



December 11, 2018

### **The LMA, APLMA and LSTA publish extended iteration of the Green Loan Principles**

The LMA, together with the APLMA and LSTA, has published an extended iteration of the Green Loan Principles (GLP), providing a more in-depth explanation as to how the GLP can be applied to revolving credit facilities whilst maintaining the integrity of the green loan product.

Originally published in March 2018, the GLP provide a high-level framework of market standards and guidelines allowing for consistent methodology to be applied across the wholesale green loan market. The principles constitute voluntary recommended guidelines to be applied to any form of loan instrument that may be categorised as “green”.

The green finance working party, led by the LMA, APLMA and LSTA, consists of representatives from leading financial institutions across the globe and seeks to produce a globally acceptable approach to the granting of green loans to better facilitate and support environmentally sustainable economic activity.

Commenting on the latest update to the principles:

Clare Dawson, Chief Executive of the LMA, said: "The new version of the green loan principles represent an important step in adapting to reflect this rapidly developing market. We are delighted that the involvement of the LSTA means that we now have a set of principles that can be applied globally."

Lee Shaiman, Executive Director of the LSTA said: "Increasingly, banks and loan investors seek borrowers who present rewarding risk-adjusted returns in equal measure with environmentally responsible business practices. We believe that the principles developed by the LSTA, LMA and APLMA, together with their green finance working party, help lenders identify such investments within a consistent framework."

Andrew Ferguson, CEO of APLMA said: "APLMA is delighted to be working with LMA and LSTA to further develop the Green Loan Principles, which are now key to the development of sustainable financing across the globe".

Looking ahead to 2019, the working party will be seeking to produce a set of principles that apply to sustainability improvement loans, being those loans that incentivise a borrower to achieve predetermined sustainability performance targets.

#### *About the LSTA*

The Loan Syndications and Trading Association is the trade association for the corporate loan market, dedicated to advancing the interests of the overall marketplace and promoting the highest degree of confidence for investors in corporate loans. Founded in 1995, the LSTA undertakes a wide variety of activities to develop policies and market practices designed to promote a liquid and transparent marketplace and to encourage cooperation and coordination among the parties which facilitate transactions in loans and related claims.

For more information, please visit <http://www.lsta.org>. Contact: Tess Virmani, [tvirmani@lsta.org](mailto:tvirmani@lsta.org); 212-880-3006.