

C L I F F O R D
C H A N C E

SUSTAINABILITY
RENEWABLES
CLIMATE CHANGE
RIFC
ETHICS
GOVERNANCE

ENVIRONMENT,
SOCIAL &
GOVERNANCE

OUR ESG OFFER IN ITALY
2021

OUR ESG GROUP IN ITALY

Clifford Chance truly understands the ESG agenda and what this means for your business. Our deep experience across the range of ESG areas is combined with an in-depth understanding of international and regional policies and regulations, frameworks and mechanisms.

WHY CLIFFORD CHANCE?



We are recognised as a market-leading advisor in ESG, advising clients ranging from banks and financial institutions to corporates.

Our finance team has been involved in the most recent and challenging green and sustainable finance deals.

Our corporate team regularly conduct structured ESG due diligence and impact assessments on high-risk projects, transactions



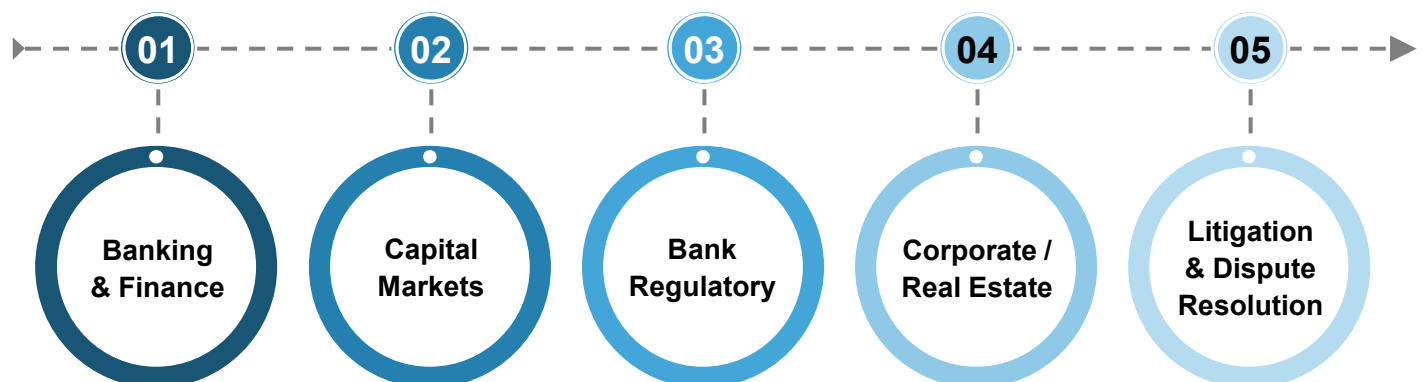
We have a dedicated focus team of lawyers, covering the full spectrum of ESG-related legal advice in the following five main areas: finance and capital markets, regulatory, corporate, real estate and litigation.



Clifford Chance has long-established market leading specialist practices that meet the needs of our clients.

Our firm is truly global, with coverage across all our key jurisdictions and with a depth of coverage which means we can execute transactions domestically and cross-border with ease.

THE FIVE AREAS WE COVER ON ESG MATTERS:



MAIN ESG TRENDS IN THE ITALIAN MARKET



Banking & Finance

- International and domestic private equity firms and lenders operating in Italy are increasingly putting ESG considerations at the heart of their strategy. Consequently, volumes of ESG/sustainable financings have sharply increased and the related features now ordinarily shape the wider spectrum of lending products (including leveraged, acquisition and investment-grade loans).
- The loan documentation now fully factors in the LMA Green Loans and Sustainability-Linked Loans Principles, including the recently enacted requirement of independent and external verification of the borrower's ESG/sustainability performance.
- The increasing interest in ESG and sustainability compliance and the risk of ESG-related litigation could lead the ESG features from being only pricing-relevant factors to also creditworthiness criteria, entitling therefore the lenders to accelerate loans in case of breach of ESG provisions and representations.



