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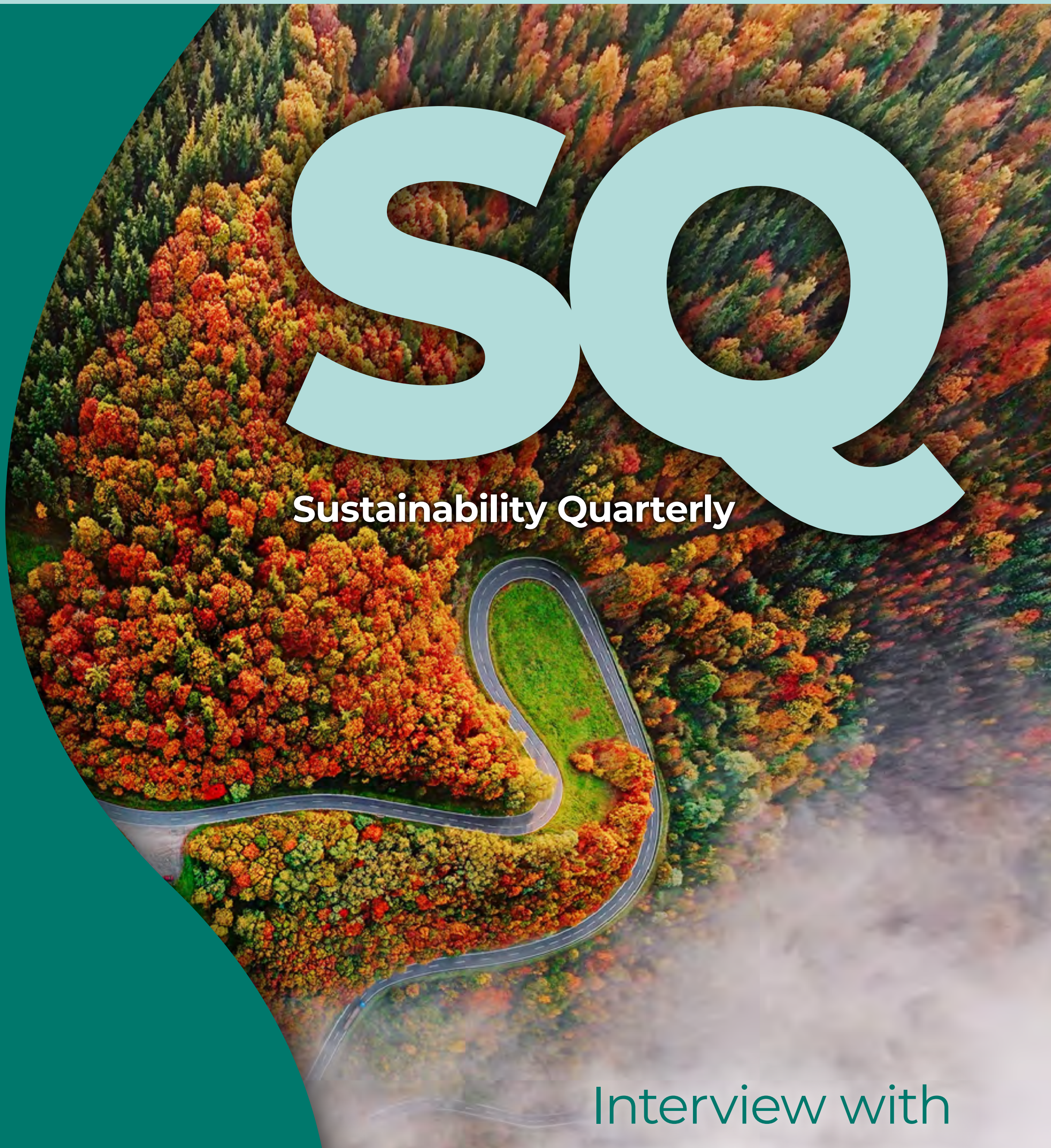

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Sustainability Quarterly

SUSTAINABILITY
IN OUR SECTORS

Interview with
Ben Warren
Global Power & Utilities
Corporate Finance Leader, EY

Sustainability Revolution
How innovation is leading the way

Industry developments
Key moves being made
by five leading companies

SPRING 2021

HFW

HFW is a leading global law firm with deep, sector-focused expertise, that is committed to promoting sustainability in its sectors.

Welcome to our inaugural Sustainability Quarterly.

In this and future editions we share legal developments, sustainability related news and innovation, together with the work HFW is doing with clients in this area.

Across our sectors we have lawyers dedicated to helping clients achieve their sustainability goals and at HFW we have set our own goals on a shared journey with our clients.

In this edition we have an interview with Ben Warren, Global Power & Utilities Corporate Finance Leader, EY. Ben provides valuable insights into key trends in energy transition.

