

ESG and Sustainability

Managing risks and
enhancing value





Introduction

Allen & Overy is a market leader in ESG and sustainability, with extensive experience advising corporates, private equity sponsors, investors, lenders and portfolio companies on the full spectrum of compliance matters. We bring a full service range of experts including from areas such as environmental and climate law, human rights, sustainable finance, corporate governance, employment law, diversity and inclusion, data protection, cybersecurity, supply chain management and dispute resolution and litigation.

These capabilities, when combined with our strong sector focus, make us stand out in the market as being able to provide a fully integrated offering across products and sectors. Our offering is also truly global. Our extensive network of offices covers each of the key markets across the world, enabling us to give specialist advice to clients wherever and whenever it is required.

Good for business

Sustainable investment goals can be aligned with – and can advance – financial objectives. When a company performs well on ESG criteria, it is often a key indicator that it is prepared to deal with volatility, likely to perform better financially over time and better managed overall. Thus, ESG characteristics are increasingly used by investors to assess the financial soundness of companies, as well as how prepared or resilient those companies are to longer-term challenges.

Good legal practice

New international commitments to address adverse ESG impacts are driving waves of regulation. This regulation increases the legal, reputational and financial risks for businesses that fail to manage ESG and sustainability issues effectively. Private actors are also deploying a diverse array of litigation strategies globally in respect of ESG impacts. Managing ESG and sustainability risks is now a critical part of good legal practice.



Most Impressive Firm
for ESG

GlobalCapital Awards 2021

How we can help

ESG is increasingly becoming a complex form of corporate governance involving significant legal issues. As the framework becomes underpinned by legal requirements, advice is required to manage the risks and take advantage of the opportunities this new environment presents. We recognise that organisations are at various stages on their sustainability journey, and we tailor our advice accordingly.

We can support you across the full spectrum of global and local issues:

The energy transition and infrastructure

We understand the range of issues that can arise on market-first energy transactions, particularly those involving emerging governmental policies. We think outside the box to help our clients find innovative and pragmatic solutions to any issues as they arise. We are able to offer you a team with directly relevant expertise in energy transition industries including emerging green and blue hydrogen, ammonia, CCUS and battery storage.

Employment considerations

Key areas for consideration include diversity and inclusion, remuneration and governance, whistle-blowing and worker status.

Supply chain

Assessing key supply chain risks and putting in place anticipatory measures to address environmental, human rights, employment, bribery or other risk sectors. Developing sustainable supply chains help to future-proof organisations and manage risk.

Assessing human rights risk

Understanding and mapping your human rights exposures and impacts both directly and within supply chains. We can advise on developing policies to ensure you have a robust approach to human rights risks and conduct international diligence reviews.

Social and Community Impact

Many companies introduce ethical and social sustainability principles because consumers now demand this from the products and services they choose. We see many organisations taking a localised approach to community impact, with increased transparency and reporting metrics in place.

Regulatory horizon-mapping

Providing you with insights on near and medium term regulatory and policy developments which are likely to impact your business. We can help you prioritise and risk assess forthcoming developments.

Governance and risk management

Reviewing existing governance and risk management structures to ensure they are fit for purpose for the range of ESG issues that the business is managing. This is particularly important in the context of the Task Force on Climate-Related Financial Disclosures (TCFD) reporting. You should also be thinking about the level of expertise in the business to properly manage your ESG-related risks.

Shareholder activism

We have seen a rise in shareholder activism on ESG and climate issues in particular, so understanding how best to manage demands for climate-related ESG resolutions and crafting your response is critical.

Reporting and Disclosure

Understanding and preparing a variety of ESG-related reports and public disclosures including TCFD reporting. Reporting obligations are expected to widen over the coming years – so ensuring you have effective governance and oversight on the information produced is essential.

“Allen & Overy demonstrate a strong technical awareness of the ESG agenda.”

ESG Global-Wide, Chambers 2022



Band One for Regulatory: Environment

Chambers Europe, 2022

“The quality of their work and service is always exemplary and provided in a timely and efficient manner. The advice provided is strategic, pragmatic and focused on enabling their client to make the required decisions.”

ESG Global-Wide, Chambers 2022

Disputes and litigation

We are seeing a rise in ESG-related disputes and litigation globally, particularly around climate targets and allegations of ‘greenwashing’. Understanding these risks, international trends and being able to manage any claims is an important part of the overall strategy.

Sustainability-focused litigation has become an instrument used to enforce or enhance national policies and commitments, while also improving the local communities that businesses operate in.

