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Webinars

**2021 Revised Sustainability-
Linked Loan Principles – Key
Developments, Global
Perspectives**

September 20, 2021

Panelists



Ben Myers
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Gibson Dunn



Yair Galil
Of Counsel, New York
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Partner, Hong Kong
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Hannah Vanstone
Legal Associate, London
Loan Market Association



Tess Virmani
Associate General Counsel & Executive
Vice President of Public Policy, New York
Loan Syndications and Trading Association



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Gibson Dunn ESG Practice Area

Our ESG practice is an international team leveraging over 100 lawyers from across the firm practicing in the areas of litigation, corporate governance, corporate transactions, finance, compensation, information security, tax and business and human rights.

We engage in constant collaboration and leadership across these disciplines in recognition of the universal nature of these issues for our clients. We offer seamless and integrated advice – collaborating with our ESG colleagues across the entire firm.

Key aspects of our practice include:



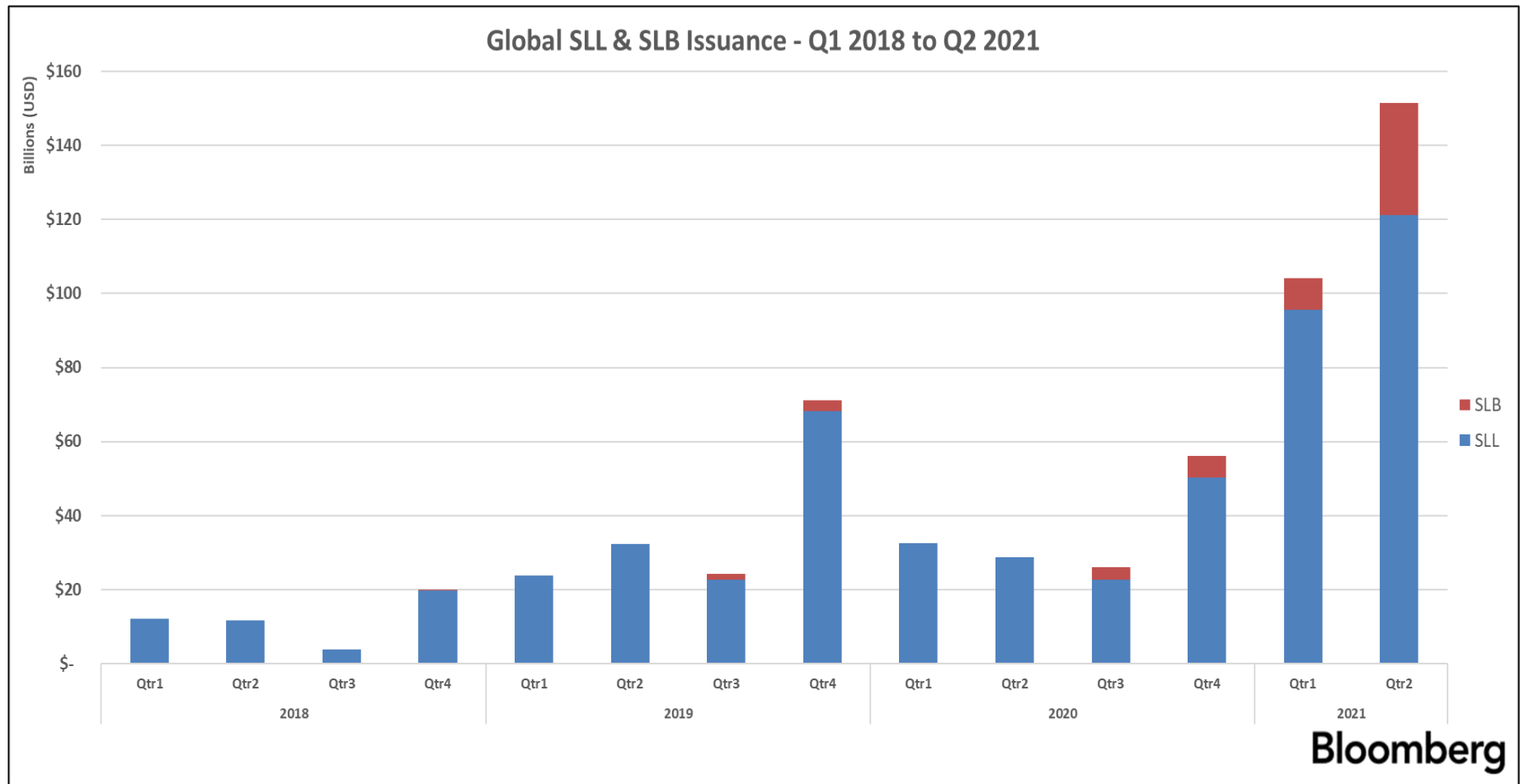
+100
Lawyers from across the firm



Gibson, Dunn & Crutcher LLP

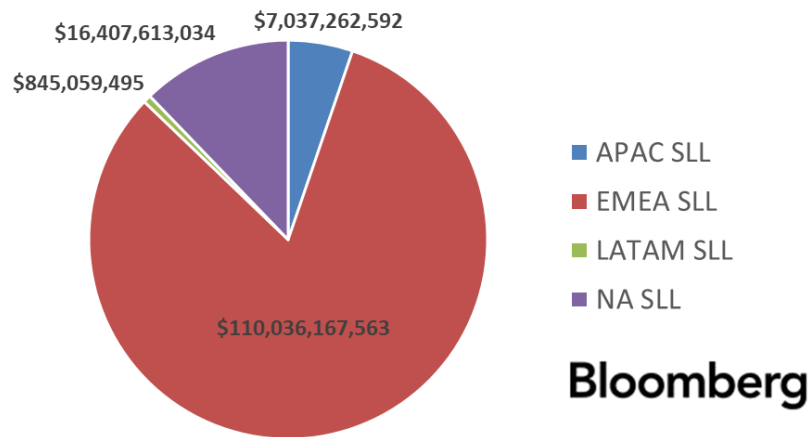
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Market Metrics – Global Volume

