



Green Finance Framework



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1. Delhi Airport - Building a Sustainable Future

Introduction:

Delhi International Airport Limited (“DIAL”) is a joint venture that manages Indira Gandhi International Airport (“IGI Airport”). The airport serves as one of the country’s international aviation hubs and as a major domestic aviation hub, connecting the Indian capital of New Delhi nationally and globally. In financial year 2020, the IGI Airport handled 67.3 million passengers.

DIAL acquired the right to manage Indira Gandhi International Airport in May 2006. DIAL is a joint venture, formed as a consortium between GMR Airports Limited (GAL) (64%), Airports Authority of India (AAI) (26%), and Fraport AG (10%). The Airports Authority of India is a statutory body working under the Ministry of Civil Aviation, Government of India and is responsible for creating, upgrading, maintaining and managing civil aviation infrastructure in India. Fraport is a German transportation company, which operates Frankfurt Airport and holds interests in the operation of several other airports around the world. Groupe ADP, an international airport operator based in Paris, holds 49% stake in GAL, while the remaining 51% is held by owned by GMR Group.

Our Approach Towards Sustainability:

DIAL is committed to conducting its business in an environment-friendly and sustainable manner by minimizing the impact of its activities on the environment with necessary pollution control systems and safeguards. Since its inception in 2006, DIAL has focused consistently on providing world class passenger experience with enhanced environmental and sustainability features at Delhi Airport.

Environment and Sustainability Management is an integral part of DIAL’s business strategy. DIAL continuously maps all the global and national sustainability requirements and commitments which are required for Airport business and they are integrated into DIAL’s business strategy. DIAL follows United Nations Sustainable Development Goals (SDG 2030), ICAO’s Environmental Objectives, India’s Nationally Determined Contributions and all other Sustainability linked Governmental initiatives to transform to a more sustainable business. DIAL also publishes regularly its Sustainability Report as per Global Reporting Initiatives (GRI) Standards highlighting the business sustainability progress.

DIAL’s sustainability approach towards “responsible-growth” has resulted in Delhi Airport being one of the pioneer and leading “green airport” globally with various environmental and sustainable initiatives. Currently, DIAL is looked up as one of the benchmark airports globally for sustainability initiatives and achievements. Some of the key sustainability initiatives of Delhi Airport are Climate Change & Greenhouse Gas Management, Green Infrastructure Adoption, Energy Conservation, Use of Renewable Energy, Water Conservation & Rainwater Harvesting, Waste to Wealth Initiatives, Noise Management, Greening and Plantations and Awareness Creation etc.

DIAL is focused on continuing the “responsible-growth” approach with vision of becoming one of the most sustainable and resource efficient airports globally. DIAL’s mission of “building sustainable future” includes its highly ambitious plan of becoming “Net Zero Carbon Airport¹” by 2030. Achievement of “Level 4+, Transition” accreditation under Airport Carbon Accreditation program of ACI as the first airport in Asia Pacific and only the second airport globally is testimony of DIAL’s commitment and progress in this direction.

¹ <https://airportco2.org/managing-airport-co2-emissions.html>

1.1 DIAL's Sustainability Initiatives

Some of DIAL's major sustainability initiatives are outlined below.

1. Management Systems

Environment Management System (EMS) - DIAL has adopted an Environment Management System ("EMS") at IGI Airport. The EMS is certified under ISO ("International Organization for Standardization") 14001:2015. DIAL's EMS provides an organized and formal approach towards managing environmental aspects and its impact at IGI Airport.

Energy Management system – ISO 50001: DIAL has adopted ISO 50001:2018 Energy Management System (EnMS), which helps in improved monitoring, provides a review mechanism, reduces losses and enables adoption of efficient systems and reduction of emissions.

GHG Management System – For Green House Gas ("GHG") management, DIAL follows the target-oriented approach of Airports Council International's (ACI) Airport Carbon Accreditation Program. IGI is currently certified under "Level 4+, Transition", and is the first airport in Asia-Pacific Region to achieve this accreditation. IGI Airport's GHG inventory is certified under ISO 14064 standard. DIAL also engages actively with stakeholders to effectively manage and reduce their emissions.

