

SLAUGHTER AND MAY/

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## Our practice

Sustainability is a whole business proposition for us. We view sustainability and climate change as fundamental considerations within all strategic and operational decision making, impacting all businesses and organisations. We understand the challenges and opportunities developing within the transition to a low carbon and sustainable future, and provide our clients with expert advice and insight on securing long term responsible business practices and resilience.

We provide our clients with teams of committed, high-quality multi-specialists, all with experience advising at the forefront of ESG developments. Those teams are complemented by our dedicated sustainability lawyers. They keep pace with, and advise on, ESG issues full-time, and act as the glue between the many strands of ESG-related work across our practice areas.

We apply our passion for ESG to the full spectrum of our client advice and transactional work, offering ESG-related advice across a range of areas, principally:



# MARKET-LEADING EXPERTISE

## Corporate Governance

As advisers to more FTSE 100 and 350 listed clients than any other firm, we understand the issues that our clients face and have the experience to help them anticipate issues which may arise in the future.

We have extensive experience of working with various listed clients to design, modernise and tailor their governance arrangements to keep pace with the changing nature of their business and best practice. In particular, we have recently worked with various listed clients to amend their governance arrangements to deal with and address climate change and other ESG-related issues. This is amidst a backdrop of increasing expectations from shareholders and other stakeholders, who are demonstrating less tolerance for perceived governance shortcomings, which has in turn led to an increase in the number of businesses targeted by sophisticated shareholder activists looking to “impose” governance change with the goal of increasing board-level accountability on ESG issues.

We also appreciate the challenges of, and advise our clients accordingly on, investment strategies to reduce their exposure to sustainability risks, while keeping the right side of an ever-changing regulatory landscape. There is no ‘one size fits all’ for advising on governance in respect of sustainability, particularly for clients in the financial services sector, and so we are well-versed in advising on issues relating to insurance and rapidly-changing prudential and societal obligations.

### HIGHLIGHTS OF OUR RECENT EXPERIENCE include advising

**The boards of many FTSE 100 and FTSE 350 companies** on their governance structures, including their approaches to ESG-related issues, including changes to committee and governance terms of references and frameworks, as well as interactions with proxy advisers.

**Several FTSE and international private companies** on materiality reviews, sustainability challenge reviews and broader governance evaluations.

**Executive Secretariat and Governing Body of the Integrity Council for Voluntary Carbon Markets** on its formation, governance model, expert panels and membership forum.

**International Integrated Reporting Council (IIRC)** on its combination with the Sustainability Accounting Standards Board (SASB) to form the Value Reporting Foundation (VRF), including the formation of the VRF’s governance arrangements and the governance-related processes necessary for the IIRC to seek the blessing of its many stakeholders.

## Reporting and Disclosures

We are at the forefront of legislative changes and market trends, advising and supporting a broad range of clients on current and emerging climate-related disclosures and reporting requirements, such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD).

We appreciate the need for certainty for businesses, especially those with a footprint in multiple jurisdictions, which face the prospect of complying with various overlapping (and sometimes conflicting) reporting requirements. Whilst the work of the International Sustainability Standards Board (ISSB) has provided hope of some convergence, it is likely that divergence across jurisdictions will still be something that large corporates will have to contend with. We help clients keep abreast of fast-moving developments in reporting standards and work with them to ensure that their approach to assurance is informed by and aligned with best practice.

### HIGHLIGHTS OF OUR RECENT EXPERIENCE include advising

Various businesses, including **DS Smith**, a **luxury brand business** and a **leading global investment manager** on navigating disclosures under the TCFD framework.

**Cineworld** on the articulation of its new principal risk relating to climate change and accompanying TCFD disclosures.

**Coca-Cola Europacific Partners** on developing a set of key legal and non-legal “triggers” to sit behind internal policy on when to seek assurance on sustainability-linked matters.

## Supply Chain and Human Rights

The success of our sustainability practice is reliant on our ability to understand our clients, the challenges they face from an operational perspective and the role of innovation in areas such as mapping their complex supply chains.

Given the piecemeal approach to the introduction of legislation and policy in respect of supply chain and human rights due diligence and transparency we have also been working with a range of clients on how to prepare for emerging developments. The emerging focus on corporate accountability in respect of supply chains has also provided us with opportunities to work with clients to introduce ‘green clauses’ into contracts to incentivise responsible business behaviour across the supply chain and produce legally binding commitments in respect of matters identified during the procurement process.

### HIGHLIGHTS OF OUR RECENT EXPERIENCE include advising

**Several businesses in the textile and fashion sector** on supply chain risks, traceability and human rights concerns.

**A number of businesses** across a range of sectors, including in the packaging and food and beverage sectors on the supply chain implications of alignment with the EU taxonomy.

**Marshalls plc** on a high-profile acquisition including carrying out due diligence on, and contractual protection in respect of, responsible procurement and resourcing policies and activities.

**Vodafone, Aviva, and Reckitt** on ‘green clauses’ and future proofing their contracts, particularly given the nature of expanding initiatives in the ESG sector.