Nicola Gare provides a summary of legal and regulatory developments in sustainable finance, trading and transport, and also looks at the greener arbitrations initiative.

Our global head of construction, Carolyn Chudleigh, focuses on how sustainable innovation is shaping the future of business. And we look at the trailblazing moves being made by five global market leaders.

If you would like to know more about the work we are doing in this area, please do contact me or one of the Industry Group Leads and Legal Services Heads whose details appear later in the magazine.

Giles

GILES KAVANAGH
Sustainability Partner

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Legal Updates by Nicola Gare

Sustainable Finance

The Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association (the largest syndicated loan market trade groups) have published a revised version of the Green Loan Principles (**GLP**) and Guidance (**GLP Guidance**), which aim to facilitate and support environmentally sustainable economic activity. Key changes include the addition of:

- social risks to the categories considered as part of the project evaluation and selection in the GLP; and
- new advice to the GLP Guidance setting out how borrowers should seek to mitigate adverse environmental and social impacts associated with the proposed projects.

To read more please click on this **link** for the GLP and this **link** for the GLP Guidance.

On 3 February 2021, the UK became a signatory to the **Joint Statement on the International Platform on Sustainable Finance** (**IPSF**), and joined other jurisdictions including HFW office locations: Hong Kong, Singapore, and Switzerland in showing its commitment to supporting environmentally sustainable finance. The IPSF focuses on enabling investors to identify global investment opportunities that contribute to climate and environmental sustainability. To read more please click on this **link**.

Sustainable Trading

The London Metal Exchange (**LME**) is moving forward with its sustainability plans via its LME passport, which will be rolled out over the next three years, starting with aluminium in 2021. The LME passport is a digital credentials register and is intended to enhance standard quality assurance documentation in the industry and to allow the voluntary disclosure of verified sustainability credentials, in accordance with a set of agreed sustainability categories. Four new contracts will also be launched in 2021, aimed at providing pricing and access to metals related to the transition to electric vehicles (lithium hydroxide) and also to the circular economy (US scrap aluminium and regional steel scrap for India and Taiwan). The launch of these contracts was delayed from 2020 as a result of the pandemic. HFW has published a briefing on the LME's sustainability strategy, at this **link**.

Launched on 1 December 2020, the Hong Kong Exchanges and Clearing Limited (**HKEX**) now includes the **Sustainable and Green Exchange** (**STAGE**), Asia's first multi-asset sustainable investment platform. On launch it had 29 sustainable-themed products including sustainability, green, and transition bonds from issuers across a variety of sectors including utilities, transportation, property development and financial services as well as Environmental, Social and Governance (**ESG**) related exchange traded products. To read more please click on this **link**.

Sustainable Transport

The UK Government is preparing legislation to implement the global **Carbon Offsetting and Reduction Scheme for International Aviation** (**CORSIA**), which is aimed at meeting the International Civil Aviation Organization's (**ICAO**'s) medium-term climate change goal of Carbon Neutral Growth from 2020. A **consultation** which closed on 28 February detailed the content of the legislation and invited comment on a proposed "supply-adjusted hybrid system" approach to the interaction between CORSIA and the new UK Emissions Trading Scheme (**UK ETS**). It is intended that the first tranche of legislation, covering monitoring, reporting and compliance, will come into force by spring this year, with the offsetting requirements to be legislated for during the first quarter of 2022. To read more please click on this **link**.

In line with its strategy to reduce greenhouse gas (**GHG**) emissions for vessels, the International Maritime Organization's Marine Environment Protection Committee (**MEPC**) is set to adopt amendments to MARPOL Annex VI, which will enter into force on 1 January 2023. The amendments introduce mandatory global technical (**EEXI**) and operational measures aimed at reducing the carbon intensity of vessels. The Carbon Intensity Indicator (**CII**) requires vessels to comply with an annual CII target using operational measures, which are likely to impact rights and obligations under commercial contracts. To read more please click on this **link**.

A key to the success of both global and regional initiatives to reduce GHG emissions in the shipping sector is the development of low or zero carbon marine fuels, such as LNG, ammonia, hydrogen and methanol (**Low Carbon Fuels**). Progress is being made, **the IMO recently held a virtual symposium** involving key players in the industry, where initiatives to promote the availability, affordability and uptake of Low Carbon Fuels were discussed. This builds upon national and regional action plans released by various states which seek to increase availability of bunkering facilities for Low Carbon Fuels – e.g. the UK government's **Clean Maritime Plan** and, more recently, **FuelEU Maritime**. **The world's first carbon-neutral vessel**, fuelled by methanol, is also expected within two years. While a gradual shift to Low Carbon Fuels appears inevitable, shipowners, operators and fuel suppliers will need to ensure that contractual arrangements adequately allocate the associated risks and costs.