Targets:

- Continue highest level of accreditation under ACI's Airport Carbon Accreditation Program
- Continue ISO 14001, 50001 and ISO 14064 certification

2. Climate Action:

Green Buildings – DIAL has adopted green infrastructure program at IGIA. Terminal 3 is one of the first LEED² Gold certified airport terminal building in the world under the "New Construction" category in 2011. Terminal 3 is also Platinum rated under IGBC's ("Indian Green Building Council") existing Building Standard in 2016. IGI Airport has achieved many milestones towards becoming a sustainable green airport by incorporating modern infrastructural development techniques and advanced energy efficient technologies, embracing an environment conscious work culture, and entering into collaborative partnership programs with regulators, stakeholders and communities.

Currently, DIAL aims to develop Terminal 1 as a LEED Gold or above New Construction certified building with energy efficient design of Mechanical, Electrical and Pumping units such as pumping system, cooling towers etc. in the next few years. The registration with

² LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all the metrics

US Green Building Standard certification agency is being done and is in progress of terminal development.

Renewable Energy: DIAL has installed 7.84 MW solar Power plant in airside area of the airport. This plant generates about 12 million units annually and reduces almost 10,000 tonnes of CO2 emission annually. In addition to this, DIAL also sources additional renewable based electricity through open access and reduce energy indirect emissions.

Airport Collaborative Decision Making (A-CDM)³: DIAL has adopted operational measures such as Airport Collaborative Decision Making (A-CDM) to improve operational efficiency and reduce the aircraft emissions through better planning and utilization of resources during operation. As a part of this initiative airlines are advised to start the engine after getting permission from Air Traffic Controller (ATC). This substantially reduces emission load at Airport.

Bridge Mounted Equipment (BME): DIAL has installed Bridge Mounted Equipment (BME) in the aerobridges of Terminal 3. The Bridge Mounted Equipment such as Fixed Electrical Ground Power Unit (FEGPU) and Pre-Conditioned Air (PCA) supply reduces emission from aircraft's Auxiliary Power Unit (APU), same is being used by airlines to reduce their emissions. Currently IGIA has 78 aerobridges equipped with BME, another 22 is being planned as part of Terminal 1 development activity. Once Terminal 1 modification is completed, IGIA will have 100 aerobridges equipped with BME.

Electric Vehicle: As an emission reduction initiative at Airport DIAL has started electric bus operation at IGI Airport. Electric Vehicle charging stations have also been set up at IGIA to support passengers and electric taxi service providers.

Multimodal Connectivity: DIAL has also developed multi modal connectivity in Delhi Airport. As of now, all the three terminals of Delhi Airport are connected to Delhi Metro routes via metro stations in Terminal 1, Terminal 3 and Aero city.

Greening at Airport: DIAL has developed very large green landscaping with plantations in and around airport which is also helps in mitigating the air pollution mitigations at Airport. Entire landscaping is irrigated with treated wastewater having drip irrigation and automatic water efficient water dispensing system.

Target:

- Achieve “net zero carbon emission airport” by 2030
- Achieve 100% electricity from zero emission sources by 2030
- Achieve LEED Gold Level Certification for Terminal 1

3. Waste Management

Waste management is an important aspect of environment management at IGI Airport. Our objective is to ensure effective waste management system for collection, segregation, storage, safe handling, and disposal of waste and comply with all regulatory requirements. DIAL has adopted a 4R (Reduce, reuse, recycle and recover) strategy for effective waste management at IGI Airport.