## Disputes and Investigations

As businesses move further towards improving their sustainability credentials, we expect their communications and actions on the ground to come under far greater scrutiny. We have seen ‘greenwashing’ and other climate change litigation claims lead to material legal, reputational and financial repercussions for businesses. It is important to balance the benefits of positive communications (whether PR or IR) with reliable data, assurance and analysis in practice. The proposal of increasingly stringent reporting requirements, the Corporate Sustainability Due Diligence Directive (CSDD) and the SEC’s new enforcement posture will only add to the importance of this area.

Our disputes and investigations team are recognised as a leading global practice and have supported our multinational client base on a range of complex, high-value and strategically significant investigations and claims.

### HIGHLIGHTS OF OUR RECENT EXPERIENCE include advising

**An alternative energy company** on a “greenwashing” complaint made to the Department of International Trade by various NGOs under the OECD Guidelines for Multinational Enterprises.

**A global oil major** on potential litigation risks in England arising out of climate change.

**British American Tobacco** in defence of a supply chain claim brought by 10,000+ Malawian tobacco farmers.

## Sustainable Finance

As the market for ESG financing has grown, we have been at the forefront of helping clients align their sustainability goals with their financing arrangements.

From sustainability-linked loans to socially responsible and green bonds, we have led on several first of a kind ESG financing deals across multiple sectors and jurisdictions. We have unrivalled experience on sustainability-linked financing matters, enabling us to spot opportunities early and anticipate risks quickly in advising on achieving long-term ESG objectives.

### HIGHLIGHTS OF OUR RECENT EXPERIENCE include advising

**Burberry** on its inaugural issuance of £300m Guaranteed Sustainable Notes due 2025, issued pursuant to Burberry’s Sustainable Bond Framework.

**Derwent London** on its £450m green RCF, the first for a UK REIT, and on its first sterling denominated senior unsecured green bond in an aggregate principal amount of £350m for a term of 10 years.

**Electrolux** on its €1bn sustainability-linked revolving credit facility.

**UNICEF and the World Bank** on the issue of a \$100m bond due March 2026 and related arrangements between IBRD and UNICEF. Proceeds of the Bond will be used to support IBRD’s sustainable development and COVID-19 activities and includes a feature to support similar efforts by UNICEF, allowing private sector investment to assist in ESG objectives.

## Delivering a Sustainable Future

We advise on a full range of ESG-aligned infrastructure and energy projects, including renewables and key technologies for the energy transition, in the UK and globally.

Our experience spans the full project life cycle (from development and construction, to operations and decommissioning) and covers all aspects of work (such as M&A, joint venture arrangements, tax, dispute resolution, financing, offtake, commodity trading, construction and O&M, real estate, environment, social impact, impact on habitats and communities, planning and regulatory advice). Our renewable and alternative energy experience includes onshore and offshore wind, solar PV, biomass, energy from waste and hydro-power as well as energy storage, hydrogen, and carbon capture and storage. We have also gained extensive experience over the years advising on a broad range of projects and power purchase arrangements and provide practical, commercially focused advice and, where needed, flexible and creative legal solutions.

### HIGHLIGHTS OF OUR RECENT EXPERIENCE include advising

**Ørsted** on all but one of their UK offshore wind projects since 2014 and on various non-UK transactions.

**Hyphen Hydrogen Energy** as lead global counsel on the multi-billion US dollar structuring and development of a vertically integrated large scale green hydrogen project.

**VPI** on all aspects of its proposed 800MW blue hydrogen project using carbon capture and storage at its Immingham site (UK), including construction and O&M strategy, financing and partnering strategy, offtake arrangements and engagement with government funding schemes.

**Arsenal Football Club** on a battery storage project with Pivot Power at the Emirates Stadium.

**UK Infrastructure Bank** in relation to a £50m loan to Portsmouth Water. The loan represents UKIB's first investment in the UK's water industry, with the proceeds being used to finance the construction of the Havant Thicket Reservoir, Hampshire. The reservoir will help to protect internationally rare chalk rivers by providing additional water supplies and resilience to the South of England, an area with significant risk of water shortages due to climate change and a growing population.

## ESG-Driven Transactions

Assets with ESG profiles are an increasing portion of the M&A market. We advise a wide range of clients on the key matters, opportunities and decisions needed in the transition to a sustainable future and ensure business continuity and operational resilience whether as part of an acquisition, disposal or joint venture.

Many commercial organisations are looking to the acquisition of new technologies and new ventures as a means of quickly pivoting their existing business to a more sustainable future and our multi-specialist lawyers are equipped to help navigate the various considerations that arise in such a context from addressing due diligence, board responsibilities and advising on the underlying assets and their regulatory environment.

### HIGHLIGHTS OF OUR RECENT EXPERIENCE include advising

**KKR** on the acquisition of Viridor Limited by one of its infrastructure funds for an enterprise value of £4.2 billion. Viridor is one of the UK's leading recycling and residual waste businesses with a large portfolio of energy from waste facilities as well as landfills.

