

News Release

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ANZ delivers the largest Sustainability-Linked Facility for a private credit fund in Asia-Pacific

ANZ today announced its role as Joint Sustainability Coordinator supporting the delivery of PAG's landmark sustainability-linked subscription line credit facility for funds managed by its Private Debt strategy.

A milestone for both the leading Asia-Pacific investment firm and the market, the facility links the interest rate margin to the sustainability performance of the fund. If four key performance indicators are consistently met, a reduction in total interest paid over the facility term will be triggered, alternatively if not met, an increase to total interest will be applied.

ANZ acted as Joint Sustainability Coordinator on the transaction and led the development of the sustainability-linked finance framework following market best practice and global standards. The framework provides guidelines for PAG's private credit funds to incorporate sustainability-linked attributes into its financing activities. ISS Corporate Solutions issued a second party opinion verifying its alignment with the Loan Market Association Sustainability-Linked Loan Principles.

PAG Partner and Co-Head of Private Debt, Anshumann Woodhull said: "Positive ESG impact drives long-term value for our investors and is an integral part of our culture and investment process. This landmark sustainability-linked facility is the latest example of how our focus on ESG directly translates into enhanced returns for our investors."

ANZ Head of Financial Sponsors Asia, Niamh Targett said: "ANZ is thrilled to support PAG on this milestone transaction. Its unique structure enables deep engagement with borrowers to achieve improved sustainability outcomes while also aligning with our sustainable solution strategy.

"We see significant appetite for innovative solutions delivering successful investment outcomes to investors, while making a positive impact on the broader community. We look forward to continued partnerships with market leaders such as PAG," said Ms Targett.

ANZ Director, Sustainable Finance, Mara Chiorean said: "We hope this transaction will serve as a blueprint in the private debt market of how ESG impact objectives can be advanced by integrating sustainability linked features in such facilities.

"The structure has an innovative mechanism to drive improvement in sustainability performance for PAG's private credit portfolio companies using the full toolbox at their disposal, from ESG integration in due diligence and climate related contract clauses to ESG training. This is meaningful as private credit portfolios can make ESG stewardship and oversight more challenging," said Ms Chiorean.

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