

ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE (ESG)

HELPING CLIENTS MAXIMIZE THE TRIPLE BOTTOM LINE



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Arnold & Porter

Planet, People, Profits

At Arnold & Porter, we address the issues that affect the value of your ventures. In today's business environment, that value represents much more than just the bottom line. Stakeholders and other interested parties on both the supply and demand sides have an ever-increasing number of ways they want businesses to be more socially responsible and environmentally friendly. To do well by doing good, companies operating in the global marketplace must continually assess shifting risks and opportunities, build resilience into their operations, and define their role in maintaining a sustainable world. Our integrated regulatory, litigation and transactional services help you accomplish what you set out to achieve when trying to maximize the triple bottom line.



83%

CONSUMERS WHO THINK COMPANIES SHOULD BE ACTIVELY SHAPING ESG BEST PRACTICES



86%

EMPLOYEES WHO PREFER TO SUPPORT OR WORK FOR COMPANIES THAT VALUE ESG ISSUES



90+%

EXECUTIVES WHO CONSIDER ESG IMPORTANT/VERY IMPORTANT TO DRIVING ENTERPRISE VALUE



92%

BUSINESSES THAT BELIEVE COMPANIES WITH ESG POLICIES WILL OUTLAST COMPETITORS WITHOUT

Our ESG Services: Pulling It All Together

- Advocacy and Public Policy
- Anti-Corruption and Fraud
- Antitrust/Competition
- Compliance
- Consumer Advertising and Litigation
- Contracts and Technology Transactions
- Corporate Citizenship and Stewardship
- Crisis Management and Reputational Risks
- Environmental, Climate Change and Sustainability
- Governance
- International Trade Relations
- Investment Management
- Philanthropy
- Securities Enforcement and Shareholder Litigation
- Supply Chain
- Tax Incentives



ESG CONSIDERATIONS LEADING TO MORE SUCCESSFUL OUTCOMES IS NOT A NEW DATA POINT—BUT THE INTENSE INTEREST IN IMPLEMENTATION CERTAINLY IS.

Advancing and Achieving Our Clients' ESG Objectives

Advocacy and Public Policy

Operating at the intersection of public policy and law, we help find solutions to complex problems that involve interacting with the federal government. The issues we tackle require deft political handling to address their potential impact on important considerations such as corporate risk management, business reputation, the media, and the consumer marketplace. We offer the largest law firm-based lobbying practice where a majority of lobbyists are women at a time when the number of women in Congress and in key decision-making positions in Washington is at a record high.

- *World's largest electric vehicle charging network operator* on policy issues impacting the deployment of alternative fuel vehicles, and led a coalition that successfully advocated for inclusion of a billion-dollar multiyear grant program in House and Senate surface transportation legislation.
- *Infrastructure software technology company* in coordinating a coalition to advocate for modernizing infrastructure development through technological and data-driven approaches to build and maintain infrastructure in a way that is more timely, equitable and green.
- *Leading original equipment manufacturer* in advising on environmental issues associated with autonomous vehicle and automated driving system legislation and regulatory issues.

Anti-Corruption and Fraud

We advise and vigorously defend companies and individuals by anticipating and strategically responding to government investigations and enforcement actions under the US Foreign Corrupt Practices Act (FCPA), UK Bribery Act and other anti-bribery laws and regulations. Our experienced team features former high-level prosecutors and lawyers from the DOJ, SEC, DHS, and US Attorneys' Offices, as well as the UK Serious Fraud Office (SFO), the Crown Prosecution Service, the Attorney General's Office, and Her Majesty's Revenue and Customs. Our compliance programs are designed to minimize exposure and are tailored to the organization's specific cultural, structural and systemic activities.

- *Global pharmaceutical company* in an investigation by the SFO, SEC and DOJ regarding bribery allegations involving China and other jurisdictions.
- *Global telecommunications equipment provider* in connection with an FCPA investigation and related prosecutions involving the company's activities in more than 15 countries in Europe and the Middle East.
- *Major ship manufacturer* in ongoing high-profile "Operation Car Wash" Petrobras corruption investigation.



ESG in the Biden-Harris Administration

With the administration ushering in new policy priorities and a focus on increased regulation and enforcement, Arnold & Porter's deep insights into policies and policymakers are an important resource for clients in preparing for a more standardized framework for ESG-related disclosures, including climate risks.

Antitrust/Competition

Our Antitrust/Competition practice is recognized worldwide for its breadth and depth of experience and its track record of excellence before government enforcers and in the courts. We provide strategic guidance on managing antitrust/competition risk across a range of ESG-focused initiatives, from acquisitions and joint ventures to industry working groups, sustainability agreements, industry standards and collaborations. We also help clients design antitrust compliance protocols and carry out compliance training related to ESG initiatives and policies.

- *Leading conservation organization* in mitigating antitrust risks associated with the creation of an industry working group focused on supply chain sustainability.
- *Global vehicle manufacturer* in providing antitrust guidance with respect to hydrogen vehicle manufacturing and infrastructure, including working with industry workgroups, lobbying, joint ventures, and competing suppliers.
- *Leading non-profit collaborative of businesses, universities, and civil society organizations* in mitigating antitrust risks from efforts to promote compliance with labor standards and accreditation and monitoring of suppliers' compliance with a voluntary code of conduct.

