



SUSTAINABLE SUPPLY CHAIN FINANCE



**International
Finance Corporation**
WORLD BANK GROUP

Creating Markets, Creating Opportunities



Creating Markets, Creating Opportunities

- A member of the World Bank Group
- Provides investment, advice, resource mobilization
- Triple-A credit rating; owned by 185 countries
- Present in nearly 100 countries

IFC is the largest global development institution focused on the private sector in emerging markets

WHAT WE DO

Integrated Solutions, Increased Impact

INVESTMENT

Financial products tailored to client needs

- Loans
- Equity
- Trade and Commodity Finance
- Derivatives and Structured Finance
- Blended Finance

\$21.9 billion committed in FY20
\$58.7 billion committed portfolio

ADVICE

Innovative solutions combining IFC's expertise and tools

- Help Create New Markets
- Unlock Investment Opportunities
- Strengthen Clients' Performance and Impact
- Improve Environmental, Social, and Corporate Governance Standards

\$274.4 million program in FY20

MOBILIZATION

Mobilizing and managing capital for investment

- Syndications
- IFC Asset Management Company

\$28 billion syndicated in last five years

\$10.1 billion under management at IFC AMC



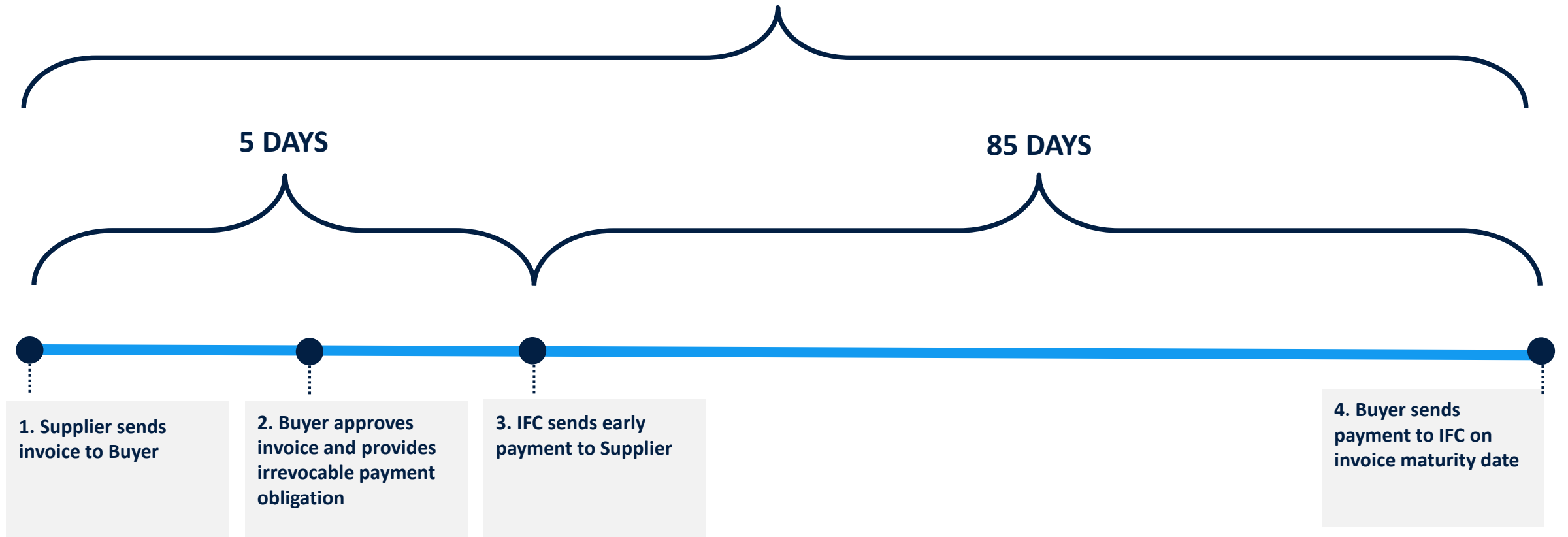
GLOBAL TRADE SUPPLIER FINANCE PROGRAM (GTSF)

- **US\$ 500 million multicurrency, post-shipment supplier finance program**
- **Provides cash to suppliers 2 days after participating buyer accepts invoice for payment**
- **Pricing is highly attractive to suppliers because it is based on buyer's credit rating**
- **Helps buyers improve the social and environmental performance of supply chain through differentiated pricing and advisory programs**



