

PRESS RELEASE

19 October 2022

European Leveraged Finance Association and Loan Market Association update ESG disclosure guide for advisers to leveraged finance borrowers

- **ELFA ESG Workshop for Company Advisers gathered market views on ESG disclosure from 64 participants, including borrowers, senior fund managers, law firms, banks and private equity sponsors, among others**
- **Key takeaways from the workshop have been incorporated into the second edition of the Guide and are summarised in an Insights report, also published today**
- **ELFA's ESG Disclosure Initiative shortlisted for Best Sustainable Investment Education Initiative by Investment Week in the 2022 Sustainability Awards**

19th October 2022: The European Leveraged Finance Association (ELFA) and the Loan Market Association (LMA) have published the second edition of their Guide for Company Advisers to ESG Disclosure in Leveraged Finance Transactions (the Guide), first published in 19 January 2021 and available [here](#).

ELFA and the LMA co-hosted a workshop in January 2022 bringing together leveraged finance borrowers, banks, law firms, private equity sponsors and senior fund managers, among others, to exchange knowledge, discuss challenges and identify solutions to meet the market's growing need for more comprehensive ESG disclosure. Insights and key takeaways from this workshop have been incorporated into the Guide's second edition.

Senior fund manager workshop participants identified persistent gaps in ESG data and discussed with borrower participants how this could be addressed. Private equity sponsor, legal and banking participants highlighted evolving practices in ESG disclosure and contractual provisions. Workshop participants also discussed developments in the private debt market and in ESG litigation.

Alongside the second edition of the Guide, ELFA has also published an Insights report summarising key takeaways and insights gained from the workshop participants. The report is available [here](#).

The second edition of the Guide includes two new chapters: ESG in the Private Debt Market, providing a high-level overview of key themes and emerging issues relating to the adoption of ESG in private credit; and Guide to ESG Litigation, highlighting potential legal risks presented by the increased volume of ESG-related transactions and disclosures.

The Guide is a comprehensive resource designed to be used in conjunction with ELFA's ESG Fact Sheet Series (which now covers 14 sectors) to support company advisers in their integration of ESG data and information into offering materials and ongoing company reporting.

Sabrina Fox, CEO at ELFA, commented: "As ESG data availability in the leveraged finance market continues to increase, lenders are keen to ensure that the data is reflected in ESG reporting by borrowers. ESG disclosure is critical to their investment analysis, and market practices continue to develop and evolve. This second edition of the Guide provides an important bridge between lenders and borrowers to support increased ESG disclosure in the leveraged finance market. The Guide, together with the ESG Fact Sheet Series, which now covers 14 sectors and will grow to include more, provide essential insights to collecting and disclosing ESG data, making them powerful tools for borrowers and their advisors."

Gemma Lawrence-Pardew, Director Legal, LMA, commented: "Reliable and accurate ESG information is vital in order for investors to channel capital into sustainable activities and companies. The availability of such data, however, remains a key challenge for the market. With new sustainability disclosure frameworks being developed across the world to address this problem, it is critical that borrowers and their advisors rapidly develop their knowledge and expertise in this area. We hope this updated guide will provide helpful insights for advisors working in this area and will encourage ever-greater transparency and disclosure of ESG information in the leveraged finance market."

End

22 March 2022**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.

About the LMA:

The LMA is the trade body for the European, Middle Eastern and African syndicated loan markets. Its aim is to encourage liquidity in both the primary and secondary loan markets by promoting efficiency and transparency, as well as by developing standards of documentation and codes of market practice, which are widely used and adopted. Membership of the LMA currently stands at over 800 organisations across EMEA, including the European Commission, and consists of banks, non-bank investors, borrowers, law firms, rating agencies and service providers. lma.eu.com

European Leveraged Finance Association

35 Ballards Lane, London N3 1XW

T +44 (0)7921 384457**E** support@elfainvestors.com**Loan Market Association**

10 Upper Bank Street, London, E14 5JJ

T +44 (0)20 7006 1372**E** gemma.lawrencepardew@lma.eu.com