To further enhance the sustainability of waste management, an organization level “waste to wealth” programs has been initiated. To facilitate the program, DIAL is currently developing an Integrated Solid Waste Management Centre (ISWMC) consisting material recovery facility, bio gas plant etc. within IGI Airport, which is expected to be

³ [https://www.icao.int/APAC/Meetings/2014%20ATMSG2/AI4%20IP14%20New%20Delhi%20A-CDM%20Implementation%20\(India\).pdf](https://www.icao.int/APAC/Meetings/2014%20ATMSG2/AI4%20IP14%20New%20Delhi%20A-CDM%20Implementation%20(India).pdf)

commissioned within 2021. Other waste such as hazardous waste, e-waste, battery waste, construction and demolition waste, and biomedical waste, are managed as per the government's legal framework. These waste are handed over to government approved waste management agencies.

DIAL's key waste management initiatives are-

- Installation of a two bin system across the entire IGI Airport infrastructure for ensuring segregation of waste at the source. In addition, in some of the strategic locations, DIAL has also installed a four bin system, to further enhance the source segregation of recyclable waste into various streams.
- DIAL has implemented a policy of being a "single use plastic free" airport
- DIAL has implemented a paper recycling program for waste paper generated from office and administrative area
- Employee engagement initiatives such as Bottom Level Improvement Programs (BLIP), Contentious Improvement Programs (CIP), Kaizen, Idea Factory etc. are in place to promote waste management

Target:

DIAL intends to achieve "Zero Waste to Landfill" airport by 2025.

4. Water Management

Water is one of the key elements required for efficient, hygienic and customer friendly airport operation, thus water management is one of the major focus areas at IGI Airport. DIAL's key objectives are sustainable development and management of water resources by continual assessment, conservation, augmentation, protection from pollution and safe distribution. In order to reduce the dependency on fresh water, DIAL follows a 3R model i.e. Reduce, Reuse and Recharge water.

Some of the initiatives taken by DIAL are-

- DIAL has set up a 5 MLD (million liters of water a day) advanced water treatment plant to provide good quality water to passengers in terminals
- DIAL has installed a 16.6 MLD zero liquid discharge sewage treatment plant
- DIAL has also developed more than 350 rainwater-harvesting structures to ensure ground water recharge at IGI Airport.
- Further, as a part of airport expansion, additional structures and rainwater reservoirs are being added under Phase 3A development work.

Target: DIAL's objective is to treat all wastewater and reuse 100% of it within the airport, with zero liquid discharge and continue to maintain it going forward.

Awards

Sustainability initiatives of DIAL has brought many accolades to IGI Airport. Some of the key achievements are-

- IGI Airport is the first "Level 4+, Transition" accredited airport in Asia Pacific region and only the second airport globally. DIAL also became the first Carbon Neutral airport in Asia Pacific in 2016.
- IGI Airport has won the prestigious "Green Airports Recognition" by ACI- Asia Pacific in 5 years in a row (2021, 2020, 2019, 2018 and 2017). In the year 2021, IGI Airport received Platinum recognition for its action towards Air Quality Management at IGI Airport. Terminal 3 of IGI Airport is certified as LEED GOLD under "New Construction" category. Terminal 3 also achieved "Platinum Rating" from Indian Green Building Council (IGBC) on Green Existing Building standard.

- First Airport in the world to adopt and get certified using the first-of-its kind Green Building Performance Monitoring Platform- “Arc” by the US Green Building Council (USGBC) for Terminal 3. Terminal 3 achieved as LEED Platinum using Arc.
- IGI Airport is also the first airport in the world to adopt and get certified under PEER rating standard for the electrical distribution system at Terminal 3.
- DIAL has also been rated as “Climate Oriented” company under Climate Action Program (CAP 2 Degree) by Confederation of Indian Industries (CII) for the year 2019 and 2020.
- IGI Airport is rated Platinum level by CII-Green Business Centre for Environmental excellence under GreenCo Framework
- DIAL won the National Award for Excellence in Energy Management from the Confederation of Indian Industry (CII), in the year- 2020, 2019, 2018. Based on its consistent energy performance over the years, DIAL also received National Energy Leader Award in 2020.
- Golden Peacock Award for Sustainability by Institute of Directors in 2018 etc.
- DIAL has also received National Water Award 2019, from Government of India
- “Single Use Plastic Free Airport Certification” from CII in 2020

