

# Sustainable Finance: Maintaining Integrity

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# SLL issuance slows as debt volumes drop

Tom Freke, Data Specialist - Bloomberg

## Vedanta Aluminum Unit Gets \$250M in Sustainability-Linked Loans

By Swansy Afonso

(Bloomberg) -- Vedanta Ltd.'s aluminum unit has raised \$250 million through sustainability-linked loans from global banks for its capital expenditure, the company said in a statement.

## ESG Bond Sellers Risk Litigation Over Clauses to Change Targets

- Fallback clauses to change ESG goals in future becoming common
- Firms may get sued if disappointing market: Linklaters lawyer

By Libby Cherry and Greg Ritchie

(Bloomberg) -- Companies are becoming wary of getting sued by investors if they use an option to change the targets set in their ethical debt.

## ESG Bond, Loan Issuance Fell 10% in 2022, Industry

By Gautam Naik

(Bloomberg) -- The Association for Financial Markets in Europe, an industry advocacy group, said European ESG bond and loan issuance declined 10% in 2022 mainly driven by lower issuances of social bonds.

## SocGen Arranges Sustainability-Linked Loan for Pegasus Airlines

By Ercan Ersoy

(Bloomberg) -- Sustainability-linked aircraft-secured term loan was guaranteed by UK Export Finance, according to emailed statement from Turkey's Pegasus Airlines.

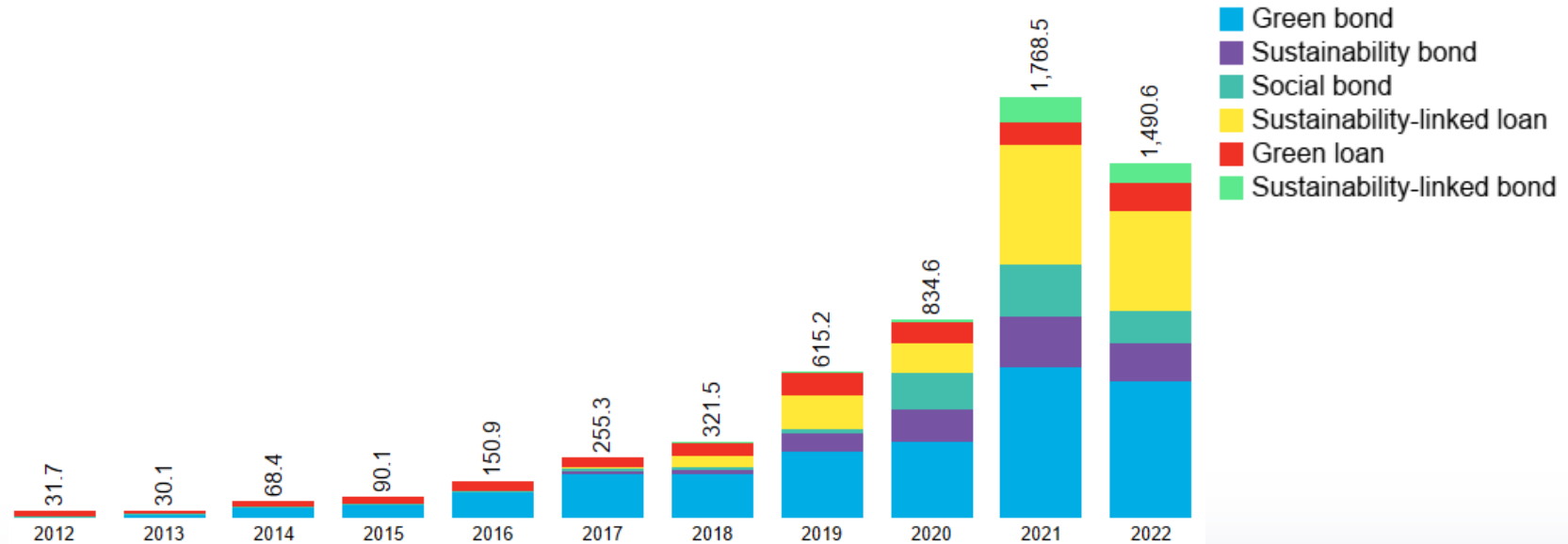
## SEB Issues Loan With Conditions Based on Security and Employment

By Love Liman

(Bloomberg) -- Swedish lender SEB AB has provided real estate company Hemmaplan with a loan of about 300 million Swedish kronor (\$28.7 million), whose conditions are tied to the property owner's success in increasing security and employment in an underprivileged Swedish suburb.

