

## ELFA Publishes Key Takeaways from ESG Workshop for Borrowers

**‘Effectively Communicating ESG Strategies – A Resource for Borrowers’ is designed to help organisations communicate ESG practices to remain competitive, demonstrate a commitment to sustainability and future-proof their operations.**

**October 12 2023, London:** The European Leveraged Finance Association (ELFA) organised an ESG Strategies Workshop to help borrowers and their advisors develop and communicate their ESG Strategies more effectively. Key takeaways from the workshop are summarised in a new report: ‘Effectively Communicating ESG Strategies – A Resource for Borrowers’.

Regardless of size or industry, companies must develop and integrate ESG practices to remain competitive, demonstrate a commitment to sustainability and future-proof their operations. As businesses worldwide recognise the multifaceted advantages of ESG adoption, they are embracing sustainability strategies that offer benefits like talent retention, cost reduction, and improved access to capital.

However, simply adopting a strategy is not enough. It is equally crucial to ensure that all stakeholders, from employees to suppliers to customers, understand and support these ESG efforts. To navigate the ESG landscape successfully, the workshop highlighted the importance of three priorities:

1. **Developing a Comprehensive Sustainability Strategy:** borrowers must craft a holistic sustainability communications strategy that aligns with their core values and objectives.
2. **Narrative:** a sustainability narrative serves as the golden thread connecting corporate goals with sustainability strategies, effectively engaging diverse audiences within and outside the organisation.
3. **Achieving Balance – Learning from Greenwashing:** borrowers must avoid the pitfalls of “greenwashing” and aim for honest and effective communication in their ESG initiatives.

Effective communication plays a pivotal role in successfully integrating and delivering ESG strategies, which involves three crucial steps:

1. **Simplifying Complexity:** ESG topics can be highly technical and filled with jargon and acronyms. Borrowers must make these complex ideas easier for stakeholders to understand.
2. **Building Belief:** It’s essential to help stakeholders understand the importance of ESG efforts and build belief in their authenticity and achievability.
3. **Influencing Behaviour Change:** Organisations should inspire stakeholders to change their behaviour in alignment with ESG goals, ultimately creating advocacy for lasting change.

Key principles for developing a compelling narrative include an Audience-Centric Approach focused on what matters to a company’s audience, in language appropriate to them. Second, incorporating diverse voices within the organisation to present an authentic narrative to garner support and collaboration. Third, achieving balance and avoiding ‘greenwashing’ - where organisations appear more environmentally friendly than they are. To combat this issue, organisations should aim for “vocal green” status—honest and effective communication. Borrowers can draw guidance from resources like The Green Claims Code, which provides a checklist for transparent ESG communication.

ELFA has developed ESG Fact Sheets to provide essential information for credit investors, borrowers and advisers. They outline key ESG topics for various sectors, along with related policies, processes, controls and metrics relevant to investment decisions. These resources aim to align market expectations and streamline the disclosure process, making it easier for borrowers to embark on their ESG journey.

**Sabrina Fox, CEO of ELFA, added** “As ESG strategies become increasingly pivotal, effective communication is the linchpin that ensures these strategies resonate with stakeholders and drive meaningful change towards a more sustainable future. Borrowers and advisers can leverage resources like ELFA’s ESG Fact Sheets to guide their ESG journey and communicate their commitment effectively.”

ELFA plans to host a follow up event on constructing ESG strategies, in collaboration with our partners at Cadwalader, Wickersham & Taft in early 2024.

**Ends**

**Notes to Editors**

ELFA held the workshop with sustainability consultant Amanda Campbell, an experienced executive director and sustainability leader who emphasises the importance of transformative change to create a more sustainable approach to business. Her expertise in corporate affairs and sustainability provides invaluable insights for organisations navigating the complexities of ESG integration.

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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](http://www.elfainvestors.com).

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