Carbon Emissions Trading Schemes

The EU is seeking to regulate shipping emissions at the regional level, through the proposed inclusion of the shipping sector in its carbon emissions trading scheme the (**ETS**). The ETS creates a set number of 'allowances' (rights to emit GHG emissions) which are capped and traded by participants in the sectors to which the ETS applies, therefore capping overall GHG emissions in those sectors. How the ETS will apply to the shipping sector remains unclear – the European Commission's **public consultation** to amend the relevant EU legislation closed on 5 February 2021, and saw many interested parties offer their views. Further developments are expected towards mid-2021. To read more click on this **link**. HFW has published a briefing on what the ETS might mean for the shipping sector, at this **link**.

The UK emissions trading scheme (UK ETS) became operational on 1 January 2021. Its primary purpose is to provide continuity for GHG pricing in the UK as a replacement for the equivalent obligations faced by compliance entities under the EU ETS prior to the end of the Brexit transition period. HFW has published a briefing on what the UK ETS and what it means post-Brexit, at this **link**.

Australian exports could face a carbon tax of up to **AUS$140 per tonne** under a plan proposed by the **European Parliament**. The carbon tax is designed to level the playing field between European producers, who are subject to the EU emission trading scheme, and producers in countries like Australia that do not currently subject to carbon price emissions.

