

# ESG



## INTEGRATED DISCLOSURE PROJECT

# What is the ESG Integrated Disclosure Project?

- The ESG Integrated Disclosure Project (ESG IDP) is a collaborative industry initiative to improve transparency and accountability.
- Our goal is to promote greater harmonisation and consistency of disclosure of key ESG indicators in private credit and syndicated loan transactions.
- The ESG IDP has created a Disclosure Template that is freely available to all market participants and can be downloaded at [www.esgidp.org](http://www.esgidp.org).
- The ESG IDP is led by the Alternative Credit Council (ACC), the LSTA, and the United Nations-supported Principles for Responsible Investment (PRI).

# Supporting Associations



# ESG IDP Executive Committee Members

APOLLO

 ARES

Blackstone

CHURCHILL  
from nuveen

CREDIT SUISSE 

 Invesco

 KBRA

KKR

MOODY'S

 Newmarket

OHA  
OAK HILL ADVISORS

PSP

S&P Global

 WHITE OAK

# What are the key benefits of the ESG IDP Disclosure Template?

- The ESG IDP Disclosure Template provides a global baseline that supports a harmonised approach to ESG disclosure between borrowers, credit fund managers and investors.
  - For **investors**: it improves the consistency of disclosure on their investments, enhancing their ability to identify industry-specific ESG risks and compare data more consistently.
  - For **borrowers**: it helps them to distinguish the most relevant ESG indicators to investors and reduces the operational burden of responding to multiple disclosure requests.
  - For **credit fund managers**: it supports their ability to engage with borrowers and issuers on disclosure and develop efficient risk management and investor reporting processes.

# What is included in the ESG IDP Disclosure Template?

➤ The Template is divided into three sections:

**Introduction tab:** This provides users with instructions and explanatory notes on how to complete the Disclosure Template.

**General tab:** This includes questions relevant to all businesses to provide a baseline assessment of the borrower across the most important ESG indicators.

**Industry-specific tab(s):** This includes three to five priority questions that are particularly relevant to borrowers operating in specific industries. These industry classifications are derived from the industry classification format developed by SASB.

# Methodology

- The ESG IDP prioritised three concepts when determining the most relevant questions for the disclosure template.
  - **Proportionality:** recognising that issuers and borrowers in the private and broadly syndicated credit markets may have less disclosure capacity.
  - **Credit-materiality:** focussing on ESG indicators that have the most relevant or material impact on credit risk.
  - **Harmonisation:** bringing together overlapping features of the multiple disclosure frameworks that already exist instead of creating new requirements.
- An explanation of the methodology used to develop the industry specific questions included within the Disclosure Template is explained [here](#).

# Want to know more?

➤ Contact the ESG IDP secretariat at [info@esgidp.org](mailto:info@esgidp.org)

**Nicholas Smith**, Managing Director, Private Credit, Alternative Credit Council

**Tess Virmani**, Deputy General Counsel Co-head Policy, LSTA

**Sixtine Dubost**, Senior Associate, Investment Practices, PRI