# Sustainable finance issuance in context

Tom Freke, Data Specialist - Bloomberg



Source: BloombergNEF, Bloomberg LP.

# Issuance dropped for almost all debt markets in 2022

Tom Freke, Data Specialist - Bloomberg

Global Sustainability-Linked Loans	USD	482.7b	-7%
- <i>European SLL</i>	USD	183.4b	-22%
- <i>US SLL</i>	USD	149.9b	-13%
- <i>APAC SLL</i>	USD	80.1b	+35%
Western Europe Loans	EUR	850.7b	-8%
US Leveraged Loans	USD	1,129.4b	-30%
EMEA Sponsor-led Leveraged Loans	EUR	97.6b	-44%
Western European Corporate HY Bonds	EUR	32.3b	-76%

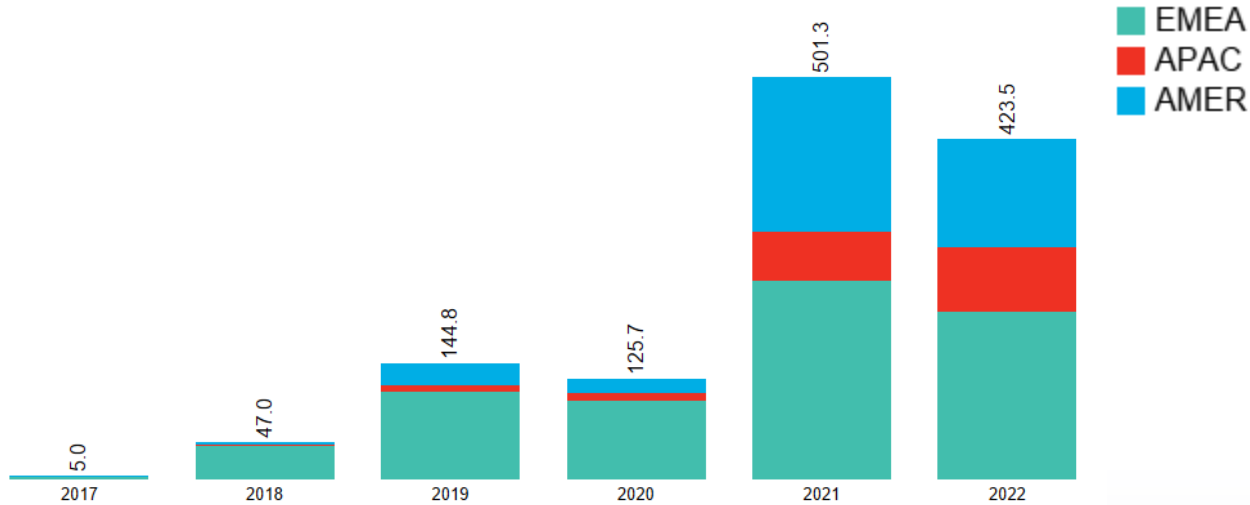
Source: BloombergNEF, Bloomberg LP.



# Sustainability-linked loan issuance

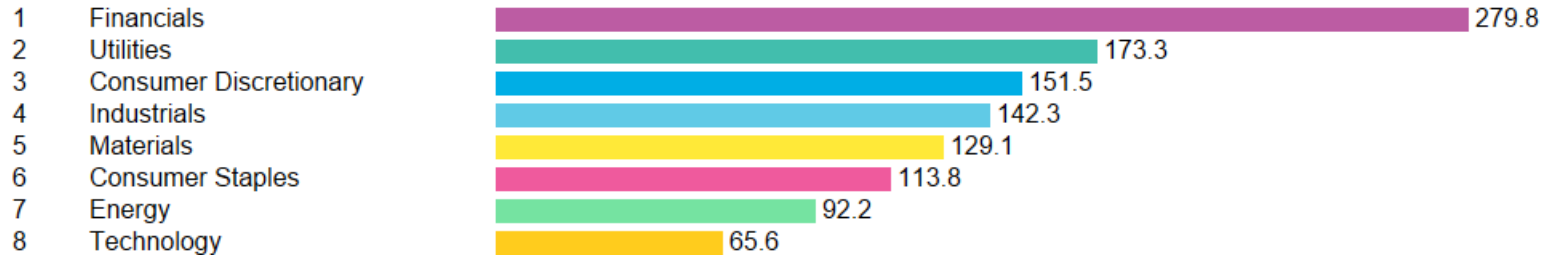
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Sustainable Debt Issued (\$bn) by Region of Risk