CAMPAIGN FOR
GREENER ARBITRATIONS

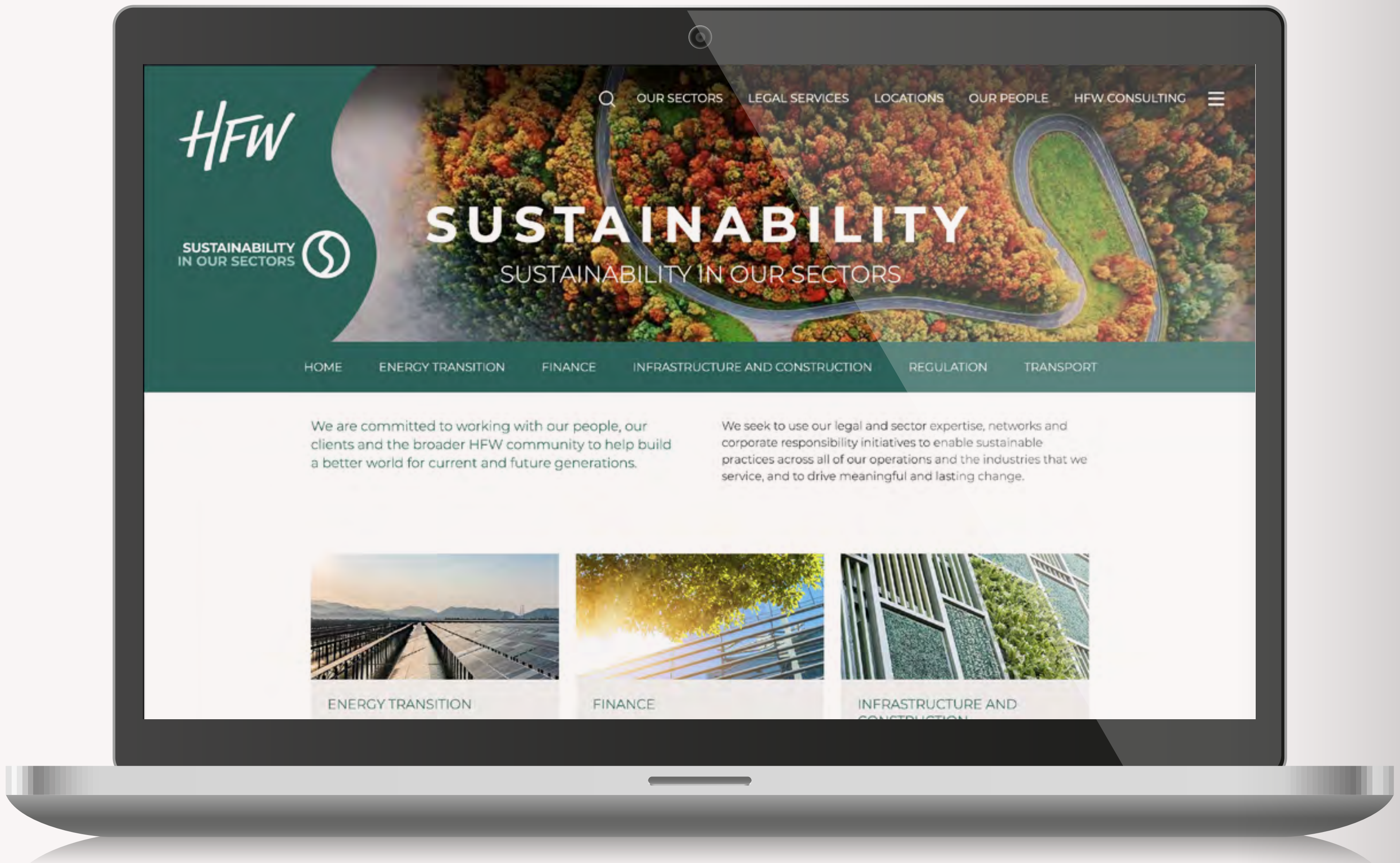
Greener Arbitration Campaign Pledge

Established in 2019, the Campaign for Greener Arbitrations, whose aim is to minimise the impact of arbitration on the environment, has launched for public consultation its suggested Framework and six associated Protocols to promote better environmental behaviour. The Green Protocols aim to reduce the carbon footprint of the international arbitration community by guiding organisations and individuals through a series of best practice behaviour and actions.

To read more and to join HFW in supporting the Campaign, please click on this **link**.

Sustainability in our sectors

The HFW Sustainability Hub



As a firm, we are committed to supporting our clients through a period of transformation. Each sector that we serve faces its own challenges as well as opportunities. But our clients, across our sectors, have much in common in terms of their goals and the legal expertise they require to achieve them. At HFW we have deep sector experience, combined with broad legal expertise throughout our international network. We are also committed to our own journey towards sustainability.

The new HFW sustainability hub provides a window to key developments, with a focus on the following core areas of expertise: Energy transition; Finance; Infrastructure and Construction; Regulation; and Transport.

By bringing together all the latest expert knowledge from across our sectors and services, our aim is to support your sustainability goals and encourage innovation.

If you would like to discuss any of the topics covered, our team would be delighted to hear from you. You will find their contact details on the hub.

Click here to visit our dedicated Sustainability Hub

Case Study

HFW advises FM Batilogistic in the negotiation of a €222 million green loan, with an interest rate based on environmental and social criteria

HFW recently advised FM Batilogistic, FM Logistic's sister company specialised in real estate logistics, in the negotiation and signing of a nine-year green loan of €222 million.

Our Paris Finance team, led by **Jean-Marc Zampa**, accompanied FM Batilogistic in the negotiations with a consortium of nine banks (ING, Banque Européenne du Crédit Mutuel, CIC Est, Groupe Crédit Agricole (LCL, Crédit Agricole Lorraine, Crédit Agricole Alsace Vosges, Crédit Agricole Brie Picardie), Société Générale et BRED Banque Populaire). The loan's interest rate will vary based on three ambitious environmental and social criteria:

- The proportion of LEED or HQE certified buildings in Batilogistic's real estate portfolio. LEED and HQE are sustainability certificates for buildings.
- The reduction of scope 1 and 2 greenhouse gas emissions from warehouses owned by Batilogistic and operated by FM Logistic in France.
- FM Logistic's position in the EcoVadis rating, which assesses companies on sustainability criteria. The next rating is due in the first half of 2021.

Meeting the criteria set for reduced interest rates will require close cooperation between FM Batilogistic and FM Logistic. The former designs and develops warehouses. The latter operates these facilities on behalf of its customers.

FM Batilogistic and FM Logistic are among the first logistics companies to link financing costs with their environmental and social performance.

We are proud to have participated in the ecological transition of the FM Group, and to accompany clients in their sustainable energy transition projects.

Our legal team comprised Partner Jean-Marc Zampa, Senior Associate Olivier Challine and Associate Anisha Franklin. CBRE Capital Advisors and Etude Reinert & Krummenacker also advised Batilogistic.

The lenders were advised by De Pardieu Brocas Maffei and Etude Lasaygues.

Interview with

Ben Warren

Global Power & Utilities Corporate Finance Leader, EY

EY

Building a better working world

Ben has global responsibility for EY's Corporate Finance services provided across the power and utilities Sector. He has advised on a large number of high profile and pioneering transactions, with a particular focus on the renewable energy and energy from waste sectors.

What are the main trends that you're seeing in energy transition?

The biggest industry-wide thing is the removal of subsidy across the sector globally. That has been in the offing since subsidies started back in the 1990s, and has some profound implications. We're also making various levels of progress towards electric transport and, to a lesser degree, heat. You also have a lot of institutional investors focusing on the ESG agenda and raising challenges to polluting investee companies. That has been a backdrop for the last 25 years, but the level of volume is increasing.

I don't think there's anything particularly new that's happened because of the pandemic – it's just accelerated the speed of change. If the pandemic has shown us anything, it's that we can adapt to a different way of living.

How do you see the removal of subsidies playing out?

