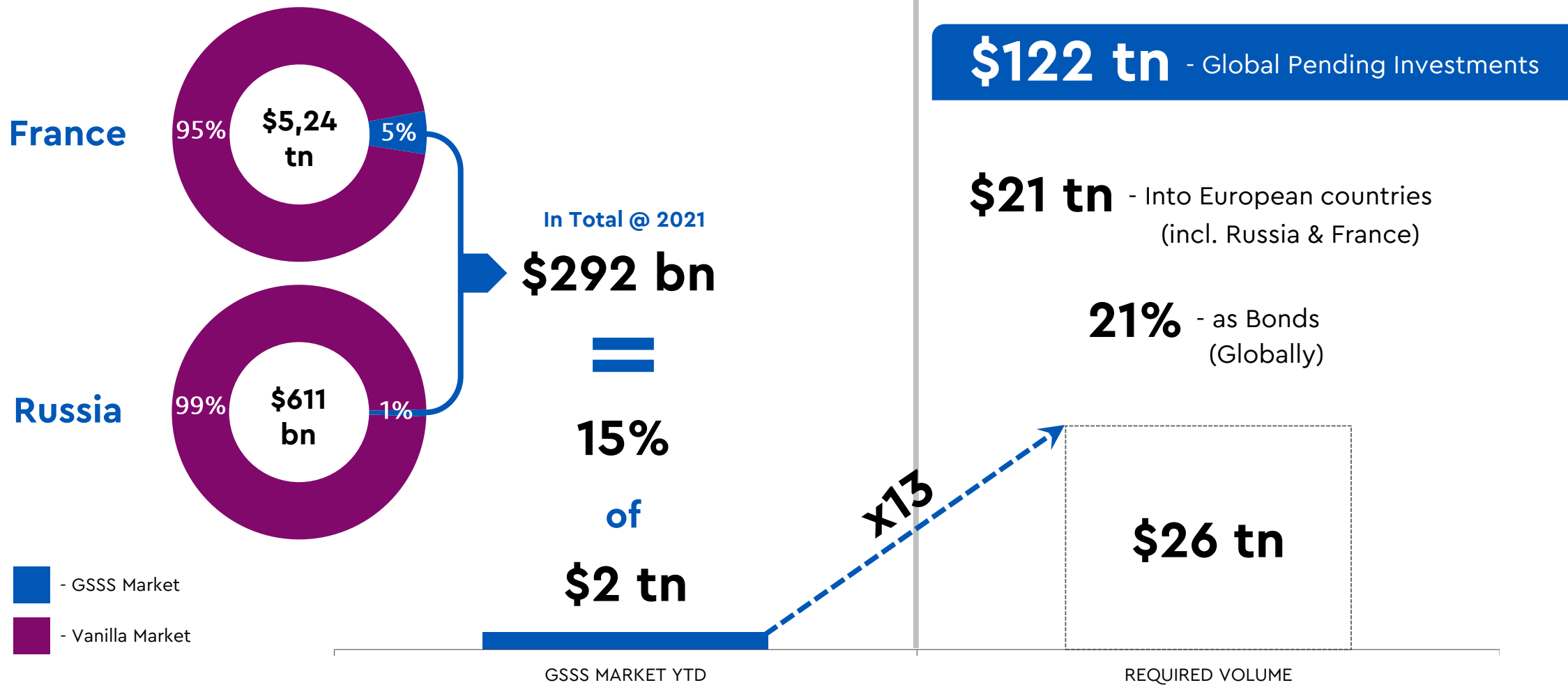
First Vice-President, Head of Capital Markets, Gazprombank