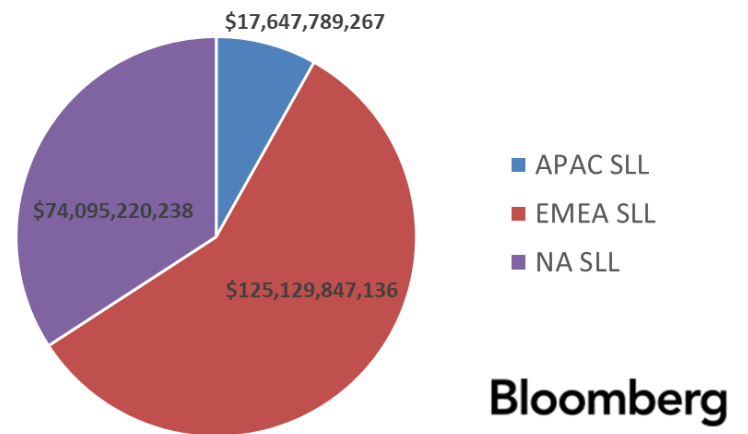


Market Metrics – Regional Breakdown

2020 Regional breakdown of SLLs

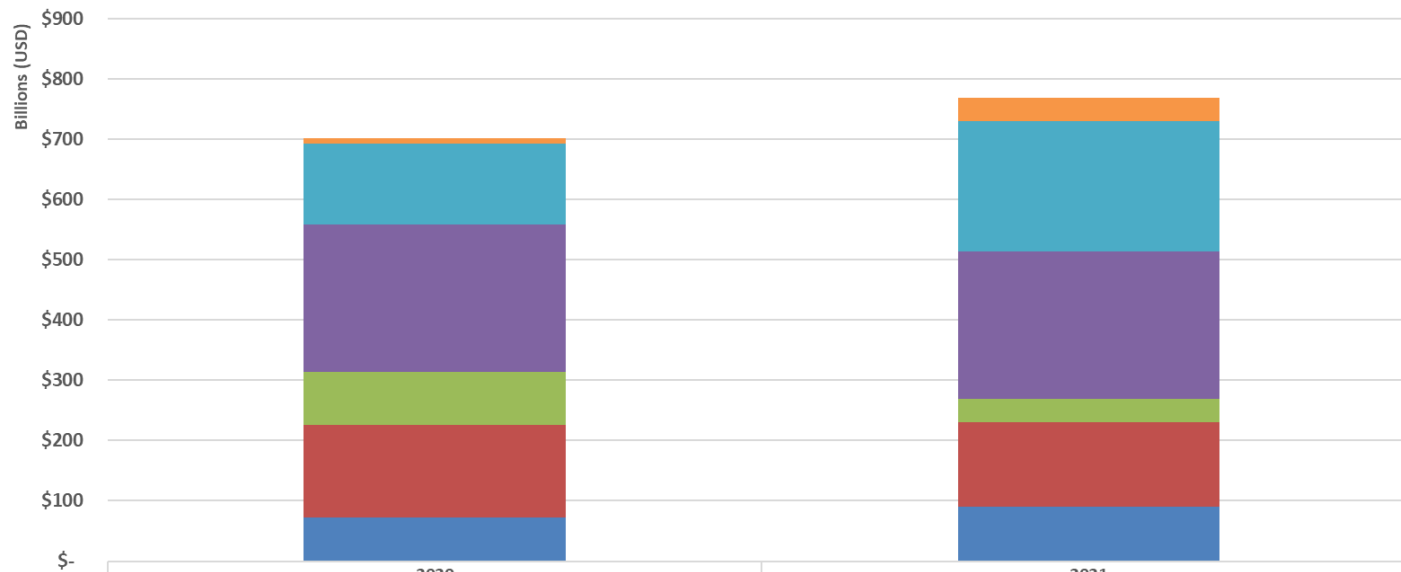


