

PRESS RELEASE

European Leveraged Finance Association launches its ESG Video Glossary for sub-investment grade corporate borrowers

6 December 2022: The European Leveraged Finance Association (ELFA) has today launched video tutorials on environmental, social and governance (ESG) factors for sub-investment grade corporate borrowers. The ESG Video Glossary series provides guidance on various ESG topics that are a focus for investors in the leverage finance market.

ELFA has produced several resources to improve disclosure of ESG factors for all market participants including: ESG Fact Sheet Series [Link](#) which outline the policies, processes, controls and associated metrics for each ESG pillar that could be relevant to an investment decision; and the Guide for Company Advisors to ESG Disclosure in Leveraged Finance Transactions [Link](#) designed to be used in conjunction with ELFA's ESG Fact Sheet Series to support company advisors in their integration of ESG data and information into offering materials and ongoing company reporting.

The ESG Video Glossary outlines the drivers of investor requirements on ESG and summarises ESG regulations and trends in the leveraged finance sector. Each video focuses on a topic that can support borrowers on their ESG disclosure journey.

- The first video explains why ESG has become an integral part of the investment analysis
- The second highlights the information needs of lenders and guides borrowers on how they can go about determining which ESG factors are material to their business
- The third reviews key ESG regulatory developments for borrowers and lenders
- The fourth explains greenhouse gas emissions Scope 1, Scope 2 and Scope 3 classifications
- The fifth video describes the UN Sustainable Development Goals (UN SDGs) and why they are important to financial market participants.

The ESG Video Glossaries can be viewed [here](#).

Sabrina Fox, Chief Executive Officer, European Leveraged Finance Association, commented: “ELFA's ESG Disclosure Initiative has been designed to meet the needs of a range of market participants in the European leveraged finance market, including lenders, borrowers and their advisers. The ESG Video Glossary series is designed for borrowers at the start of their ESG journey who are looking for a simple, straightforward explanation of the drivers, terminology, regulation and other important aspects of ESG. We plan to add to the ESG Video Glossary in response to feedback gained from borrowers and other market participants both as part of our ESG Disclosure Initiative.”

ELFA will host additional events for sub-investment grade corporate borrowers and credit analysts to incorporate additional sectors not currently covered by the existing ESG Fact Sheets. Corporate borrowers and credit analysts are invited to propose sectors for inclusion by contacting ELFA directly: elfa@elfainvestors.com.

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About ELFA

ELFA is a trade association comprised of European leveraged finance investors from over 60 institutional fixed income managers, including investment advisers, 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 ELFA's website: www.elfainvestors.com.