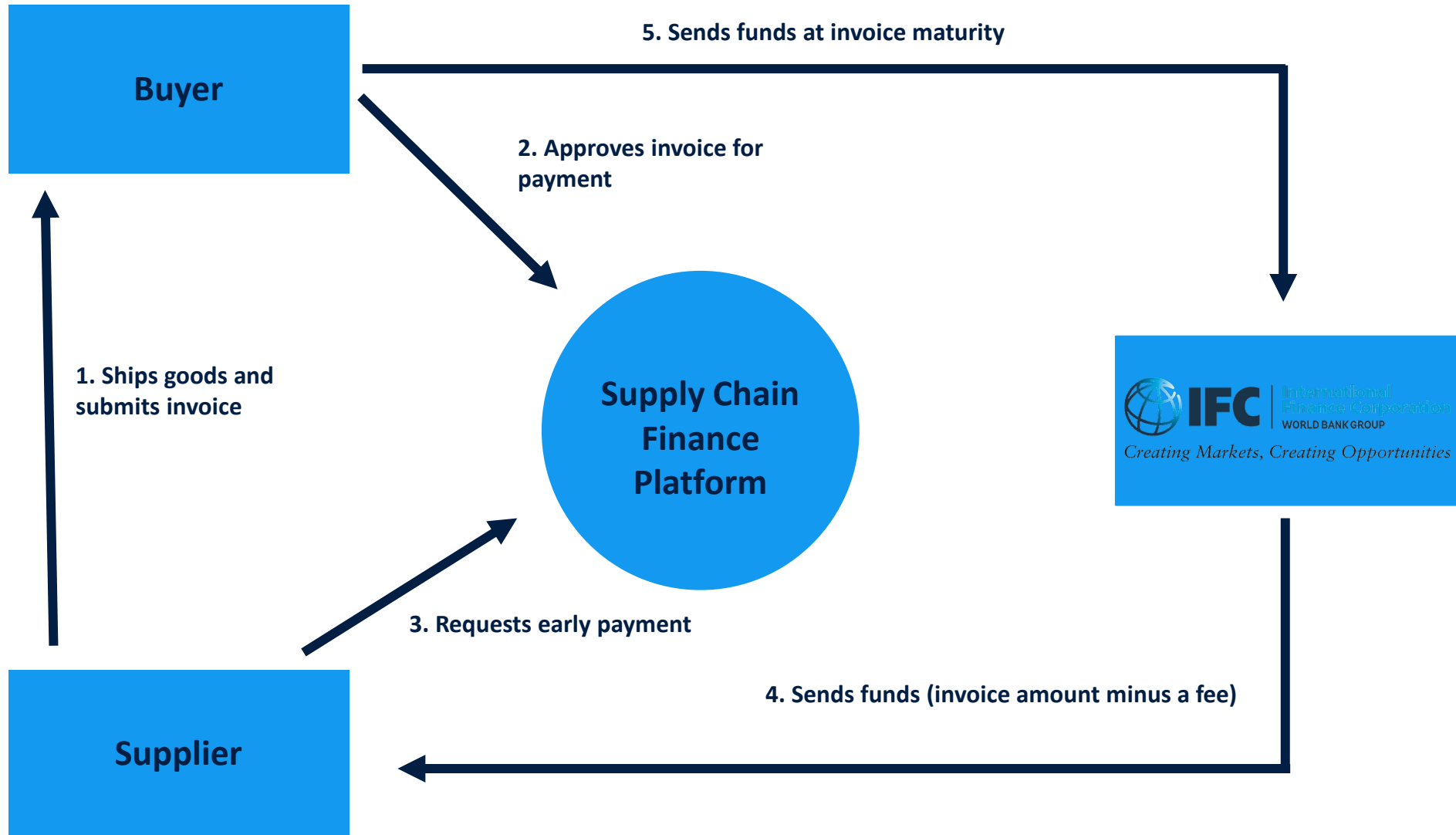
GTSF HELPS SUPPLIERS GET PAID EARLIER AT LOW COST

PAYMENT TERMS: 90 DAYS (FOR EXAMPLE)





GTSF IS IMPLEMENTED THROUGH A PARTNER PLATFORM





GTSF'S SUSTAINABILITY PRICING CAN HELP BUILD THE BUSINESS CASE FOR BETTER E&S PERFORMANCE OR FOR CERTIFICATION

- GTSF's interest rates can be linked to the supplier's environmental and/or social performance, effectively giving suppliers a financial incentive to improve;
- GTSF can work with buyers to determine interest rates corresponding to each eligible level. The better the level, the lower the interest rate.
- If certification is a priority, interest rates can be linked to a supplier's progress towards certification

Supplier's Sustainability Performance	Supplier's Annual Interest Rate
Gold	Lowest Interest Rate
Silver	Lower Interest Rate
Bronze	Standard Interest Rate



SNAPSHOT OF KEY PROGRAMS

Success of GTSF's Sustainability Linked Pricing in Manufacturing & Agribusiness



GTSF Sustainability-Linked Pricing

Launched: 2014
Platform: Infor Nexus



GTSF Sustainability-Linked Pricing

Launched: 2021
Platform: Citi



GTSF Sustainability-Linked Pricing

Launched: 2016
Platform: Infor Nexus



GTSF Sustainability-Linked Pricing

Launched: 2015
Platform: Infor Nexus

Jeans maker launches cheap financing for more ethical factories

"The [IFC Program] reflects two important trends in globalization. As consumers – and particularly millennials – increasingly fret about the conditions under which their clothes are made, fashion brands are facing greater pressure to ensure their suppliers in places like Bangladesh, Cambodia and Vietnam abide by higher standards. ... The combination of those pressures and the way global supply chains are becoming ever more intricate is also leading multinational companies to build tighter bonds with suppliers and to use new tools to manage them."

**FINANCIAL
TIMES**