2021 H1 Regional breakdown of SLLs



Market Metrics – SLL Share of Broader ESG Finance

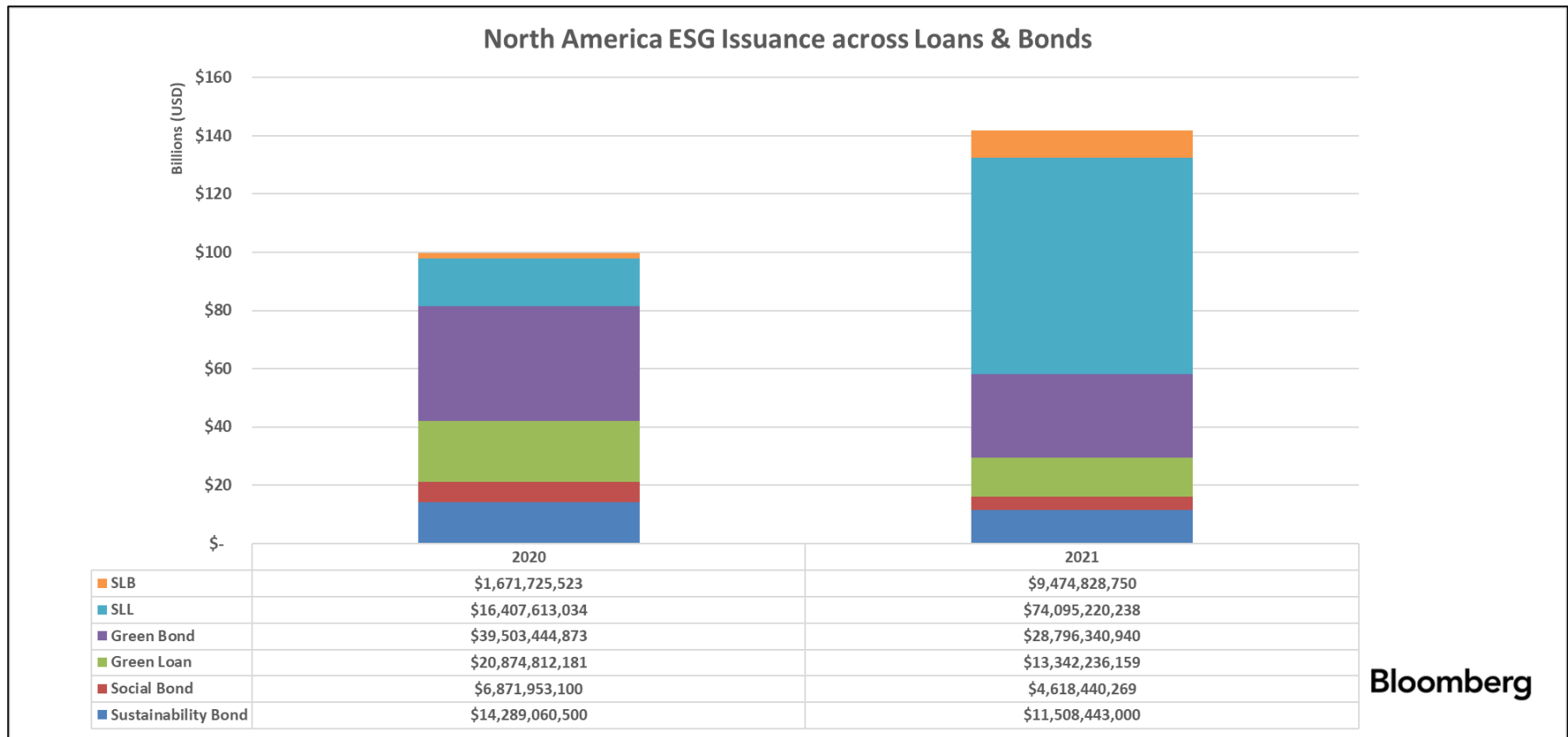
Global ESG Issuance across Loans & Bonds