Bond Market to Play a Pivotal Role in the Race to Net Zero

Vanilla Bond Market vs. GSSS Bond Market: Tangible, but Still a Long Ride Ahead

Global Financing Gap to be Bridged by 2050 to hit Net Zero





Climate Agenda & Russian Corporates: Progress so Far

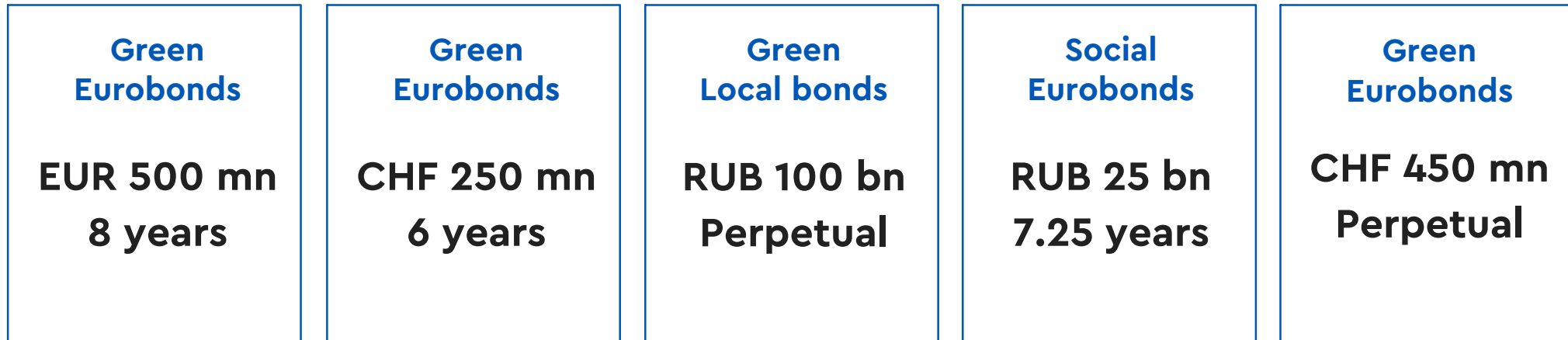
Sustainability Strategy	
Formal Corporate Approach to / Statement on Climate Change	
Climate Strategy, Climate-related KPIs	
Net Zero by 2050 Commitment	
Investments in Renewables and/or Low-Carbon Tech*	
Supervisory Governance Body	
Disclosures:	

Note: "Colored Logo" - In place; "Logo in grey" - in progress / partially in place; "No Logo" - Company never publicly announced they plan to implement this aspect

*This largely encompasses powering own operations by Renewable Energy



Russian Railways' ESG financing strategy



May
2019



March
2020



September
2020



December
2020



March-October
2021



Russian Railways



Key Decision Points for an Issuer



- Conventional financing
- ESG financing

- *Does a borrower have Sustainability Strategy and ESG Capex?*



- ESG labelled loan
- ESG labelled bond

- *Does a borrower have bonds outstanding?*
 - *Is it a public company?*
 - *What is the level of disclosure?*



- Specific Use of Proceeds (GSS Bond)
- KPI-Linked (Sustainability-Linked Bond)

- *Is ESG Capex volume sufficient for a benchmark-size bond?*
 - *Are projects aligned with taxonomies?*
 - *Are KPIs material and ambitious?*



- GSS Bond
- Climate Transition Label

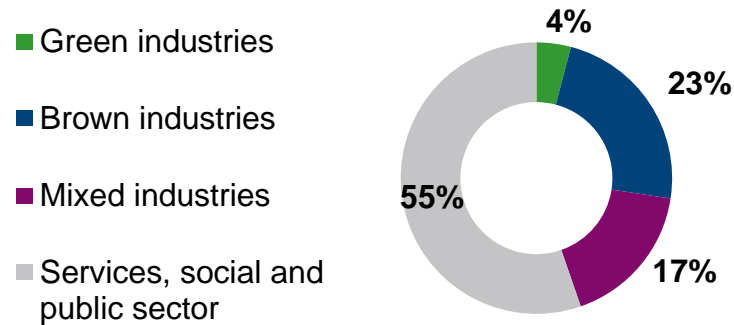
- *Is a borrower from a hard-to-abate industry?*
- *Has it committed to Paris agreement goals?*

Diversification of investor base, positive effects on reputation, market capitalization, pricing



What are the Innovative Solutions in the Russian Sustainable Finance Market given unique features of the Russian economy?

Only 4% of the Russian economy can be seen as purely green, but...



...it has a unique sustainable development potential:

- Russian Arctic has a solid resource base of metals required for decarbonization (production of batteries and EVs)
- Natural gas as a transition fuel which can be used for production of hydrogen
- Vast forest, water, and biodiversity resources



- Arctic Bonds
- Transition Bonds to finance gas/hydrogen infrastructure
- Green/Blue Bonds to finance afforestation /water /biodiversity preservation projects
- Further development of Sustainability-Linked Bonds, diversification of KPIs