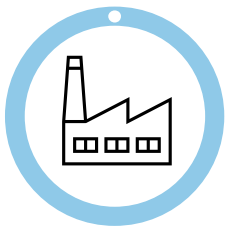
Capital Markets

- Continued growth of the green, sustainable, social and sustainability-linked bond market, especially given heightened focus on climate change and climate action and emergence of investor base focused on ESG matters looking for investment opportunities in these areas
- Trend towards more disclosure of sustainable practices in order for investors to evaluate the ESG credentials of businesses coupled with remodelling of businesses to be more ESG compliant and friendly meaning more ESG linked issuances
- As the first sustainability-linked bond issued was by an Italian company (Enel), a number of Italian Issuers are looking to utilise this structure which is becoming more frequent
- Sovereign (Republic of Italy) and government linked issuers are active in the sector.



Bank Regulatory

- As part of its Sustainable Finance Action Plan, the EU has developed the Sustainable Finance Disclosure Regulation (SFDR), which imposes specific ESG-related disclosure requirements, and the Taxonomy Regulation, which acts as a 'dictionary' for determining environmentally sustainable economic activities.
- SFDR compliance involves making disclosures on the integration of sustainability risks in investment decisions, and the principal adverse impacts of investment decisions on sustainability factors.
- The Taxonomy Regulation requires managers to include statements about the alignment (or lack thereof) of their funds with the Taxonomy Regulation sustainability criteria.



Corporate / Real Estate

- **[CORPORATE]**
- As far as the real estate sector is concerned, ESG is an increasingly important factor for investors in the choice of investment properties. Indeed, the Italian real estate market is increasingly focusing on the sustainability of buildings with high energy standards and endowed with the so-called "green certifications" (e.g. LEED, BREAM).



Litigation & Dispute Resolution

- Banks and financial institutions can be directly exposed as potential defendants for failure to properly disclose or manage climate change and ESG risk and for investing in carbon intensive industries. They can also be exposed indirectly, through litigation that targets their borrowers, which can lead to losses if the borrower's solvency is affected
- Corporates and directors may be targeted by stakeholders for failure to properly disclose climate change and ESG risk, for greenwashing and for not engaging in adequate governance and controls to ensure stated goals are achieved
- Ultimately, the new class action mechanism could be a contributing factor, as it is well suited to the nature of the harm caused by ESG failing considering that it impacts very large number of parties: local communities, employees, investors, shareholders and stakeholders in general.

KEY CONTACTS

Core team

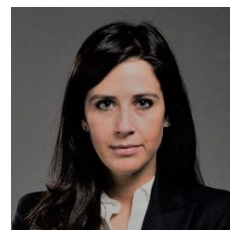
CORPORATE M&A / REAL ESTATE



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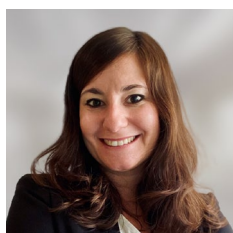
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LITIGATION AND DISPUTE RESOLUTION



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BANK REGULATORY



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WHY CLIFFORD CHANCE
OUR INTERNATIONAL NETWORK



32 OFFICES
22 COUNTRIES

ABU DHABI	DÜSSELDORF	MUNICH	SINGAPORE
AMSTERDAM	FRANKFURT	NEWCASTLE	SYDNEY
BARCELONA	HONG KONG	NEW YORK	TOKYO
BEIJING	ISTANBUL	PARIS	WARSAW
BRUSSELS	LONDON	PERTH	WASHINGTON, D.C.
BUCHAREST	LUXEMBOURG	PRAGUE	
CASABLANCA	MADRID	ROME	
DELHI	MILAN	SÃO PAULO	KYIV ¹
DUBAI	MOSCOW	SHANGHAI	RIYADH ²

1. Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.

2. Clifford Chance has a co-operation agreement with Abuhimed Alsheikh Alhagbani Law Firm in Riyadh.

CLIFFORD CHANCE

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Clifford Chance ha un accordo di cooperazione con Abuhimed Alsheikh Alhagbani Law Firm a Riad

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