	2020	2021
SLB	\$9,207,630,443	\$38,853,261,617
SLL	\$134,326,102,684	\$216,872,856,640
Green Bond	\$244,938,268,180	\$244,834,542,423
Green Loan	\$87,858,908,594	\$38,517,892,126
Social Bond	\$154,291,464,554	\$140,462,310,753
Sustainability Bond	\$71,838,503,240	\$90,160,166,804

Bloomberg

Market Metrics – SLL Share of Broader ESG Finance (North America)



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Revised (2021) Sustainability-
Linked Loan Principles –
Panel Questions



Uniformity and Consistency

- Sustainability-Linked Loan Principles as a global standard – uniformity across regions and markets
- Challenges in formulating consistent principles across differentially-developing regions
- Observed differences in implementation of the SLLPs across regions, markets and industries
- Different KPIs / SPTs, different taxonomies
- Analysis of volumes by country and sector

Selection and Implementation of KPIs and SPTs

- Main challenges for setting KPIs in APAC
- Importance of KPI and SPT selection to avoid accusations of ESG washing
- Challenges to concept of economic incentivization of KPI performance
- Rationale for lenders to support independently desirable behaviors
- Allocation of margin “savings” to ESG purpose or charity

Reporting and Verification Standards

- Prospects for self-verification in the face of SLLP guidance
- Consequences of non-compliance
- Borrower's unilateral right to modify the ESG framework of an SLL
- LMA/ELFA supplemental guidance for leveraged loan market



Future of the Asset Class

- Anticipated terms/developments for next revision of SLLPs
- Revisiting existing “discussion points” that were raised but not resolved in the 2021 revision
- Other developments – prospects of the product
- Mainstreaming of sustainable finance concepts and products

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Panelists' Biographies

Ben Myers

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Ben Myers is a partner in the London office of Gibson, Dunn & Crutcher. He is a member of the firm's Global Finance Practice Group as well as of the firm's Environmental, Social and Governance (ESG) Practice Area.

Mr Myers' practice focuses on advising funds, sponsors, corporates and financial institutions across a wide range of complex and multi-jurisdictional financing transactions with particular focus on leveraged finance, special situations and restructuring transactions.

Mr Myers has also worked for extended periods in the leveraged loan and high yield finance teams of the investment banking divisions of Credit Suisse and Deutsche Bank.

Mr Myers was named as a "rising star" by *Legal Business* (February 2017).

Hannah Vanstone



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Hannah Vanstone is a Legal Associate at the Loan Market Association (LMA).

Hannah joined the team in November 2018 and assists with the Association's documentation projects, education and training events and regulatory and lobbying matters. Hannah leads the LMA's real estate finance work and is also involved in all the LMA's ESG initiatives.

Prior to joining the LMA, Hannah was a banking and finance solicitor at Osborne Clarke LLP where she acted for numerous domestic and international corporate banks and UK and international borrowers on a variety of syndicated finance transactions, with a particular focus on real estate finance.

Yair Galil

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Yair Y. Galil is of counsel in the New York office of Gibson Dunn, where he is a member of Gibson Dunn's Global Finance Practice Group and Business Restructuring and Reorganization Practice Group, as well as of the firm's Environmental, Social and Governance (ESG) Practice Area.

Mr. Galil has represented a variety of clients – including sponsors, issuers, financial institutions and investment funds – in complex financing transactions. The business contexts for these transactions have ranged from corporate finance (including sustainability-linked credit facilities), to leveraged acquisitions and dividend recaps, to debt buybacks and other out-of-court capital restructuring transactions, to debtor-in-possession and bankruptcy exit financings. He also frequently performs credit analyses on a borrower's debt instruments, and advises on vulnerabilities and potential restructuring approaches.

Mr. Galil earned his Juris Doctor in 2004 from Columbia Law School, where he was a James Kent Scholar and an Alexander Hamilton Fellow, and served on the editorial board of the *Columbia Business Law Review*. He received his M.B.A. from Columbia Business School in 2004 and was elected to Beta Gamma Sigma. Prior to commencing his graduate studies, Mr. Galil served from 1996 to 2000 in the Israeli Defense Forces, in which he holds the rank of captain. Mr. Galil graduated from Columbia College as Salutatorian of the class of 1996, with a Bachelor of Arts degree, *summa cum laude*, in Economics and Political Science, and was elected to Phi Beta Kappa. Prior to joining Gibson Dunn, Mr. Galil was an associate in the New York office of Jones Day.

Mr. Galil is admitted to the New York Bar. He is fluent in Hebrew.