2. Basis of Green Finance Framework

2.1 Green Bond Principles and Green Loan Principles

The Green Finance Framework follows the ICMA (International Capital Market Association) Green Bond Principles (GBP) 2018 edition⁴ and the LMA (Loan Market Association) Green Loan Principles (GLP) 2021 edition⁵. These principles intend to promote integrity of the Green financing market by offering guidelines that recommend transparency, disclosure and reporting in order to drive investors to allocate capital to Green projects.

The GBP and GLP provides for guidelines in four key areas:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Green Finance Framework also follows the recommendations of the ICMA Green Bond Principles / LMA Green Loan Principles regarding “External Review”.






2.2 Eligible Project Categories

The objective of DIAL’s Green Finance Framework is to allocate funds to Green Projects that mitigate climate change by reducing emissions; protect ecosystems; or otherwise have a positive environmental impact in support of the United Nations (UN) Sustainable Development Goals (“SDGs”) in line with Green Bond Principles and Green Loan Principles of ICMA and LMA respectively.









Eligibility Criteria for Green Bonds / Loans



⁴ <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf>

⁵ <https://www.aplma.com/uploads/microsites/GLP%20Guidance%20Feb2021%20V02.pdf>

GBP/GLP Project Category	Eligible Criteria	Sample Projects	Impact Metrics	UN SDGs supported
<p>Green Buildings</p>	<p>New development, existing or re-development of existing buildings that have or will receive any one of the following certification systems:</p> <p>LEED® (Leadership in Energy and Environmental Design): Minimum certification of Gold or above;</p> <p>IGBC (Indian Green Building Council) Standards: Minimum certification of Gold or above;</p> <p>GRIHA⁶ (Green Rating for Integrated Habitat Assessment): Minimum Rating of 3 star and above</p>	<p>DIAL aims to develop Passenger Terminals, Cargo Terminals, Airport Administrative Buildings and Other Airport Infrastructures at IGI Airport as a LEED/IGBC/GRIHA certified building with an energy efficient design and integrated efficient mechanical, electrical and pumping measures etc.</p> <p>DIAL aims to develop Terminal 1 as a LEED Gold or above certified building with an energy efficient design and integrated efficient mechanical, electrical and pumping measures etc.</p>	<p>No of Certifications</p> <p>Level/rating achieved</p> <p>Total Green Certified space (m2)</p>	    

⁶ GRIHA, or the Green Rating for Integrated Habitat Assessment is a green building standard developed by The Energy Resources Institute (TERI).

GBP/GLP Project Category	Eligible Criteria	Sample Projects	Impact Metrics	UN SDGs supported
Renewable Energy	<p>Projects relating to the installation of equipment or associated infrastructure to generate and use renewable energy on-site</p> <p>Operation of energy generated from renewable energy sources</p>	<p>Maintain on-site solar plant of 7.84 Mega Watts</p>	<p>kWh of power generated from renewable energy</p> <p>kWh of power used from renewable energy</p> <p>Tonnes of carbon dioxide (CO₂) equivalent avoided</p>	  
Energy Efficiency	<p>Projects relating to adoption of smart technologies and/or systems for optimizing energy management in new and existing buildings (e.g. Lighting and motion sensors) or retrofitting projects (e.g. replacing air-conditioning chiller or lift systems).</p>	<p>Energy efficient lighting system (LED) in city side and airside</p> <p>Energy efficient HVAC, BHS and BME systems etc.</p> <p>Use of smart control and automation system such as Building Management System</p>	<p>Energy Consumption/ Passenger (kWh/Passenger)</p>	 
Clean Transportation	<p>Projects that promote environmentally friendly transportation modes such as electric vehicles and related infrastructure</p>	<p>Use of electric vehicles</p>	<p>No. of electric</p> <p>Tonnes of carbon dioxide (CO₂) equivalent avoided</p>	
Pollution Prevention and Control	<p>Projects that reduce air emissions, greenhouse gas control</p>	<p>Installation of Bridge Mounted Equipment in Terminal 1</p>	<p>Overall CO₂ Reduced /Passenger, in KgCO₂/Pax</p>	 

