

# Aviation green and sustainable finance transactions to date

## Deal tracker: 13 green / sustainability-linked airline or aircraft-related transactions

In this **second edition** of Ishka's ESG Aircraft Finance data sheet, we expand our coverage to include all publicly-announced **airline or aircraft-related** green and sustainability-linked financings to date. This table highlights the main **framework eligibility** characteristics or sustainability performance targets (**SPTs**) for each of them.

Date	Transaction	Eligibility by non-aviation assets (eg buildings)	Low/Zero-emission aviation	Eligibility by best-in-class or fuel-efficient aircraft	Corporate ESG rating	Single emission intensity target	Multiple emission intensity targets	Fleet renewal targets	SAF use	Increased emission transparency	Main framework / Use of proceeds
Sep-18	ANA Green Bonds, 10 billion yen (\$87 million)										GBP & MOEJ - Building an eco-friendly training centre
Nov-18	Slovenia SID Green Bond*, €75 million (\$85 million)										GBP - Electrified light passenger aircraft, among others
Dec-19	Avation/BRA/Deutsche Bank Green Loan for Five ATR 72-600										GLP - 'Climate change mitigation and 'pollution prevention' via ATR 72-500 on lease from Avation to BRA
Feb-20	JetBlue Sustainability Linked Loan, \$550 million										SLLP - Not specified / general corporate purposes
Oct-20	Etiihad 2.394% 5yr Transition Sukuk, \$600 million										SLBP - 'Energy efficiency' projects incl. B787 & A350
May-21	Aeroflot Sustainability Linked Loan, \$320 million										SLLP - Not specified / general corporate purposes
May-21	ANA Sustainability-Linked Bonds (5-year), 10 billion yen (\$87 million)										SLBP - Not specified / general corporate purposes
Jun-21	Korean Air Green Bonds, KRW 200 billion (\$167 million)										GBP - "Eco-friendly" B787 to "greatly reduce" GHG emissions
Jul-21	British Airways 2021-1 EETC, \$554 million										SLBP - x3 A320neos, x1 A350-1000, x3 B787-10 (JOLCOs)
Oct-21	Volaris Sustainability Linked Bond, 1.5 billion pesos (\$30 million)										SLBP - To finance "the company's sustainable growth"
Nov-21	Crianza's Sustainability-Linked Operating Lease										Undisclosed - B787 and A350 on lease to MSCI ESG-rated airline
Jan-22	SocGen / Air France A350 Sustainability-Linked Loan										SLLP - Airbus A350-900
Feb-22	JAL Transition Bond, 10 billion yen (\$87 million)										GBP & others (below) - 'Clean Transport' such as A350 or B787

Frameworks: Green Bond Principles (GBP), Green Loan Principles (GLP), Sustainability-Linked Bond Principles (SLBP), Sustainability-Linked Loan Principles (SLLP), Green Bond Guidelines 2017 (Japan's MOEJ) **Source: Ishka research**

### The Ishka View



- Nearly **half** of all green/sustainability-linked airline-issued or aircraft-related issuances to date took place in **2021**, which could add up to 2022 being even busier for these types of transactions among growing appetite for green finance among investors and issuers.
- Ishka notes a progressive **shift to more sustainability-linked** structures with more tangible KPIs including emission intensity reduction targets, fleet renewal, and SAF use. JAL's latest issuance also came with transparency commitments around **emissions reporting**, a development Ishka hopes will be replicated by others.

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### Details of recent issuances



- Ishka has covered two of the issuances in the past four months (**Crianza's** sustainability-linked leases and **Societe Generale's** aircraft-secured sustainability-linked loan with **Air France**) in more detail [in this report](#).
- Meanwhile, **Japan Airlines' (JAL) Transition Bond** announced in February 2022 obtained "Clean Transportation" proceeds eligibility under the GBP by coupling fuel-efficient aircraft (A350, 787) to the airline's SAF objectives (10% by 2030).
- The JAL bond also pioneered, as Ishka understands, emission reporting commitments. "When practically feasible" JAL will report on annual CO2 emissions avoided by upgrading to fuel-efficient aircraft in the Eligible Project Category. JAL also intends to report Scope 1, 2 and 3 CO2 emissions.



A summary of recent **ESG** and **sustainable finance** developments for aircraft and airlines.

This fact sheet is for information purposes.

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