

MESSAGE FROM LEWIS MCDONALD, GLOBAL HEAD OF ENERGY, HERBERT SMITH FREEHILLS

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Legal Briefings - By **Lewis McDonald**

Energizing the world, sustainably...

As demand for energy continues to grow around the world, and emissions continue to rise, the need for cleaner sources of energy is paramount. The global energy system contributes roughly two-thirds of all global emissions. Fundamentally, we need to “decarbonise” the global energy system as quickly as we can in order to get the world onto a sustainable pathway. This is a mammoth task that will require trillions to be spent on new energy infrastructure in the coming decades.

This will partly be fulfilled by growth in renewable energy generation, which is continuing to fall in price and is growing exponentially around the world – consistently exceeding expectations. However, renewables alone will not be enough to meet the emission reduction targets set in Paris and renewables alone will not get OECD countries to net zero by 2050. To meet these broader goals, and to continue to ensure the world has enough energy to grow, the whole range of emission reduction solutions are required from across the energy sector. In particular, we need to use all available technology, and to develop new technologies, to clean up the oil & gas sector.

Each participant in the global energy sector has its part to play in getting the world on track. Investors are looking closely at companies and financial institutions to determine how they are contributing to the problem and to the solution. They are voting with their feet and with their ballot papers – divesting from oil & gas companies that are not shifting fast enough, and influencing shareholder resolutions to drive change.

The Banks and financial institutions are listening – shifting their investment and lending policies in favour of cleaner energy. The European oil & gas majors are listening – shifting their entire corporate visions and strategies towards a net zero outcome. Governments and Regulators are listening – laying down the policies and laws to encourage investment in cleaner energy and to punish those who don't move fast enough.

And we are listening – directing our organisations towards the energy transition and supporting our people and our clients to develop the capabilities they need to succeed long into the future. We've incorporated this into our new vision for the Herbert Smith Freehills Global Energy Practice:

Energize the World | Lead the Transition | Support our People & Clients

We're excited to be partnering with Gaffney Cline in our "Decarbonisation" campaign. Working together with Nigel Jenvey (Global Head of Carbon Management, Gaffney Cline) and his global team, we've developed a 5-step model to help our clients transform their businesses.

This model is set out in more detail on this website and we'll be releasing additional content over the coming months to provide further information on these 5 steps.

Of course, if you want to understand more about how we can help your organisation to get ready for the future, please get in touch.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



LEWIS MCDONALD
GLOBAL HEAD OF
ENERGY, LONDON
+44 20 7466 2257
Lewis.McDonald@hsf.com



SILKE GOLDBERG
PARTNER, LONDON
+44 20 7466 2612
Silke.Goldberg@hsf.com



REZA DADBAKHSH
PARTNER, LONDON
+44 20 7466 2679
Reza.Dadbakhsh@hsf.com

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