GBP/GLP Project Category	Eligible Criteria	Sample Projects	Impact Metrics	UN SDGs supported
Pollution Prevention and Control	Facilities, systems and equipment that are used for the collection, treatment, and recycling of waste	<p>Installation of waste collection system across the entire Delhi Airport infrastructure for ensuring source segregation of waste</p> <p>Use of smart waste collection system and digital technologies for effective waste management.</p>	<p>Waste Recycled/Year</p> <p>Waste Diverted from Landfill/ per year</p>	
Sustainable Water Management	Water management projects - to improve water efficiency and water availability	<p>Design and operate airport infrastructure to implement rainwater harvesting and rain water storage facility</p> <p>Design and operate airport infrastructure to recycle and reuse treated water from Sewage Treatment Plant (STP) for landscaping and toilets</p> <p>Use of water efficient fixtures and Fittings</p>	Water consumption per Passenger (Ltr/Pax)	

Exclusion list:

DIAL commit to exclude the followings from eligible green projects:

- Sourcing energy from hydropower projects with a generating capacity of over 25MW
- Sourcing electricity from coal power plants or fossil fuel sources
- Fossil fuel-based power generation infrastructure

2.3 Process for Project Evaluation and Selection

To achieve this ambitious vision, DIAL has made “sustainability governance” an organization wide strategic initiative with a well-defined roadmap and cross-functional teams. It includes absolute carbon emission reduction through energy conservation, development of green infrastructure, renewable energy use, water conservation and rain water harvesting, waste to wealth programs, stakeholder partnership programs such as operational excellence, engagement with airlines and other business associates, green transportation program, sink development by tree plantation and GHG management system etc.

To gear up the organizational level actions in sustainability and achieve the key targets, including “Net Zero Emission” Airport by 2030, DIAL is making a concerted effort towards addressing climate change concerns and emission reductions with various sustainability initiatives together with IGI Airport stakeholders by:

- Using alternative & renewable energy sources
- Applying energy and fuel conservation concepts
- Adopting Green Building guidelines
- Using and promoting low carbon transportation
- Enhancing operational excellence and aviation service systems
- Inculcating the Knowledge, Skills and Attitude by various knowledge sharing and capacity building programs
- Aligning the organizational initiatives and programs like BLIP/CIP/ KM/ Idea Factory and BE and ISO Systems
- Regular engagements and communications with teams and stakeholders

In order to implement projects as outlined in this Section 2.2 of this framework, the selection criteria in the procurement process shall also focus on environmental sustainability and stakeholder engagement as well as benefits throughout the evaluation and selection.

DIAL has a Sustainability Committee which is responsible for ensuring overall sustainable progress of IGI Airport. The nominated members for the governance of Green Finance Framework are responsible for the development, coordination and execution of DIAL’s sustainability and green projects and report to DIAL’s CEO. DIAL’s CEO reviews the progress of initiatives on a half-yearly basis.

The nominated members that will be responsible for the governance of Green Finance Framework from the Sustainability Committee are-

1. Chief Operating Officer
2. Chief Development Officer
3. Chief Project & Engineering Officer
4. Chief Financial Officer, DIAL
5. Head – Procurement
6. Head – Strategic Planning
7. Head- Environment

The Head, Environment will evaluate and determine which projects are eligible for inclusion in the portfolio of Eligible Green Assets according to the criteria required by DIAL’s Green Finance Framework. The projects compiled by Head - Environment, will be reviewed and validated by the sustainability committee (as mentioned above).

