

2024-2025 Joint-Taskforce (LMA) Sustainability-Linked Loans refinancing Bonds Terms of Reference

Taskforce Coordinators:

- CACIB	- NIB
- J.P. Morgan	- Loan Market Association

Context

Over recent years, banks (both public & commercial) have been extending more and more loans in Sustainability-Linked format (“SLLs”). For instance, last year, in the EMEA loan market, almost 50% of the RCFs issued by Corporates for general purposes and refinancing were Sustainability-Linked.

Banks have continued to accumulate SLLs on their balance sheet, and have been considering ways to make use of these loans to support their funding programs and sustainable finance objectives.

In 2022, Nordea came to the market with an interesting structure building on the UoP concept but instead of refinancing a portfolio of green or social loans (via a green or social bond), the structure is refinancing a portfolio of SLLs – this instrument has been referred to (*inter alia*) as a ‘Sustainability-Linked Loan refinancing bond’.

For the 2023-2024 period, the ExCom agreed that a Taskforce would be formed to consider whether guidance could be helpful to support the potential development of this new area of the market.

Following agreement of specific objectives for the Taskforce, guidance was duly developed and released in June 2024¹ in the form of new Sustainability-Linked Loans financing Bond Guidelines.

Objectives for 2024-2025

1. Develop proposals for Q&A based on market development for consideration in context of the next update of Guidance Handbook
2. Monitor activity in this area of the market, including review of any Sustainability-Linked Loan Bond transactions, analysis of any investor feedback and market comment, with a view to the Taskforce Co-ordinators providing ExCom with an update during the course of the 2024-2025 work program period, and implementation of any decisions arising from the relevant ExCom meeting.

Membership

The taskforce is open to all Members & Observers (including NGOs, rating agencies, technical advisors or consultants).

Active contributors should be limited to **12 institutions**, including, investors [Priority], SPO providers and potential issuers

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-loans-financing-bonds-guidelines-sllbg/>

Taskforce members:

Access Bank	Emirates NBD Capital	Natwest
Agence Française de Développement	ESPAE School of Management of ESPOL	Nomura International
Amundi	Euronext	Nordea
Anthropocene Fixed Income Institute	FirstRand Bank	OP Corporate Bank
ANZ	Goldman Sachs	PIMCO
Banco BPM S.P.A.	Goldman Sachs AM	Pinsent Masons
Banco Santander	IADB	Rabobank
Bank of Nova Scotia	IFC	Raiffeisen Bank International
Bank Pekao	ING	Rating and Investment Information
Barclays	Instituto de Crédito Oficial (ICO)	RBC
Bloomberg	J.P. Morgan Securities	S&P Global Ratings
BNP Paribas	Japan Credit Rating Agency	SEB
Bryan Cave Leighton Paisner	Kommuninvest	SEB IM
Cassa depositi e prestiti	Linklaters	SMBC
CIBC Capital Markets	Lloyds Bank Corporate Markets	SMBC Nikko Capital Markets
Citi Bank	London Stock Exchange	Société Générale CIB
Clifford Chance	Luxembourg Stock Exchange	Standard Chartered Bank
Climate Bonds Initiative	Mizuho International	Swedbank
CMS Francis Lefebvre Avocats	Moody's Investors Service	TD Securities
Commerzbank	Morningstar Sustainalytics	The Carbon Trust
Dagong Low-Carbon Solutions	MUFG Securities	UBS
Dentons	National Australia Bank	Westpac
Deutsche Bank	National Bank Financial	World Bank
DZ Bank	Natixis	