I think the industry is ready. The fact that the cost of renewables continues to come down provides more margin to fund infrastructure upgrades, including storage to deal with the intermittency.

There's going to be a continuing delta in the affordability in renewables that creates headroom to pay for the intermittency.

Do you still see need for state intervention for breakthrough technologies?

Yes – there will always be some market failures that need addressing. The biggest issue is that most energy markets are based on a centralised system, and that's not the world we live in today. The regulatory regime and market mechanics are not designed for a decentralised and dynamic energy system. And the evolution is so quick that it's really challenging for regulators to keep up. It's less about technology and more an energy services play now. Where we're going to start seeing lots of innovation is around the customer proposition, and the enablement of data that accelerates the transition to a much more decentralised market. The market is moving towards a point where consumers can truly decide where they want to buy their power – right down to which solar or wind farm they want to buy from – and at what time of day, because they've got the ability to store it locally.

Is the UK striking a positive balance in supporting energy transition?

I don't envy policy setters – you've got so many stakeholders with different needs to address. The parallel I draw is the EV [electric vehicle] market. As consumers, we can decide to buy an electric car or not. Thanks to a little government stimulus and direction setting, within a flash almost every single global carmaker says they're not going to build any ICE [internal-combustion engine] vehicles anymore after 2025. That's a five-year transition of a 125-year-old industry. That's phenomenal speed of change. The energy sector can transit that quickly as well, if it's allowed to. How's the UK faring? Not bad. We've got a very competitive energy market, we've got some very inventive energy suppliers and our market has always had the ability to price and trade. All that is good – I just suspect the barriers to dealing with the speed of our transition will be the legacy we've inherited.

What are you encountering in boardrooms in relation to energy transition?

Incumbents generally fall into two different camps: really excited about the future, or digging their heels into the sand and trying to resist. The size of the challenge can't be underestimated for a regulated utility, or an oil and gas company where you've got shareholders used to a certain type or return. Changing your business model at a massive scale has tremendous challenges – part of the problem is that investors are used to a particular type of return. But the mood has certainly changed. In the last 10 years, 90% of the conversations I would have had with incumbent players would have been quite resistant. Now it's all about how, rather than why.

There are mixed views on net-zero declarations. Do you see them as meaningful in driving progress?

It varies massively. A decade ago and even more recently, there were a lot of PR-led strategies. You make an announcement and then figure out how to go about it. That happens a lot less now. Genuinely, the commitments that have been made are a real sense of direction. There's such demands from investors that those demands can't be ignored. It's almost unthinkable that incumbent power utilities don't have a real intention to make the transition. Some of the institutions are incredibly forward thinking and are forcing their investee companies to make the changes they need to make.

Looking at various clean energy technologies, which do you see as having the most potential?

Storage is one of the biggest areas that presents both challenge and opportunity, and this is driven by the delta of increased renewable deployment. There is just a bigger problem that needs solving and storage has to be the solution. Batteries will be part of it, hydrogen will be part of it. Quite a few hydrogen projects that are emerging are almost reverse-engineered around renewables projects that have a real issue with curtailment – they can't get their power to market and therefore hydrogen is a solution to that problem, rather than a hydrogen need being identified. But over the next five years we'll start seeing really interesting applications for hydrogen beyond the very few areas where projects are happening at the moment.

The whole transport and heat sector are huge challenges – in the UK, they represent 60% of our total energy consumption and CO2 output. EVs are not going to solve the transport problem on their own – there's shipping and freight and everything else involved. Power generation will take care of itself – renewables are the cheapest form of power so we'll see more of it – but transport and heat really need attacking and that's probably the challenge for the next two decades.

There's a lot of focus on battery technology – how would you assess the current state of that market?

The technology is pretty much already there. The issue with storage in the UK is just the economic model for it, and this is about the lack of readiness of the market. There is still a lot of work to do, but with the cost of batteries continuing to come down, we'll see a huge uptick in battery technology.

How much impact does the Biden presidency have on supporting energy transition?

Despite the Trump administration not being very proactive around the climate agenda, renewables did not slow down in the US, which is a sign of the economic momentum. Biden and the US being back on the global stage has a much bigger impact globally than it does domestically. Having the US back is really critical to the much broader global objectives here.

Does that have an impact on other countries?

We'll see where we get to at the end of the COP summit [in November 2021]. Industry is still moving on, but there is a lot of facilitation that needs to be done – particularly around carbon pricing and sequestration. The broader agenda does need a tremendous amount of political good will and collaboration across the globe to achieve those targets.

Looking ahead, what are your big predictions for energy transition?