An amount equal to the net proceeds of any Green Bond/Loan issued will be used to finance and/or refinance, in whole or in part, Eligible Green Projects as described in the “Eligible Green Projects” table above. Each of DIAL’s eligible categories /have been aligned with the relevant

UN Sustainable Development Goals”) in line with Green Bond Principles and Green Loan Principles of ICMA and LMA.

DIAL will allocate an amount equal to the net proceeds raised by the Green Bond / Loan issuance on a best efforts basis to Eligible Green Projects:

- Where the investment has been made in the project within the three-year period preceding the date of the relevant Green Bond / Loan issuance, and/or
- Where the investment has been made in the project within the three-year period post the date of the relevant Green Bond / Loan issuance

2.4 Management of Proceeds

DIAL will allocate the proceeds from the Green Finance Instrument to an Eligible Green Project Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. These projects can be new projects or existing projects, including refurbishments.

To ensure proceeds are allocated in accordance to the Green Finance Framework, the Sustainability Committee will track investments (including brief descriptions of the projects) in Eligible Projects. DIAL will establish a register to earmark proceeds from the Green Finance Instrument to an Eligible Green Project Portfolio. The progress will be reported regularly to DIAL’s CEO.

DIAL will achieve a level of allocation for the Eligible Green Project Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments. Additional Eligible Green Projects will be added to the Issuer’s Eligible Green Project Portfolio to the extent required to ensure that the net proceeds from outstanding Green Finance instruments will be allocated to Eligible Green Projects.

Pending the allocation to Eligible Green Projects, net proceeds from Green Bond / Loan issuance will be temporarily placed in the liquidity reserve and managed accordingly. Payment of principal and interest on the Green Bond(s) / Loan(s) will be made from the Company’s general funds and will not be directly linked to the performance of any Eligible Project.

2.5 Reporting

The GBP and GLP require Green Finance Instrument issuers to provide information on the allocation of proceeds. In addition to the information about Green Finance Instrument proceeds allocation including specific projects, the GBP and GLP recommend communicating on the expected impact of the projects.

DIAL will make and keep readily available, reporting on the allocation of net proceeds to the Eligible Green Project Portfolio and wherever feasible reporting on the impact of the Eligible Green Project Portfolio, within a year from the issuance of the applicable Green Finance Instrument to be renewed annually throughout the life of the Green Finance Instrument or following any material events.

Allocation Reporting

To the extent feasible, the allocation report will provide:

- Net proceeds raised from Green Bond / Loan
- The total amount of investments and expenditures in the Eligible Green Project Portfolio
- The number of new and existing investments and/or projects (financing and refinancing)
- The amount of unallocated proceeds

Impact Reporting

DIAL will report on the environmental impacts of the projects funded with the Green Finance Instrument net proceeds, or refer to existing sustainability reporting, such as our integrated annual report, which includes information on sustainability. Impact reporting will be on an annual basis. The impact report will provide:

- A short description of the Eligible Green Projects
- Metrics regarding projects' environmental impacts as described in section 2.2 of this Framework.

3. External Review

3.1 Second Party Opinion (pre-issuance)

This Green Finance Framework has been reviewed by CICERO who has issued a Second Party Opinion. The Second Party Opinion as well as the Green Finance Framework will be made available on <https://www.newdelhairport.in/>

3.2 Verification (post-issuance)

DIAL intends to request a verification by its external auditor of a management statement on the allocation and impact of the Green Finance proceeds to the Eligible Green Project Portfolio for its allocation report(s). DIAL also intends to appoint an external reviewer for the verification of the impact indicators.

4. Appendix

DIAL adhere to the following codes/principles/policies-

- Business Code of Conduct
- Suppliers Code of Conduct
- Whistle Blower Policy
- ACI's Airport Carbon Accreditation
- DIAL Environment Policy
- DIAL Safety Policy
- DIAL Energy Policy
- DIAL Quality Policy
- ISO 14001:2015
- ISO 45001:2018
- ISO 90001:2015
- ISO 14064:2006
- UN SDG 2030
- India's NDC commitment
- ICAO's Environmental Objectives