

## FUND FINANCE FRIDAY

## Sustainable Finance: Maintaining Integrity

May 19, 2023



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The LSTA and LMA hosted their Joint New York Conference yesterday. One of the panels focused on “Sustainable Finance: Maintaining Integrity” and featured an impressive line-up of industry leaders in this space, including Cadwalader’s Sukhvir Basran, a partner in our London office and co-head of our ESG practice. The other panelists included Gemma Lawrence-Pardew, Head of Sustainability, Director – Legal, at LMA; Robert Lewis, partner at Sidley Austin LLP; and Tess Virmani, DGC & EVP – Public Policy, Head of ESG at LSTA.

The panelists were involved in the recent LMA/LSTA drafting guidance for sustainability-linked loans (SLL), and various updates to the SLL principles and guidance. (We recently hosted a London breakfast discussion with the LMA and LSTA with the aim of “Unlocking Sustainability-Linked Loans.” Click [here](#) to listen to the discussion. Click [here](#) to read a detailed summary.)

The panelists provided an overview of the model language and discussed some of the key differences between the LMA and LSTA drafting guidance. They noted that while both follow the same principles, the drafting is different since they are suited to different markets.

The discussion also centered around what was in the various updates to the SLL principles and what decisions were made in developing the SLL guidance, as well as frequently asked questions that the panelists have received since the release of the guidance. A common thread through these discussions was the importance of maintaining the integrity of this product. Some of the differences between the U.S. and European markets were also discussed.

Of course, it’s impossible to have a discussion about SLLs and not mention greenwashing. One of the panelists provided an interesting overview of litigation in this space, which was remarkably different in the U.S. compared to Europe or Australia. Most notably, the plaintiff success rates for greenwashing suits in the U.S. have been found to be much lower than in Europe and Australia.

The panelists have each been at the forefront of growth in the SLL market, and this panel was therefore able to provide a fantastic overview of the SLL market as it currently stands.

This will continue to be a hot topic, and I will have the opportunity to join Sukhvir for a July 18 Strafford Webinar. Please mark your calendars; more details will follow.