Sustainable finance

Supporting you to secure sustainability-linked loans. This is a rapidly evolving market and we are at the forefront of designing loans with a range of environmental, climate and social KPIs and associated mechanisms. Sustainability objectives can be applied to a wide range of loan structures including supply chain finance. We can support your carbon market and off-set strategy.

Funds and fund creation

Assisting the creation and management of ESG-driven funds for fund managers and institutional investor clients.

Carbon credits and trading

A&O is at the forefront of advising on, and drafting documentation for, the trading of emissions credits and the development of climate change projects.

Green, blue and social bonds

We have been at the forefront of developing green bonds over a number of years. We are now seeing blue bonds and the increasing use of social bonds (including Covid-19-linked bonds). We can support you in developing sustainability criteria and mechanisms as part of your bond programme.

Social impact investing

Investing capital in a measurable and sustainable way that achieves social impact, manages risk and meets shareholder demand.

Sustainability-linked derivatives

SLDs are highly customisable transactions that use KPIs to set sustainability targets.

Sustainable Finance Disclosure Regulation (SFDR)

Mandatory ESG disclosure obligations for asset managers and other financial markets participants will help level the playing field on the transparency of sustainability risks and considerations.



Tier One for Environment
& Corporate Governance

Legal 500 UK, 2022



Best Law Firm for Commitment to Sustainability

GlobalCapital Derivatives Global and Americas 2022



Legal 500's Inaugural Green Guide

EMEA, 2022



ESG Bond Deal of the Year

Bonds, Loans & Sukuk Awards 2022



ESG & Sustainable Finance Deal of the Year

Saudi Electricity Company USD 500m Untied Green
Credit Line (July 2021)



ESG Deal of the Year Award

For advising on Bank of China's inaugural blue bond issuance,
the first of its kind in Asia – IFLR Asia-Pacific Awards 2021



Asia Pacific Legal Advisor of the Year

IJ Global Awards, 2021



APAC Renewables Deal of the Year

SB Energy Solar PV Portfolio Refinancing –
IJ Global Awards, 2021



International Capital Markets/ Derivatives Structured Finance category

IFLR Asia-Pacific Awards 2021



“It surpasses all of the other firms we have used in terms of client service, responsiveness, commerciality and value for money.”

Chambers UK, 2020

A&O Consulting

Business integrity by
ALLEN & OVERY

A&O Consulting is a strategic and regulatory consulting team experienced in all aspects of risk and regulation who can support you in managing major regulatory change. We can combine the deep expertise of our legal services capability and A&O Consulting across a range of projects such as the effective delivery of your TCFD and wider sustainability reporting needs.

Our team is experienced in working with clients to understand and implement major regulatory change.

Our consulting services were established to meet clients' requests for top-tier advice of a strategic and regulatory consulting nature. With a team comprising former regulators, industry leaders and risk professionals, we understand the regulatory expectations and practical challenges that organisations face, and know how to navigate these to design and embed solutions that are proportionate, risk-based and sustainable.

We support clients with a wide range of risk, governance and regulatory projects, working with boards and senior management teams across the financial services industry. A&O's model allows us to offer a seamless combination of legal advice, consulting support and project management services. Our combined legal and consulting expertise means we are uniquely positioned to support you in your efforts to respond to a rapidly evolving ESG landscape. We have worked with many large firms across a variety of sectors, providing advice and support across these issues.

Our experts

We have a team of over 200 ESG specialist lawyers able to support you globally, including the contacts below. If you need further information, please feel free to contact any member of the team or your usual contact within Allen & Overy.



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We were recognised as providing a wide range of regulatory advice with “particular expertise in ESG and sustainable finance work.”

Legal 500 UK, 2022

“The best corporate law firm on business and human rights.”

Legal 500 UK 2022, Public International Law

“Extremely generous with their time and support.
Very knowledgeable about the latest trends and developments.
Able to provide solid and commercial advice.”

Legal 500 UK, 2022 (Environment)

“Clients needing ESG counsel ranging from SFDR to
supply chain risk or carbon markets benefit from a
multi-jurisdictional, cross-practice offering which
blends regulatory, operational and strategic advice”

Chambers Europe, 2021

“The firm has a well-coordinated global team with
excellent client focus.”

Chambers UK, 2021 (Environment)

“They have a high-level environmental practice with
a lot of excellent lawyers across various offices.”

Chambers USA, 2021 (Environment)

“Noteworthy firm with a significant human rights practice
spanning litigation and compliance across several markets.
Actively assists clients from the natural resources, finance
and retail sectors.”

Chambers Global, 2020 Business and Human Rights Law

Global presence

Allen & Overy is an international legal practice with approximately 5,600 people, including some 580 partners, working in more than 40 offices worldwide. A current list of Allen & Overy offices is available at www.allenoverly.com/global_coverage.

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