

Interview series.

Leaders making a difference, 2024

**International
Women's Day
edition**



Talia Elsener

Head of Corporate Sustainability and Responsible Investing, Arcmont Asset Management

The ability to absorb, learn and summarise detailed reports has become a key skill for Talia Elsener, as she navigates and leads Arcmont Asset Management's ESG efforts. Here she explains her career progression and the impact of linking financial incentives with positive change.

 Find **Talia Elsener** on LinkedIn

dss⁺



How did your career in sustainability begin and how has it progressed?

Having graduated from the University of Exeter with a BA in Accounting and Finance, I finished my accounting qualification but knew this was a steppingstone and not my chosen career path. I then moved into the asset management industry where I worked for BlueBay in the private debt risk and portfolio monitoring team. I learnt on the job, would ask experts for clarity, and just tried to upskill myself as much as possible. I think that if you show a willingness and keenness to learn, people will help you, but you must show the initiative and take opportunities. At that time, despite having a passion and interest for sustainability, ESG matters were dealt with by a centralised ESG team, so I had limited involvement. However, when Arcmont spun out of BlueBay, ESG was assigned to the risk and portfolio monitoring team. As the importance of ESG increased, so did my time towards it. Due to the complexity and importance of ESG in investing, it soon became clear that a dedicated internal employee was needed. Given my passion for the subject I put myself forward and at the start of 2022 became a dedicated ESG portfolio manager. I am now Head of Corporate Sustainability and Responsible Investing. I lead the ESG team and am responsible for strengthening the sustainability of the firm's corporate operations and investment practices. At the corporate level this involves working with internal functions and teams to develop and rollout initiatives. At investment level I support the investment team to make sure that ESG risks are appropriately considered in the investment process and support them with portfolio company engagements. I was really pleased to be given the opportunity to develop a career in this area, as I'd been brought up with a strong environmental and social conscience and recognise the importance of climate change and the urgent need to take action.



Leaders need to tie sustainability objectives with broader organisational goals to motivate and encourage employees. This can only be achieved if there is buy-in from the top.



In what way does company culture and good leadership impact the rollout of initiatives and ability to build a sustainability profile? In your role, how do you specifically contribute to this?

Rolling out initiatives and building a sustainability profile requires employees to be motivated and feel empowered, so culture and good leadership are really important. You need to foster an environment that harnesses social responsibility and ethical practices to drive employees to make socially and environmentally conscious decisions. Leaders need to tie sustainability objectives with broader organisational goals to motivate and encourage employees. This can only be achieved if there is buy-in from the top. Leaders need to understand and support the sustainability journey so they can communicate the message effectively. I am fortunate to be interested in the work I'm doing, because I have to proactively keep up to date with new and evolving regulations and industry guidance – essentially you have to be committed to reading these documents and then summarising them. It's a key part of my role, as I need to inform others, including leaders, who don't need that level of detail. I write a lot of the firm's external ESG reports, prepare marketing documents and do a lot of internal and external briefings, I have to know what I'm talking about, or it reflects badly on the firm.





In the search for more sustainable business solutions, companies are increasingly looking to gain a competitive edge through technology and innovation. What is your experience of this and what impact can it have?

Product innovation in the private debt market has been a key driver and over the last two years we've increasingly used sustainability linked market ratchets as a tool to encourage our portfolio companies to improve their sustainability profiles. For example, we have a number of ratchets agreed that encourage borrowers to reduce their GHG emissions in line with the Paris Agreement over the life our loan. If a borrower achieves a target in a given year, they are awarded a margin discount. As ESG is a key pillar of our competitive advantage, we are constantly looking to evolve and offer products with an increased sustainability focus. It's very exciting. Sustainability-focused products are becoming increasingly common in the private debt market and we're now seeing products that promote economic and social characteristics, those that have sustainable investment as their objective and impact specific products - it's a positive shift.



The success and failure of any business is operational excellence. If you're performing at the highest level of operational efficiency, you're well placed to overcome the challenges of climate conditions and volatility.



In an ever-changing, increasingly volatile landscape, what role do other practice areas, such as operational excellence, have in helping to create a more resilient sustainable business?

In my opinion the success and failure of any business is operational excellence. If you're performing at the highest level of operational efficiency, you're well placed to overcome the challenges of climate conditions and volatility. It's the same with a robust operational risk management strategy – if you know what creates volatility and develop systems and processes to mitigate those risks and you're going to be better prepared to navigate uncertainty and adapt to changing conditions.





What are the challenges for businesses as they transition towards a more sustainable business?

Inevitably there are challenges, first there's the transition costs and the initial investment that's needed to adapt to more sustainable practices and this can be substantial - and that's assuming there's board buy-in which can also be a barrier. Another barrier is the fact that people need to change their behaviours. People get stuck in their own ways – specific habits and perceptions or even a lack of awareness, so it's about educating people and changing practices. Then there's also technical challenges – there's advances being made but there's challenges in the development of sustainable technology, quality infrastructure and regional variations. We are fortunate in the UK that our access to clean, renewable energy alternatives isn't limited but this differs around the world, so some countries are at a disadvantage. But what I would say is that despite the challenges, there's positive regulatory movements, especially in the EU, where incoming regulations are forcing companies to take action. Currently it's largely around disclosures but that is an important first step because how can you make meaningful improvements if you don't know what to focus on? Companies are recognising that sustainability is no longer a 'nice to have' because if they don't there take action will be ramifications down the line.

// Companies are recognising that sustainability is no longer a 'nice to have' because if they don't take action there will be ramifications down the line.

dss⁺

Protect. Transform. Sustain.



And finally, what are the key drivers for your industry right now?

First and foremost, it's the evolving ESG regulations and legislation, it's hugely positive and yes, it's difficult to navigate at times but is really forcing companies to improve their disclosure efforts and take action. The other key driver is investor demand for ESG, it's increased significantly over the last couple of years. There's increasing pressure for ESG risks to be managed better, and for managers to engage with portfolio companies. This is very clearly reflected in due diligence processes and manager selection. Both continue to evolve which is raising the bar for responsible investment in the industry.

[linkedin.com/company/consultdss](https://www.linkedin.com/company/consultdss)

twitter.com/consultdss

[youtube.com/consultdss](https://www.youtube.com/consultdss)

[instagram.com/consultdss](https://www.instagram.com/consultdss)

www.consultdss.com