

# Green Loans

A flexible way to finance your eligible green projects



## What are Green Loans?

Green Loans are made available **for the finance or refinance**, in whole or in part, of new or existing **eligible Green Projects**. Green Loans are similar to a normal corporate loan, but **need to follow the Green Loans Principles (GLPs)**, which were launched by the Loan Market Association in March 2018. They are closely aligned with the Green Bond Principles (GBPs).

## Why use Green Loans?



### Reputation

Meet consumer or stakeholder pressure and gain positive reputation and brand value around Environmental, Social and Governance (ESG).



### Growth

Facilitate the goal of integrating sustainability into your business strategy, products and services to enable long-term growth.



### Reduce climate impact

Fund eligible green projects to reduce climate impact of your company's operational activities.



### New investment opportunities

Enable you to invest in renewable energies, Research & Development activities and efficiency improvements.



### Resilience

Gaining access to new markets, providing greater resilience to market disruption caused by climate change and decreasing risk across portfolios.



### Investment

Gaining access to a wider/more diverse pool of investors, particularly those seeking investment with a positive environmental or ESG focus.

## What are the key benefits?

- 1 Simplicity:** It has a vanilla structure, which is very similar to normal loan structure.
- 2 Flexibility:** It can be a Revolving Credit Facility, bilateral or syndicated loan, depending on your needs.

## How do Green Loans work?

To meet the GLPs requirement, Green Loans shall align with the following four components:

### Use of proceeds

Use of loan proceeds must be for eligible green projects.

### Process for project evaluation & selection

Borrower should inform lender how the project has been assessed as a green eligible project as well as the related eligibility criteria.

### Management of proceeds

Borrower should appropriately track the loan proceeds to ensure transparency and integrity in the use of the proceeds.

### Reporting

Borrower should report on the use of proceeds and the progress of the project to the lender on an annual basis, or until the funds are fully drawn.

Should you expand into a new business area, the Framework will need to be updated if it is not covering the new business area already.

## What are the eligible projects (indicative examples)?



Renewable energy,  
including storage &  
smart grids



Green buildings



Pollution prevention  
& control, including  
reduction of air emissions  
& greenhouse gas control



Eco-efficient &/or circular  
economy adapted  
products; production  
technologies & processes



Clean transportation



Sustainable  
management of living  
& natural resources and  
land use



Energy efficiency



Terrestrial and  
aquatic biodiversity  
conservation



Climate change  
adaptation



Waste prevention,  
reduction, recycling;  
waste to energy; products  
from waste



Sustainable water  
& wastewater  
management



Sustainable animal  
husbandry; climate  
smart farm inputs  
(e.g. crop protection)

## How to find out more?

Please contact your HSBC Relationship Manager to find out more about the opportunities for Green Loans to support your business needs. You may also visit our website [www.business.hsbc.com.mt/bfpf](http://www.business.hsbc.com.mt/bfpf).

If you do not have a Relationship Manager, or are not an HSBC customer, call our Business Banking Direct on 2380 8000. Our lines are open from 8.00am to 5.00pm Monday to Friday (excluding public holidays).



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