

# Impact measurement and reporting

We combine knowledgeable and experienced lawyers with in-house team of scientists to provide advice on the assessment of sustainability impacts and to help navigate the regulatory and commercial requirements for wider sustainability reporting.

## The issue

The world is shifting rapidly towards a more sustainable framework. Many businesses are working towards science-based greenhouse gas emissions reduction targets using established methodology and reporting frameworks. Other sustainability metrics are still being developed and the impact assessment requires evaluation of often complex overlapping topics and consideration of local physical and social factors. Accurate substantiation and characterisation of sustainability impacts is crucial for regulatory compliance, stakeholder approval and potential future litigation.

## What we do

We advise clients on ESG-related disclosure requirements, including the interpretation and implementation of Sustainable Finance Disclosure Regulation (“SFDR”), the EU Taxonomy Regulation, the risks associated with greenwashing and SFDR product and entity requirements.

We also counsel on the development and publication of standards for ESG-related due diligence, disclosure and contractual provisions for investors in partnership with the European Leveraged Finance Association and the UN Principles for Responsible Investment.

Unique amongst our peers, we have an in-house scientific expertise to provide advice on client matters including on data validity, evaluation of methodology and assessment of wider scientific impacts handling issues such as:

- Evaluating the validity of additionality claims in relation to cross border provision of renewable energy for datacentres in Europe
- Advising a global technology company in relation to substantiation of public statements concerning environmental sustainability
- Assessing product sustainability impacts, including comparative product life cycle methodology and eco-design requirements for a global product manufacturer. Evaluating overall sustainability strategy, policy creation and target setting

In 2020, a Hogan Lovells team spoke at the UN Global Compact Leaders Summit on the interaction between business and the UN SDGs, advocating for the goals to be integrated into legal advice and data relating to the impact of legal advice to be measured in order to protect business purpose and core business, driving systemic change.

## Our impact

- Advised the UK Meteorological Office on ESG issues in the context of maximizing the impact of their £1.2bn supercomputer. The new supercomputer is designed to help improve forecasting of the Earth’s atmosphere, making it more accurate, timely and localised. Our advice centered around ensuring that, as part of their proposed supercomputer solution, the potential providers committed to generating a positive social impact within the UK (in addition to the inherent benefits of a materially better weather forecasting system) with a focus on environmental and carbon impact as well as local employment, education and up-skilling
- Advised EDF Energy on the introduction of a sustainability pricing mechanism indexing the margin of its €4 billion syndicated revolving credit facility to three of its environmental, social, and governance criteria
- Advised the US\$8 million issuance of Women’s Livelihood Bonds by WLB Asset Pte, which provides women in Southeast Asia with access to credit, enhanced linkages to supply chains, and affordable goods and services to improve their livelihoods. The bond, structured and managed by Impact Investment Exchange (IIX), was the world’s first social sustainability bond with a focus on social and financial returns and reflected IIX’s commitment to action to the Clinton Global Initiative
- Advised Pool Re, the UK’s only re-insurer of terrorism risk, on ESG issues, including in relation to maximising social value from their £multi-million investment in major projects and services. This included advising on the potential for incorporating contractual obligations on the supply chain to demonstrate the positive social impact they were providing as part of the projects, as well as reporting against workplace diversity and other similar metrics

## Useful links

- [Impact Finance](#)
- [UN Global Leaders Summit](#)

## Relevant contacts



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