

# Sustainable Finance & Investment

2023



# Our Global Sustainable Finance & Investment Practice

Our Sustainable Finance & Investment practice brings together a multidisciplinary global team and provides clients with market leading support. We help our clients stay ahead in this rapidly evolving sector through delivering tools, products and solutions to overcome the challenges facing the finance community.

As you would expect in a relatively new and rapidly developing area, innovation is a core part of the sustainability strategy and the team meets regularly to discuss new trends and design solutions for our clients.

Against this backdrop, we highlight the importance of UN Sustainable Development Goal #17. In order to mobilise capital and create an efficient, scalable, sustainable financial ecosystem, partnerships and collaboration are crucial. Our lawyers are tasked with servicing our clients but also contributing to the development of the sector. We have collaborated on industry initiatives globally with the Loan Markets Association, Borsa Italiana, ISDA, GBBC Digital Finance, European Leveraged Finance Association, UN Global Compact and others.

On sustainability strategy, product development, transactions and risk, we create innovative solutions combining market intelligence, guidance, legal expertise, project management and strategic alignment to facilitate our clients' business. An important part of this is raising awareness, education and training; our lawyers in this space are committed to sharing expertise and best practice insights, thereby allowing our clients to navigate the complex, wide-ranging set of issues when considering sustainable finance and investment.

## Key services

- Advising on ESG investment and sustainability policies, ESG strategy, reporting and disclosure and ensuring alignment with corporate strategy and business operations
- Advising on the rapidly changing regulatory environment for sustainable finance and investment and helping teams to analyse and apply trade body principles, guidance and relevant reports
- Working with trade associations and organisations to develop market guidance and advising on ESG market practices and standards, voluntary codes and goals
- ESG due diligence and disclosure advice in the context of debt offerings, client and/or investment portfolio strategy analysis and acquisitions and disposals
- Working across Hogan Lovells finance practices and sectors on sustainable finance transactions including green, social, blue and sustainability-linked loans and bonds, ESG fund finance, ESG securitisation, ESG derivatives, ESG trade finance, natural capital investment structures and impact finance and investments
- Establishing sustainable investment funds, including Article 8 and Article 9 funds, impact funds and hybrid transactions
- Connecting clients, organisations, foundations and enterprises across our network and raising awareness of issues and opportunities
- Advising on risk, potential disputes and legal issues including greenwashing, misrepresentation and advertising, regulatory enforcement, class actions, director's duties and competition-related matters

# Our Experience

Our Sustainable Finance and Investment clients are predominantly in highly regulated sectors, including financial services, life sciences, tech and energy - we utilise a multidisciplinary approach, that draws in global regulatory and government public policy expertise to work alongside the core transactional and advisory teams, in order to help our clients manage ESG risks and maximise the opportunities for long-term sustainable profits and positive impact.

## A sample of recent matters includes advising:

- A major international bank in relation to the interpretation and implementation of the SFDR and other related pieces of environmental, social, and governance (ESG) related regulation. This involves answering regulatory queries on a monthly basis and providing a "helpline" to the team.
- Various fund managers on SFDR obligations and drafting pre contractual and entity level disclosures.
- A major asset manager on its ESG reporting obligations in connection with SFDR, EU Taxonomy and TCFD.
- A large German real estate asset manager on its SFDR product disclosure wording for its Article 8 fund.
- A private equity fund on its implementation of the SFDR requirements.
- Various infrastructure and real estate funds on the application of the SFDR, the EU Taxonomy and assisting with their SFDR implementation.
- An Article 6 real estate fund on its conversion to Article 8 under the SFDR and drafting product disclosures, including the RTS disclosure template.
- Cassa Depositi e Prestiti S.p.A. (CDP) on the issue of the first Italian Sustainability Bond for a nominal amount of €500m reserved to institutional investors.
- A club of banks on the refinancing (by way of sustainability linked-loan) of the Nuffield Health group's existing term and revolving facilities and repayment of private placement notes
- Bayerische Landesbank as arranger, ABN AMRO Bank, DZ Bank, Natixis and UniCredit on the world's first placement of a Blue Social Bond of Deutsche Kreditbank for the refinancing of the municipal water supply and sanitation business in Germany.
- A leading French investment bank on its ESG structured products programme including regulatory requirements and risk management under MiFID II.
- The Carbon Trust on the establishment of their Green bond and Climate bond third-party verification business.
- Affinity Water in relation to various sustainability-linked loans at different levels in their structure which includes KPIs developed to align to key UK water sector sustainability strategy.



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