

WFW ADVISES RMI AND LEADING BANKS PRO BONO ON DEVELOPING PEGASUS GUIDELINES

4 APRIL 2024 • PRESS



Watson Farley & Williams (“WFW”) is delighted to have acted as sole legal advisor on a pro bono basis to RMI and a working group of banks, comprising BNP Paribas, Citi, Crédit Agricole CIB, Societe Generale and Standard Chartered (the “Working Group”), on the development and launch of the Pegasus Guidelines, a first-of-its-kind framework enabling banks to independently measure and disclose their aviation lending portfolios’ emissions. WFW has been advising RMI and the banks on the guidelines since their early development.

The Pegasus Guidelines represent the first climate-aligned finance framework for the aviation sector, designed to help banks independently measure and disclose the climate alignment of their aviation lending portfolios compared to a 1.5°C scenario to reach net-zero emissions by 2050.

The aviation industry contributes 2.5% of global CO2 emissions and is the fastest growing transportation sector worldwide. Decarbonising the sector will rely on a significant ramp up of sustainable aviation fuels, as well as further development of hydrogen and battery-electric propulsion and fleet modernisation.

The Pegasus Guidelines, designed by RMI and shaped by the Working Group, draw upon existing standards including those of the Science Based Targets initiative (SBTi) and the International Civil Aviation Organization’s Carbon Offsetting and Reduction Scheme for International Aviation (ICAO CORSIA). The framework is designed to be compatible with the Net-Zero Banking Alliance’s guidelines.

In addition to the Working Group who supported the development of the Pegasus Guidelines, CaixaBank and CIC will be utilising this methodology and a number of further banks are currently testing implementation of the methodology and assessing future adoption of the Pegasus Guidelines.

The Pegasus Guidelines build upon the success of existing climate-aligned finance frameworks developed for other industries, including the maritime sector’s [Poseidon Principles](#), which were created to help the maritime industry meet the International Maritime Organisation’s goal to reduce shipping’s total annual greenhouse gas emission by at least 50% by 2050. To-date the Poseidon Principles count 29 signatories covering more than 50% of global ship finance. WFW also played a key role in [the development of the Poseidon Principles](#) providing legal oversight and drafting input to the major banks and leading maritime industry players involved in that project, including RMI.

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RMI is an independent non-profit that transforms global energy systems through market-driven solutions to align with a 1.5°C future and secure a clean, prosperous, zero-carbon future for all.

London Assets and Structured Finance Partner **Patrick Moore** led the WFW team advising RMI and the Working Group on the development of the Pegasus Guidelines, closely supported by Corporate Partner **Christina Howard** and Associate **Shaun Young**, as well as Regulatory, Public Law and Competition Partner **Solange Leandro** and experts across WFW's office network.

Patrick commented: "We are delighted to have lent our expertise to this initiative which will help the aviation industry in its drive towards decarbonisation. Being appointed the sole legal counsel on this initiative highlights WFW's depth of expertise and our position as a leading advisor to the transport sector on matters of sustainability. Our advice on the Pegasus Guidelines draws upon our extensive work on climate-aligned finance frameworks for other sectors, our ongoing advice to the Aviation Working Group on ESG matters and the development of the AWG Carbon Calculator (ACC), and various sustainability-related transactions, such as Air France's sustainability-linked JOLCOs, many of which have been recognised by industry awards for being first-of-their-kind".

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