

## Living Mobility is Sustainable Spotlight on transformative transactions

In conversation with Sarah Shaw, partner, Industry Sector Co-Head Energy and Natural Resources

Living Mobility is sustainable. In the mobility and transportation industry, sustainable practices will need to extend throughout the entire supply chain if sustainability goals are to be met. As the low carbon economy gains momentum, expectations of stakeholders are shifting and environmental, social and governance (ESG) principles are becoming embedded in business strategy. With new priorities come both new opportunities and challenges. Sarah Shaw discusses how these opportunities and challenges are having an impact on deal-making in the industry.

How is commercial sustainability impacting deal-making in the mobility and transportation industry?

**Shaw:** The mobility and transportation industry is facing unprecedented disruption across the whole supply chain. It is a critical time for global players of all sizes who are working to adopt environmentally sustainable practices. The result is that sustainability issues are playing an

increasingly important role in transactions. In some cases sustainability is even driving M&A activity or providing an impetus for the creation of joint ventures, partnerships and other strategic alliances.

In evaluating potential transactions, it can be difficult to quantify ESG opportunities and risks along the supply chain.

An increasing number of global organizations are turning to the United Nations Sustainable Development Goals to measure progress with regard to sustainability. Achieving these goals requires profound, systemic change.

What are the Sustainable Development Goals?

**Shaw:** The Sustainable Development Goals (SDGs) are a set of 17 objectives set out by the United Nations. The SDGs or Global Goals address challenges ranging from poverty and inequality to climate change. Particularly relevant in this context – and in fact underpinning all SDGs – is SDG 16. SDG 16 calls for peace, justice and strong institutions, which are essential for sustainable supply chains.

Many public and private sector organizations are collaborating across jurisdictions to seize this opportunity around the SDGs. For example, many cities in the United Kingdom have made commitments to net zero carbon by 2030. For some organizations, shifting from one-off, localised contractual arrangements to long-term, strategic, multi-jurisdictional partnerships can be transformative in meeting ESG goals.

What makes a partnership or other transaction transformative?

Shaw: A joint venture, partnership or strategic alliance is transformative if it disrupts the status quo and makes a radical difference in an organization's progress against a given objective. Deals are becoming increasingly ambitious. They are also being increasingly driven by a desire to innovate, for example, by transforming supply chains and allowing businesses to compete more effectively in today's rapidly changing world. Innovation is key when it comes to sustainability. Organizations can either work towards achieving sustainable goals in a piecemeal fashion on their own or consider how to partner with another organization in order to accelerate the rate of progress.

## **Featured Speaker**



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