



ELFA publishes draft ESG Fact Sheet for trial use by leveraged finance borrowers and for public consultation

The draft ESG disclosure checklist is designed to support borrowers in preparing ESG disclosure

London, UK, 8 June 2020 – The European Leveraged Finance Association (ELFA), a trade association comprised of European leveraged finance investors from over 30 institutional fixed income managers, including investment advisors, insurance companies, and pension funds, today announces the publication of a draft ESG Fact Sheet, designed to support borrowers in preparing environmental, social and governance (ESG) disclosure and to facilitate engagement between investors and the companies to which they lend.

Since the launch of its ESG Investor Survey last year, ELFA has engaged with market participants to develop resources that will support the growth of ESG investing in the European leveraged finance market. ELFA announced its partnership with the Principles for Responsible Investing (PRI) earlier this year on an ESG Disclosure Roundtable event that would bring together companies and investors to develop sector-specific ESG disclosure guidance for the European leveraged finance market. The event was postponed due to the COVID-19 outbreak, and is being rescheduled for the autumn.

In the meantime, ELFA has developed the draft ESG Fact Sheet using investor views provided in our [ESG Investor Survey](#), as well as with insights gained from ELFA's engagement with stakeholders to date, and with reference to guidance from the PRI.¹ As described more fully in the ELFA Insights Series report, **ELFA's ESG Fact Sheet Guides European Leveraged Finance Borrowers on Best Practice for ESG Disclosure**, the document outlines ESG topics and associated metrics that could be relevant to an investment decision, and is designed to be used as a guideline for disclosure in the context of the company's length of history in the leveraged finance market.

ELFA is joined in this initiative by the Loan Market Association (LMA). The LMA is the authoritative voice of the syndicated loan market in EMEA, working with lenders, law firms, borrowers and regulators to educate the market about the benefits of the syndicated loan product, and to remove barriers to entry for new participants.

This document has been drafted by ELFA for use during a four-week period of public consultation and trial use with an aim to develop the resource in light of the feedback provided to us as part of this process. Comments should be sent to Sabrina Fox, Executive Adviser to ELFA (sfox@elfainvestors.com), no later than 6pm on Friday, 3 July 2020.

We expect to further refine and enhance this resource based on information gained during the ESG Disclosure Roundtable event with the PRI. Investors wishing to participate in the ESG Disclosure Roundtable should contact Carmen Nuzzo, Head of Fixed Income for the PRI (carmen.nuzzo@unpri.org). Priority registration will be given to ELFA members and PRI signatories.

¹ The PRI's initial discussion guide, developed as part of its ESG in credit risk and ratings project, can be accessed [here](#).



For more information on the ESG Fact Sheet and public consultation, please refer to our related ELFA Insights Series report, *ELFA's ESG Fact Sheet Guides European Leveraged Finance Borrowers on Best Practice for ESG Disclosure*, which has also been published today and can be downloaded from our website: <https://elfainvestors.com/elfa-insights>.

Sabrina Fox, Executive Adviser to ELFA, comments: "The ESG Fact Sheet is an important step in bringing greater consistency to disclosure by leveraged finance borrowers on ESG metrics, whilst also recognising that the diverse profile of companies in our market is incompatible with a one-size-fits-all approach. We view feedback from market participants on their experience using the ESG Fact Sheet as essential to developing market-wide guidance on ESG disclosure that truly reflects this diversity."

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About ELFA: The European Leveraged Finance Association (ELFA) is a professional trade association comprised of European leveraged finance investors from over 30 institutional fixed income managers, including investment advisors, insurance companies, and pension funds. ELFA seeks to support the growth and resilience of the leveraged finance market while acting as the voice of its investor community by promoting transparency and facilitating engagement among European leveraged finance market participants. For more information please visit the ELFA website: www.elfainvestors.com.

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