

PRESS RELEASE

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European Leveraged Finance Association and Principles for Responsible Investment launch Transport and Healthcare ESG Fact Sheets

- **The third launch of ESG factsheets focus on new sector-specific guides for Transport and Healthcare companies**
- **ESG Fact Sheets aim to bring consistency to ESG metrics for borrowers and investors**

London, 6 September 2021: The European Leveraged Finance Association (ELFA) and the Principles for Responsible Investment (PRI) have today launched their third set of sector-specific guidance on environmental, social and governance (ESG) disclosures for sub-investment grade corporate borrowers. The latest ESG Fact Sheets outlines the most important areas of ESG disclosure for the Transport and Healthcare sectors.

The ESG Fact Sheets are designed to support borrowers when preparing ESG disclosure, and to facilitate engagement between investors and the companies to which they lend on important ESG topics. These best practice guides outline key topics under the three ESG pillars, along with the related policies, processes, controls, and associated metrics that could be relevant to an investment decision. They have been compiled after discussions with credit analysts, portfolio managers, credit rating agencies and ESG specialists following industry-wide engagement.

The Transport Fact Sheet highlights disclosure on environmental and climate change policy, use of new technologies in relation to environmental targets, policies for sustainable sourcing of materials and operations in or near biodiversity-sensitive areas. It encourages environmental disclosure on scope 1, 2 and 3 greenhouse gas emissions, nitrogen oxide and sulphur oxide emissions, energy, water consumption and waste. Areas of focus within the social pillar include occupational health and safety metrics for employees, managing relationships with local communities and IT security.

The Healthcare Fact Sheet provides general guidance as well as sub-sector guidance for pharmaceuticals, medical devices, and hospitals and care homes companies. For pharmaceuticals and medical devices, disclosures focus on monitoring product safety, environmental certifications, and pricing. Disclosure on recyclability and rechargeability of products is also listed for medical devices companies. Hospitals and care homes disclosure focuses on the social pillar and includes patient safety monitoring, managing customer information and data, and ensuring fair pricing.

The ELFA and PRI have previously published sector specific Fact Sheets on chemicals, industrials, retail, software, communication infrastructure, debt collectors, paper and packaging and telecoms companies. All ESG Fact Sheets can be [downloaded from the ELFA's website](#) and notes from the most recent workshops can be found [here](#) on the PRI website, as well as [here](#) on the ELFA website.

The ELFA and the PRI believe the ESG Fact Sheets can help align market expectations and streamline the disclosure process. They are intended to serve as a starting point for ESG discussions between issuers, the buy-side, the sell-side and third-party service providers, but are not intended to be the definitive industry ESG disclosure standard nor replace customised investor ESG due diligence.

Sabrina Fox, Chief Executive Officer, European Leveraged Finance Association, commented: “ESG factors have quickly become a critical part of credit analysis in European leveraged finance, but a lack of market consensus on the types of disclosure investors need has created difficulties for borrowers and their advisors. The ESG Fact Sheets bring greater consistency by introducing a standard set of sector specific disclosures, and today we add the transport and healthcare sectors to the suite of resources designed to facilitate deeper collaboration between companies, investors and wider industry participants.”

Carmen Nuzzo, Head of Fixed Income at the PRI, commented: “We are thrilled to have broadened the focus of the PRI’s [ESG in credit risk and ratings initiative](#) on the challenges that credit analysts and borrowers face in the sub-investment grade space through the collaboration with the ELFA. By providing opportunities to enhance communication amongst market practitioners, as well as promoting consistency and best practice in ESG disclosure through the ESG Fact Sheets, we are creating synergies with concrete deliverables.”

The next sector specific ESG workshop will be held on Thursday 30th September and will focus on the autos, services, building materials and construction sectors. Investors who would like to participate should contact events@elfainvestors.com to register their interest.

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About the ELFA

The ELFA is a trade association comprised of European leveraged finance investors from 50 institutional fixed income managers, including investment advisors, insurance companies, and pension funds. The 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.

About the PRI

The PRI is the world's leading proponent of responsible investment. It works: to understand the investment implications ESG factors; to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI has now over 4,000 signatories with collectively US\$100 trillion of AUM. For more information, please visit the PRI website: www.unpri.org