

ING closes Indonesia's first data centre sustainability-linked loan

EQT-backed data centre operator EdgeConneX's US\$403.8 million financing is its first sustainable finance transaction in the Asia Pacific.

Singapore, 10 October 2023 – – ING has closed a US\$403.8 million sustainability-linked loan facility to finance EdgeConneX's expansion of its data centre in Jakarta, Indonesia. This is a significant milestone as it represents the first-ever sustainability-linked loan in Indonesia's data centre market.

As EdgeConneX's inaugural sustainable financing in the region, the transaction paves the way for the firm's increased sustainability capabilities, including power efficiency, renewable energy sources, and enhanced safety measures. The expansion will enable EdgeConneX and its local partners to develop multiple data centers that will bring the Indonesian hyperscale campus in Jakarta to over 120MWs.

ING was one of four Mandated Lead Arrangers, Joint Sustainability Coordinator and Hedging Bank for this transaction.

Martijn Hoogerwerf, ING's head of Sustainable Finance APAC said: "Transactions with partners such as EdgeConneX are a huge step in greening data centres. Increasing energy efficiency and powering data centres with renewable energy are crucial towards achieving net-zero outcomes. We are grateful for the trust from EdgeConneX, and confident that our sector expertise and leadership in sustainability can make a difference in the data centre landscape."

The sustainability-linked structure is aligned with to the Loan Market Association, Asia Pacific Loan Market Association (APLMA) and LSTA's Sustainability Linked Loan Principles, and addresses EdgeConneX's material ESG challenges and goals.

The transaction provides for margin adjustments when EdgeConneX meets certain key performance indicators (KPIs) concerning the power usage effectiveness (PUE) of its data centers, the use of renewable electricity, and achieving safety goals. These KPI targets are aligned with EdgeConneX's sustainability strategy and commitments, including the reduction of carbon and water footprint for which the company has also set an interim 2030 target.

Randy Brouckman, Chief Executive Officer of EdgeConneX said: "We are extremely grateful to our customers who are driving the demand for the significant data centre capacity expansions necessary to support the digital economy of Indonesia. We are also grateful for our local partners'

support in Jakarta. We couldn't execute our vision to become Indonesia's premier data centre operator without their capabilities, local relationships, and market expertise that they bring."

Tight supply conditions and construction limits of new facilities in Singapore - the largest data centre market in the Asia Pacific - have spurred investments in neighbouring countries such as Indonesia. The country has been a beneficiary from spillover data centre demand as the region is set to become the largest market for data centres in the next decade. ¹

The rapidly maturing banking, financial services and insurance sector in Jakarta is also expected to drive data centre market growth as the city is one of the most untapped markets in the Asia Pacific's digital finance sector. Last year, the Indonesian government announced plans to ease data centre regulations, aiming to boost the sector growth and attract foreign investors.

Erwin Maspolim, ING's head of Southeast Asia representative offices said: "Indonesia's population growth and digital transformation as well as Jakarta's central location in Southeast Asia continue to attract investors and operators around the world. ING continues to explore new opportunities for growth and partnership in Indonesia, one of 11 markets that we are present in the Asia Pacific region."

Society is transitioning to a low-carbon economy. So are our clients, and so is ING. We finance a lot of sustainable activities, but we still finance more that's not. See how we're progressing on [ing.com/climate](https://www.ing.com/climate).

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¹ This is according to [Cushman and Wakefield](#).

About ING

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's more than 57,000 employees offer retail and wholesale banking services to customers in over 40 countries.

ING Group shares are listed on the exchanges of Amsterdam (INGA NA, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

When it comes to sustainability, we facilitate and finance society's shift to a low-carbon future and pioneer innovative forms of finance to support a better world. As such, we're ranked first in the banks industry group by Sustainalytics and have an 'AA' rating in MSCI's ratings universe. ING Group shares are included in major sustainability and Environmental, Social and Governance (ESG) index products of leading providers STOXX, Morningstar and FTSE Russell.

ING in Asia Pacific

In Asia Pacific, ING offers wholesale banking across 11 markets, namely Australia, China, Hong Kong SAR, India, Indonesia, Japan, the Philippines, Singapore, South Korea, Taiwan and Vietnam.

ING offers both retail and wholesale banking services in Australia. ING's regional presence includes a 13% stake in Bank of Beijing, China and a 23% stake in TMBThanachart Bank in Thailand.

IMPORTANT LEGAL INFORMATION

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