It will all land back squarely at home in terms of the way the domestic energy market works. There will be an inflection point at which suddenly the consumers says: "I don't want any of this anymore – I want some of that." And they'll be empowered to do that – the technology will enable them. It's starting to happen among corporate power users who have the ability to procure energy through a wind farm or a solar project. When residential customers start voting with their wallets, that will provide an added impetus to the transition. Exciting times.

> "Companies are either really excited about energy transition, or digging their heels and trying to resist."

Industry Developments

With sustainability increasingly shaping strategy and business practices, we take a look at key moves being made by five leading companies

The shift to making operations greener and more sustainable is a trend businesses have been embracing with growing levels of commitment for some time. However, several factors, including shareholder and client pressure, increasing regulation, global targets, financial benefits and ethical incentives, mean that sustainability is permeating every part of the business like never before. While it is difficult to imagine a company not making efforts to reduce carbon footprint, some global companies have taken truly pioneering steps.

Patagonia

Widely regarded as one of the leading names in sustainability, the outdoor clothing company has green practices in the very fabric of their business. Its first CEO donated land to create Argentina's largest nature reserve, and today it has a 50-50 split between women and men in the company, right through to leadership. It has patented eco-products, leads the way in fair trade and has invested heavily in renewable energy. Its CEO Rose Marcario has announced that Patagonia will have a fully sustainable production cycle by 2025.

Triodos Bank

A trailblazer in ethical banking, Triodos Bank invests funds uniquely in environmentally and socially responsible companies. As well as advising its users on green aspects, it continues to support renewable energy projects and sustainable financial products. Its mission is to create a society that protects quality of life and human dignity for everybody, and all investments must have positive impact in three criteria- environment, culture and society.

H&M

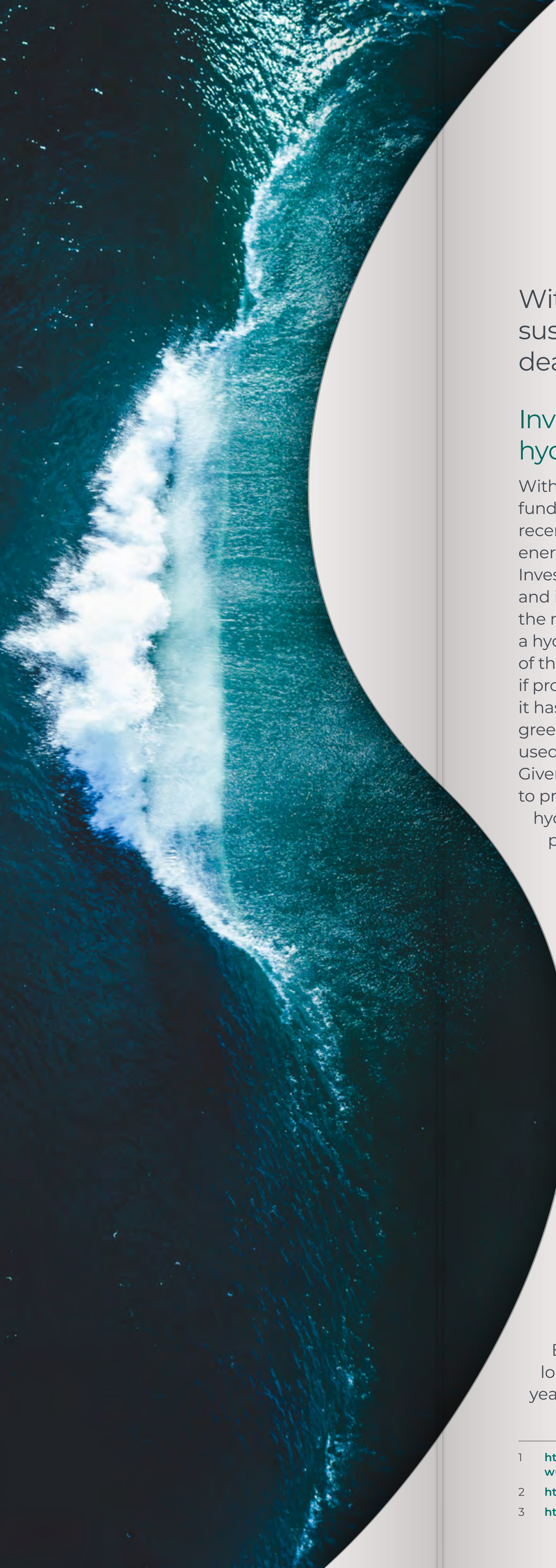
While it has been criticized for its role in fast fashion – mass producing clothes at low cost and therefore contributing to overconsumption – the Swedish clothing brand has been making moves to demonstrate its commitment to significantly improving its environmental practices. Last year it appointed its head of sustainability as its first female CEO, and has also recently offered access to its global supply chain as a B2B service in a bid to transform the industry.