# Sustainability-linked loans by industry

Tom Freke, Data Specialist - Bloomberg



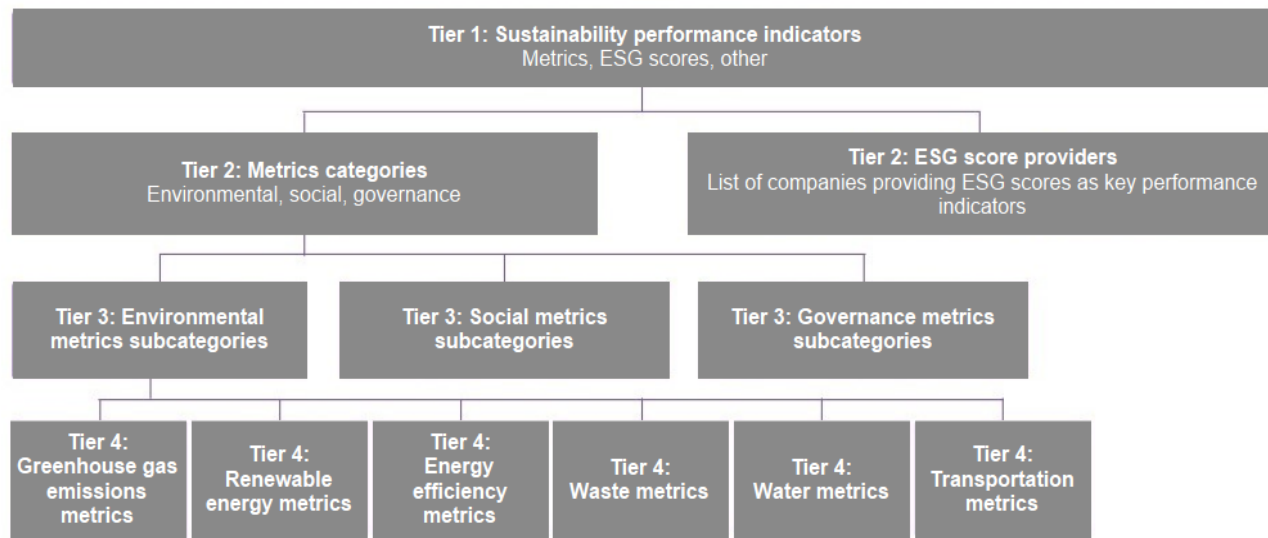
Source: BloombergNEF, Bloomberg LP.



