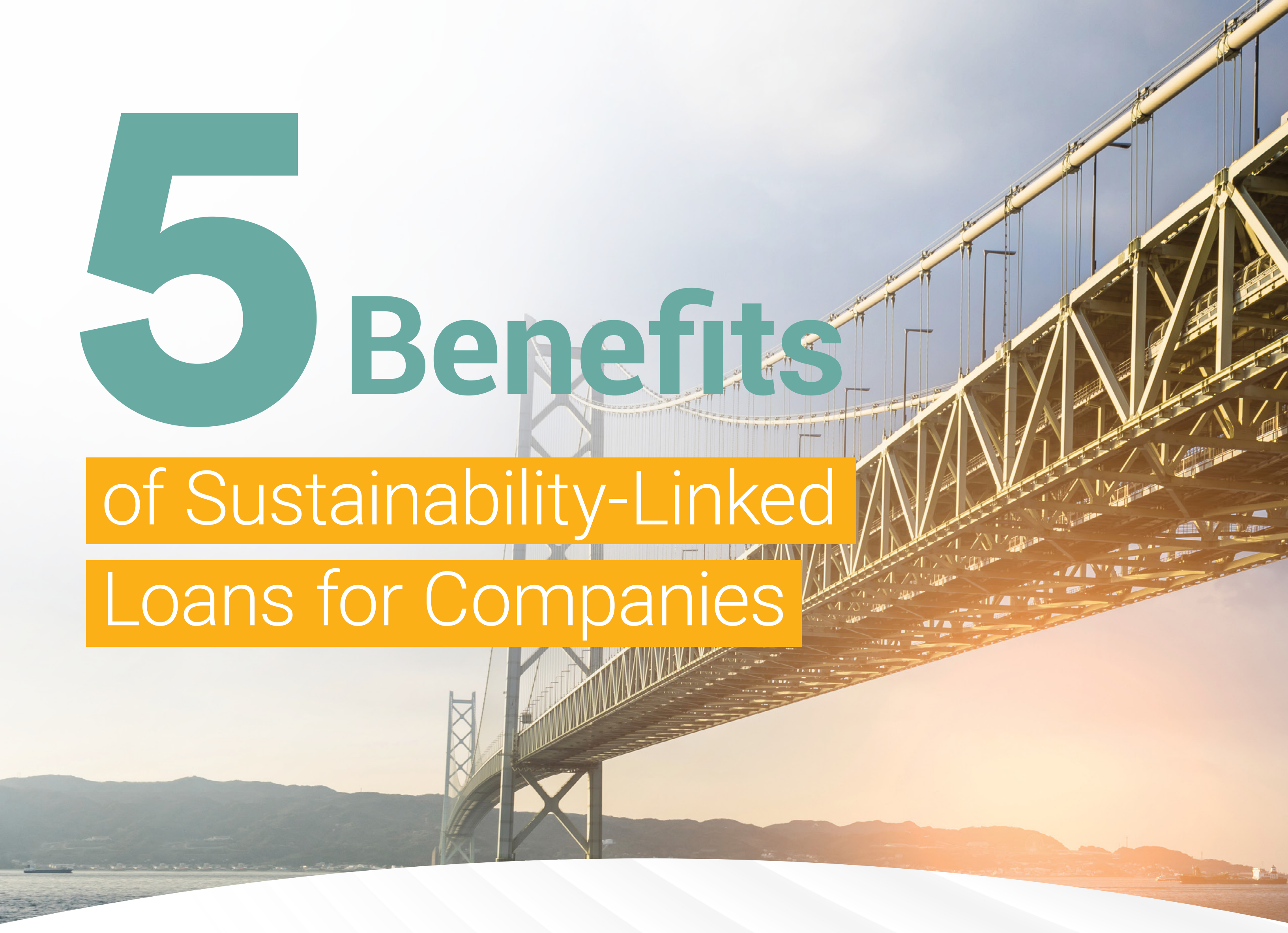

# 5 Benefits of Sustainability-Linked Loans for Companies

Due to their wide-ranging benefits for corporate borrowers, sustainability-linked loans (SLL) are quickly becoming a popular alternative to traditional capital raising and debt. This innovative financial instrument presents the opportunity to not only bolster corporate sustainability efforts, but also benefit companies' bottom lines.

**This infographic outlines 5 benefits companies can experience by entering into an SLL agreement with lenders.**

## 1 Company-Level Sustainability Improvements

The borrowing company and lender must agree on predetermined ambitious sustainability-performance targets that extend beyond "business-as-usual" improvements of the borrower's ESG issues.

## 2 Flexibility in the Use of Funds

Under an SLL agreement, companies can use the funds for general corporate purposes and do not have to earmark funds for specific green, social or sustainability-focused projects.

## 3 Access to Preferable Loan Rates

The loan structure – incurring an interest rate decrease or increase based on improving or declining sustainability performance outcomes – is an attractive option for borrowing companies embarking on a sustainability improvement journey.

## 4 Demonstrate Corporate Commitments to Sustainability

Tying loan terms to the achievement of relevant and ambitious sustainability performance targets can help reassure external stakeholders of the company's sustainability commitments.

## 5 Drive Internal Alignment Across the Business

Requiring input from both corporate treasury and sustainability departments, entering into an SLL can further align corporate sustainability objectives and signal executive-level buy-in.

**DOWNLOAD** Sustainability-Linked Loans: A Bridge to Connect Corporate Sustainability and Finance, to learn more about this flourishing corporate finance instrument.

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