Rolls-Royce

As part of its contribution to supporting the aviation industry in its mission to reduce carbon emissions to zero by 2050, the aerospace giant has conducted the first tests of 100% Sustainable Aviation Fuel (SAF) in a business jet engine. It groundbreaking work includes building the world's fastest electric plane, the 'Spirit of Innovation', and the company has also produced an AI ethics toolkit so that businesses can ensure their AI projects are fair, trustworthy and ethical.

Unilever

The market-leading consumer goods producer recently made the innovative move to label the company's 70,000 different products to clearly show how much greenhouse gas was emitted in the manufacturing and shipping process. The company has also pledged to invest €1 billion in climate-friendly initiatives over the next decade and aims to reduce all emissions from its own operations and those of its suppliers to zero by 2039.



With companies increasingly prioritising sustainability, we take a look at the key trends, deals and drivers making headlines

Investment into green hydrogen on the up

With Europe's first exchange-traded fund entirely devoted to hydrogen recently launched, this low-carbon energy is seeing an increase in activity. Investment into research, development and infrastructure is growing fast as the markets increasingly look to create a hydrogen economy. The advantages of this alternative fuel source are clear – if produced by renewable energy it has the potential for close to zero greenhouse gas emissions and can be used to run fuel cell electric vehicles. Given the European Union is aiming to produce 40 gigawatts of renewable hydrogen electrolyzers by 2030, public and private investment into this area is set to rise significantly.

Green finance market boosted by rise in sustainability-linked loans

The past year has seen a significant jump in the establishment of debt and equity instruments targeting the green economy, with research by the Ellen MacArthur Foundation revealing that assets managed through public equity with a circular economy focus increased six-fold in the first eight months of 2020[1]. HFW recently advised FM Batilogistic, FM Logistic's real estate logistics sister company on a nine-year green loan of €222 million. The loan's interest rate will vary according to environmental and social criteria which includes the number of sustainably certified buildings in the company's portfolio, the decrease in greenhouse gas emissions from warehouses and FM Logistic's position in the EcoVadis rating, which assesses companies on sustainability criteria.

Unlocking the value of the circular economy

Companies are increasingly embracing circular economy principles – the concept of eliminating waste from processes and moving to renewable energy – into their business models. The shift is not only a vital step in limiting climate change, but also promotes growth. Research by the World Business Council for Sustainable Development has shown that the transition to the circular economy could underpin USD$4.5 trillion of GDP growth worldwide by 2030[2].

Development in carbon capture and storage innovation

The road to net zero and the successful mitigation of the effects of climate change depends on growth in carbon capture and storage facilities, and investment into new, more efficient and lower-cost capture technologies is continuing apace. Capital has been flowing into the sector from governments and private investors, with research by the Global CCS Status Report showing that global capture and storage capacity has increased by 33% since 2019, with 65 commercial CCS facilities being developed globally[3].

1 https://www.ellenmacarthurfoundation.org/our-work/activities/finance?gclid=CjwKCAiAyc2BBhAaEiwA44-wWwwuEa1d27jGAU2uzHILz3qyKSZQhLZZRu3YewMf3XU9zJYeaioiYxoCi7AQAvD_BwE

2 https://docs.wbcsd.org/2018/01/The_new_big_circle.pdf

3 https://www.globalccsinstitute.com/resources/global-status-report/

Aviation industry targets net zero by 2050

Europe's aviation sector has announced its ambitious sustainability directive which lays out its goal to significantly reduce CO2 emission through key initiatives, including the use of sustainable aviation fuel. Industry heavyweights are investing in sustainability as the sector recovers from the effects of the pandemic, with British Airways signing a deal with sustainable aviation fuel company LanzaJet and Essar Oil teaming up with Fulcrum BioEnergy to establish a waste-to-fuel plant in the UK.

The Sustainability Revolution:

How innovation is leading the way

Despite a year dominated by the global pandemic, sustainability remains top of the agenda for businesses. We speak to global head of construction **Carolyn Chudleigh** about how innovation is shaping a greener future

The days when sustainability was simply a buzzword used by companies to signal good intentions are well and truly over. Today it drives almost every aspect of operations across the business cycle, from the boardroom to investment. While it might seem that the pandemic has monopolised strategies over the past year, chief experience officers of global companies rank climate change as the top societal issue to tackle over the next decade. The explosion in technology and digital tools is underpinning innovation into sustainable practices transforming markets more than ever before.

A Catalyst for Change

As much as sustainability practices were developing at pace, the emergence of Covid-19 brought with it an expedited adoption of technology as individuals and businesses reacted to the new normal. According to research by McKinsey, companies have accelerated the digitization of their customer and supply-chain interactions and operations by a staggering three to four years[1], while nearly half of European businesses are prioritizing investment in both digital transformation and sustainability[2].