Tess Virmani



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Tess Virmani is Associate General Counsel and Executive Vice President, Public Policy of the Loan Syndications and Trading Association (LSTA).

Tess has a broad range of responsibilities at the LSTA. She leads the LSTA's sustainable finance and ESG initiatives which seek to foster the development of sustainable lending as well as promote greater ESG disclosure in the loan markets. In addition, Tess engages in the LSTA's policy initiatives, including market advocacy and spearheading industry solutions to market developments, such as the transition to replacement benchmarks. Tess focuses on maintaining and augmenting the LSTA's extensive suite of documentation, which includes templates, market standards, and market and regulatory guidance. Finally, she is involved in the development and presentation of the LSTA's robust education programs.

Prior to joining the LSTA, Tess practiced as a finance attorney at Skadden, Arps, Slate, Meagher & Flom LLP in New York. She received a B.S. in International Politics from the Walsh School of Foreign Service at Georgetown University and a J.D. from Fordham University School of Law. She is admitted as an attorney in New York. Tess is a Fundamentals of Sustainability Accounting Credential Holder.

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Patricia Tan Openshaw, a Registered Foreign Lawyer (New York) in Hong Kong and a partner of Gibson, Dunn & Crutcher LLP, is a member of the firm's Energy & Infrastructure, Global Finance, Mergers & Acquisitions and Environmental, Social & Governance Practice Groups. Ms. Openshaw focuses her practice on project development and finance, mergers and acquisitions, and banking and finance transactions in the energy and infrastructure sector.

She has substantial experience representing developers, sponsors, contractors, lenders, government agencies and offtakers in connection with the development, financing, and restructuring of power, rail, toll road, water, casinos and other infrastructure projects. She advises Asian and U.S. companies in cross-border acquisitions, private equity investments and divestitures of energy and infrastructure assets throughout the region. She has also advised on financings involving commercial banks, export credit agencies, multilateral agencies, private equity funds and Rule 144A/Regulation S offerings and private placements. She has handled energy and infrastructure transactions in Australia, Africa, China, Fiji, India, Indonesia, Korea, Malaysia, the Middle East, Myanmar, Pakistan, Philippines, Singapore, Taiwan, Thailand, Vietnam and the United States.

Ms. Openshaw is regularly recognized as a leading lawyer by *Chambers Asia Pacific*, *Chambers Global*, *Euromoney*, *Asia Pacific Legal 500*, *Asialaw Leading Lawyers* and *IFLR1000*. She is ranked by *IFLR1000* in Banking, Capital Markets: Equity, Energy and Infrastructure, M&A, Project Development and Restructuring and Insolvency. *Chambers Asia Pacific* and *Chambers Global* recognize Ms. Openshaw as a leading lawyer for Projects and Infrastructure in China and as the top-ranking Band 1 lawyer for Projects, Energy & Infrastructure in the Philippines. She has also been named among the "World's Leading Experts in Energy and Environment Law," the "World's Leading Experts in Banking, Finance and Transactional Law" and the "World's Leading Women in Business Law" for Project Finance and Energy and Natural Resources by *Expert Guides*. *Euromoney Legal Media Group* has named Ms. Openshaw the "Best Lawyer" in the Energy and Natural Resources category of the *2016 Asia Women in Business Law Awards*, and shortlisted Ms. Openshaw in the Project Finance and the Energy and Natural Resources categories in 2019 and 2020, respectively.

Ms. Openshaw gained her J.D. from the University of California at Los Angeles School of Law in 1992, and her B.S. in Psychology (*magna cum laude*) from Cornell University in 1988. While in law school, she served as an extern to the Honorable Harry Pregerson of the United States Court of Appeals for the Ninth Circuit. She is admitted to practice in the State of New York and is a Registered Foreign Lawyer (New York) in Hong Kong.

She is fluent in Fukien and Tagalog and has a working knowledge of Mandarin and Spanish.

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Rosamund is currently Head of Legal at the Asia Pacific Loan Market Association based in Hong Kong. She has spent much of her career working in the Banking and Finance and Capital Markets teams at Linklaters in London and Hong Kong, most recently as Counsel. She was also Director of Knowledge for Asia Pacific at Baker McKenzie. She is responsible for green and sustainable lending initiatives at the APLMA and has been active in raising awareness of the Green Loan Principles, Sustainability Linked Loan Principles and Social Loan Principles to Borrowers and Lenders alike. To the this end she has spoken at a number of high profile Conferences and Webinars in the region. Rosamund read law at Churchill College, Cambridge University and is a qualified solicitor both in Hong Kong and England and Wales.