# A taxonomy for sustainability-linked debt

Tom Freke, Data Specialist - Bloomberg

## Tiers of sustainability performance targets for sustainability-linked debt



# SLL issuance metrics and volumes

Tom Freke, Data Specialist - Bloomberg

## Debt issued (\$bn) by Tier 2 - Metrics categories

Governance

87.6

Other

92.6

Undisclosed

198.1

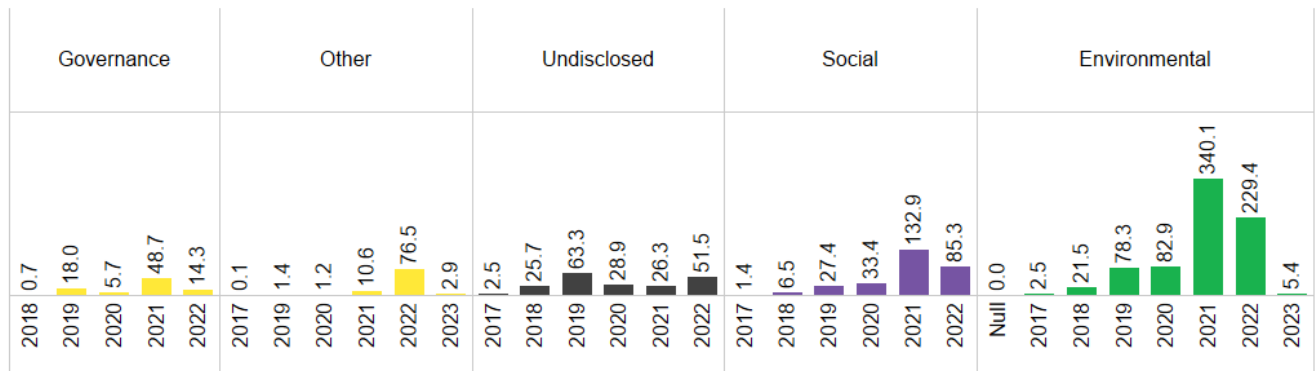
Social

286.8

Environmental

760.1

## Debt issued (\$bn) by year

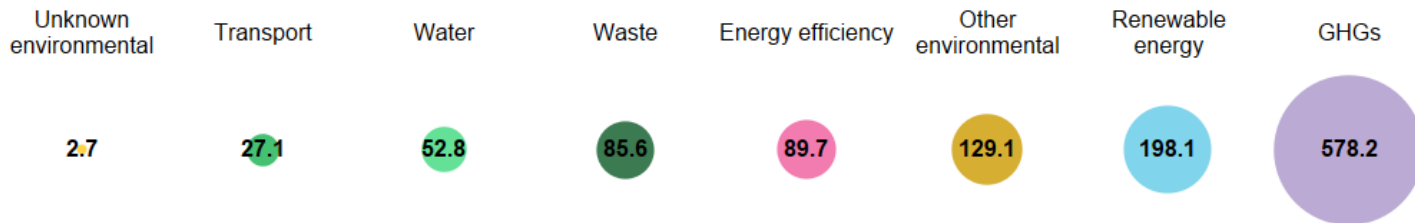




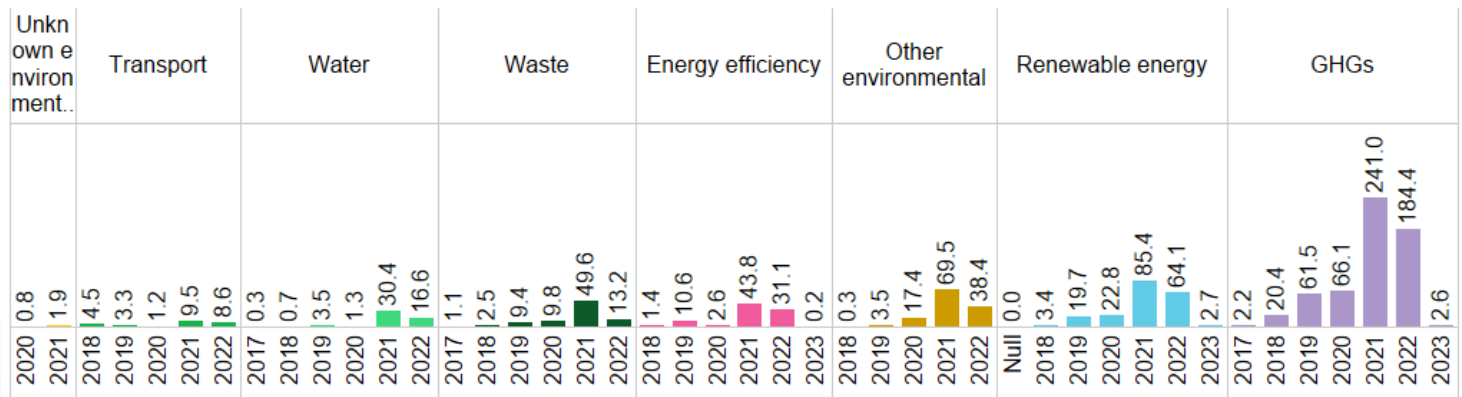
# SLL environmental metrics and volumes

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## Debt issued (\$bn) by Tier 3 - Environmental metrics sub-categories



## Debt issued (\$bn) by year



# Panel Discussion