'There was an instant need to adapt which meant an instant need to adopt technology in order to do this,' says Carolyn Chudleigh, global head of HFW's construction team and board representative for gender diversity. 'We use technology to assist in this process. But innovation isn't just technology and sustainability isn't just about innovation, it's all wrapped in together and underpinned by practices that humans adopt.'

The move to put sustainability into the very heart of companies has been driven by consumers, leadership, stakeholders and investors, and the impact of the growth in its relevance in business cannot be underestimated. 'It has manifested itself by influencing choices of suppliers and providers, the projects selected, the behaviour of businesses and by forcing companies to revisit their own vision statements,' explains Carolyn. Government regulation has also had a huge role to play in setting sustainable development goals, tackling green issues and promoting responsible business. 'The impact will continue to permeate all steps in processes and operations and enable companies to reduce waste and therefore increase efficiency – and with this efficiency should come a reduction in cost.'

Smarter Thinking

Corporate innovation helps businesses gain a competitive edge, satisfies shareholder demands, fulfils CSR and will ultimately build a foundation for a better, healthier future. It also makes businesses more efficient, saving costs and streamlining operations. This, inevitably, influences flows of investment and informs the way we live, work and play, and is increasingly reflected in the world around us.

Advanced technology such as the Internet of Things, for example, has been attracting attention from governments and private investors when looking at planning urban design and delivering social and economic infrastructure. According to the World Green Building Council, the building and construction industry is responsible for a massive 39% of the world's carbon emissions. It is 'incumbent on the industry to find ways to reduce this percentage,' says Carolyn, and with investment into carbon neutral buildings, sustainable building materials and the emergence of green finance, there is reason to be positive.

Big data sharing in smart cities is being increasingly implemented to improve transport ecosystems and logistics, while the risks associated with urban heat islands – built up areas with damaging raised temperatures – are being mitigated through better designed green spaces and increased energy efficiency. 'Governments and private industry alike are moving their focus to projects with high sustainability ratings and green credentials. Technology and innovation are essential in helping deliver those ratings.'

1 https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever

2 https://newsroom.accenture.com/news/european-companies-that-accelerate-both-digital-and-sustainability-transitions-will-recover-faster-from-the-covid-19-crisis-finds-research-from-accenture.htm

Forward Looking

Interestingly, it is some of the biggest polluters which are leading the way in research and investment into sustainable practices and the reduction of carbon emissions. With global energy companies switching to renewables or clean coal technologies, big pharmaceutical names offsetting their mass use of chemicals, and heavy transport companies investing in green energy fuel research, the financing opportunities to support businesses to pursue environmentally responsible models are growing.

According to Carolyn, there is plenty to be optimistic about as businesses, governments and societies use digital advancement to move to a more sustainable future. After a difficult year which has in fact served to accelerate innovation, 'there is a mainstream desire to row in the same direction.'

Firm Beliefs

At HFW we recognise that change starts from within, and we're committed to reducing our impact on the environment, promoting sustainability across all our operations, and continually improving our Environmental, Social, and Corporate Governance (ESG) credentials. Read on for some of the initiatives we have been involved in over the past year...

We are delighted to have appointed our very first sustainability partner. Giles Kavanagh, will focus on social as well as environmental issues, monitor progress, and work with colleagues and our clients to help build a more sustainable environment for current and future generations.

We have recruited 'Sustainability Ambassadors' in each of our six global industry groups. The aim of these leaders is to establish and put into practice key sustainability initiatives internationally.

We have reduced our carbon footprint in London (our largest office) by over 35% since 2015. This has been achieved by carrying out a sustainability-focused refurbishment of the office that saw energy usage decrease by more than 50%. It now recycles more than 75% of its waste by transporting it by barge along the River Thames to an energy-from-waste plant which then contributes to the National Grid. We use 100% renewable energy and have eliminated single-use plastic from our canteen.

Mike Forshaw, Head of Properties and Facilities, says:

"It's about ensuring that sustainability is a key consideration in every decision that we make in relation to our built environment, from the buildings that we occupy to our choice of utilities providers and the suppliers that we work with. It's something we're committed to tackling on a global basis."

We have teamed up with The Planet Mark to undertake a global carbon audit of all 19 HFW offices. This will help the firm assess the firm's current carbon footprint to determine and implement initiatives that will reduce emissions across the board. We have also committed to publishing a carbon disclosure report each year that will show our global carbon footprint data, progress and goals.

We have undertaken a new global gender equality strategy. This initiative lays out our goal of empowering and supporting people at the firm. Over the next three years we aim to have women making up at least 40% of all senior lateral hires and internal promotions.

Americas | Europe | Middle East | Asia Pacific

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