**Schroders** on its £385m acquisition of an initial 75% shareholding in Greencoat Capital Holdings Limited, a specialist investment manager focussing on renewable energy infrastructure investing. The transaction supported Schroders in building a comprehensive private assets program and enhancing their leadership position in sustainability.

**Daily Mail General Trust** on the £1.425bn sale of RMS, its insurance risk business, and leading global provider of climate and natural disaster risk modelling and analytics to Moody's Corporation.

**BlackRock** on its consortium investment in Tata Power Renewables, which will house the renewable energies businesses of The Tata Power Company Ltd including those in: Utility Scale Solar, Wind and Hybrid Generation assets, Solar Cell and Module Manufacturing, Engineering, Procurement and Construction (EPC) contracting, Rooftop Solar Infrastructure, Solar Pumps and Electric Vehicle Charging infrastructure.

**Trill Impact** on its acquisition of Delivery Associates Ltd – a global consulting firm that helps leaders in government, philanthropy, and social impact organisations to turn ambitious goals into everyday reality for the people they serve. Delivery Associates is the ninth investment made in Trill Impact's inaugural buyout fund.

# A SHARED COMMITMENT TO ESG

As a firm, taking a sustainable approach to our business means that, as well as adding value for our clients, we have a positive social and environmental impact. We frame our approach through the Sustainable Development Goals and are committed to playing our part in this urgent plan of action. Our aim is to integrate sustainability into the strategic and operational decisions we make so that it becomes part of our everyday culture and how we do business.

## Our Responsible Business report

A snapshot of our initiatives is included on this page.



First law firm in the world to set a long-term decarbonisation target, validated by the SBTi and aligned to their new Corporate Net-Zero Standard launched at COP26. We target a 90% absolute reduction of emissions by 2040. Our near term decarbonisation target is to reduce our absolute Scope 1, 2 and 3 Greenhouse Gas emissions by 50% by 2030 (from 2018). At the end of the first reporting year in 2019 we made significant progress – a 17% reduction against our 4.2% target.



Active and founding member of two sustainability and climate change initiatives: the Net Zero Lawyers Alliance (NZLA) (a sector-wide effort to use legal skills to act on climate change), and Undaunted (formerly the Centre for Climate Change Innovation), an initiative of the Grantham Institute at Imperial College London and the Royal Institution to catalyse innovation of all forms regarding the causes and effects of climate change.



For the sixth edition of Fast Forward, our emerging tech incubation programme, we are delighted to again partner with Undaunted (formerly the Centre for Climate Change Innovation). This edition will once again focus exclusively on companies that are developing innovative solutions to address issues caused by climate change and working towards a more sustainable future. Our current cohort includes: Deploy Tech, DyeRecycle, Kooling Technologies, Mana Biosystems and Olsights.



We work alongside the BIG Alliance and Macquarie Group to deliver the CoRe (Community Resourcing) programme, which helps Islington charities to become more sustainable. We bring together employee volunteers from the business world to work on high level, strategic projects for local charities over a period of six months. In 2021, the CoRe programme saw 40 volunteers supporting 11 charities, resulting in over 1,250 volunteer hours and an estimated £90,000+ leveraged in support for the charities that took part.



Our Law Springboard programme, delivered in partnership with social mobility charity upReach, is now in its fourth year and has supported over 270 undergraduates. The programme aims to improve access to the legal sector for high potential undergraduates from less advantaged backgrounds, with a particular focus on supporting them to secure legal sector work experience. So far the programme has seen 50% of participants secure legal work experience. This compares favourably with research showing that 35% of final year students successfully secured vacation schemes from 2020-21.



Dedicated Inclusion & Diversity strategy to enhance the retention and promotion of talent, with a focus on women and diverse groups. In May 2021 we publically announced two ambitious targets at the partner level to increase diverse representation:

1. in the 10 years to 2027, a minimum of 40% of the firm's equity partner promotions globally will be women. We are tracking these numbers in two five year cohorts from 2018 until 2027
2. between May 2020 and April 2025, a minimum of 15% of equity partner promotions in London and Brussels will be from minority ethnic backgrounds

We are currently on track to meet these targets.

We regularly seek to assess, articulate and influence the latest developments in sustainability through innovative thought leadership and regularly publish content and insights to help clients navigate ESG risks and opportunities.

Learn more: [Sustainability and Climate Change resources](#)

# OUR CORE TEAM



**David Watkins**  
Partner,  
Corporate and Sustainability



**Roland Turnill**  
Partner,  
Corporate and Sustainability



**Harry Hecht**  
Partner,  
Corporate and Sustainability



**Azadeh Nassiri**  
Partner,  
Energy and Infrastructure



**Richard Hilton**  
Partner,  
Corporate and Sustainability



**Peter Wickham**  
Partner,  
Disputes and Investigations



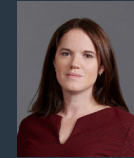
**Matthew Tobin**  
Partner,  
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**Jeff Twentyman**  
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**Samantha Brady**  
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**Dean Hickey**  
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