Consumer Advertising and Litigation

Consumer product companies are facing increased scrutiny on any “green” or sustainability claims in their advertising or labelling. Arnold & Porter’s Consumer Protection & Advertising team provides: practical risk reduction counseling; effective engagement of personnel at the FTC, FDA, CPSC, EPA, state attorneys general, and other federal and state agencies; efficient handling of multi-forum matters, whether government investigations,

consumer fraud litigation or competitor challenges; and careful consideration of state and local requirements as well as requirements outside the United States.

- *Retailers and consumer product companies* in responses to FTC inquiries regarding adequate use of disclosures in advertisements and compliance with the FTC’s Green Guides and the Fair Packaging & Labeling, Textile, and Wool Acts
- *Consumer products manufacturer* regarding marketing claims involving green, climate, carbon, and related issues.

Corporate Citizenship and Stewardship

We bring substantial experience guiding companies on their corporate responsibility locally and globally, and we regularly advise on policies governing human rights and resource usage. We work with clients to design customized programs that include third-party due diligence and country-specific risk assessment, and to address specific compliance-related issues as they arise.

- *International Wood Products Association and more than 15 individual IWPA members* as outside counsel on issues including enforcement of the Lacey Act, the Convention on International Trade in Endangered Species (CITES) and US economic sanctions.
- *Major publishing companies and a cosmetics company* in establishing controls to ensure supply chains are Lacey Act compliant.
- *Corporate clients* in connection with US law relating to the seizure of imported products made wholly or in part from forced labor.

Corporate Governance

We represent key stakeholders and other entities across a wide variety of corporate governance matters—



OUR INTEGRATED REGULATORY, LITIGATION AND TRANSACTIONAL SERVICES HELP YOU ACCOMPLISH WHAT YOU SET OUT TO ACHIEVE WHEN TRYING TO MAXIMIZE THE TRIPLE BOTTOM LINE.



Pride in Our Footprint

- Arnold & Porter is one of the eight founding firms of *Lawyers for a Sustainable Economy*, through which the firm has pledged to dedicate at least \$2 million worth of pro bono work to matters involving sustainability by the end of 2023.
- Our “Green Office Committee” has taken many steps to improve resource conservation and sustainable business practices firmwide, with most US offices attaining LEED Gold status.
- *Law360*, “Social Impact Leaders” report (Top 5 firms)
- *The American Lawyer’s*, “A-List” has recognized the firm 13 times since 2003
- *Chambers USA*, “Diversity & Inclusion Awards” (2022)
- *Human Rights Campaign*, Corporate Equality Index (2022)
- *Mansfield Plus Certification*, for promoting diversity in leadership pipelines (2022)
- *Financial Times*, “Innovative Lawyers Award—Rule of Law and Access to Justice” (standout in 2022)
- *The National Law Journal*, “Pro Bono Hot List” (2022)

encompassing practically every issue involving corporate strategy, risk management, accountability, transparency, social or environmental concerns, and ethical business practices. From action plans and internal controls to performance measurement and corporate disclosure, we help clients align stakeholder incentives and provide the “good governance” pivotal for positive equity valuations.

- *CASI Pharmaceuticals Inc.* on Nasdaq corporate governance requirements, securities and disclosure, and capital management matters.
- *Celestica Inc.*, a leader in design, manufacturing and supply-chain solutions, on US securities compliance and disclosure issues, transactional matters and securities litigation.
- *The American Clean Power Association*, serving as outside general counsel for matters spanning governance, tax, employment, IP, compliance, and corporate issues.

Environmental, Climate Change and Sustainability

Arnold & Porter provides one of the most comprehensive climate change practices in the US. Our team includes former DOJ and EPA senior

officials, an Interim General Counsel of the Green Climate Fund and the director of Columbia Law School’s Sabin Center for Climate Change Law. We provide regulatory and compliance counseling; advise public companies on both mitigating and disclosing climate risks and greenhouse gas emissions in their operations and supply chains; advise on sustainable business operations, including new opportunities in the renewable energy, carbon capture, utilization and sequestration (CCUS), and clean technology fields; and support clients in the rapidly changing regulatory world related to carbon trading and the transition to a carbon-neutral economy. In addition, we regularly advise clients on trends and emerging developments at the federal and state level.

- *Energy company* in advocating for a new, innovative law on GHG emissions and climate change in Whatcom County, Washington.
- *Corn ethanol manufacturing company* regarding aspects of carbon credit calculations under the California Low Carbon Fuels (LCFS) program.
- *Oil and gas company* in completing comprehensive evaluations of the climate in selected US jurisdictions for carbon capture, utilization and sequestration (CCUS) projects.

Financial Services Regulation and Supervision

We are known for our comprehensive coverage on complex issues including counseling on structure and charter choices; governance; investigations and enforcement actions; financial products and services; applying agency guidance and statements of policy; obtaining regulatory approvals, registrations and licenses; and securing interpretations of existing statutes/rules. We have advised a number of financial institutions on how to incorporate recent ESG guidance and regulations, and how to prepare for further ESG developments that are likely to arise.

- *American bank and wealth management company* on the fast-moving environmental regulatory developments under the Biden-Harris Administration in the ESG space. This client relies on our environmental, securities and financial services teams to help it anticipate and get ahead of potential new SEC climate-related disclosure requirements and how this administration's environmental justice focus may impact its business.
- *Piermont Bank* on all aspects of forming a new state-chartered bank, including advice and processing of all regulatory applications, corporate governance advice and initial capital raise.
- *Wealth management arms of several prominent banking organizations* on strategic issues, acquisitions, employment matters, products and services documentation, customer-facing agreements, negotiation of vendor agreements, and a broad range of bank and securities regulatory compliance issues.

International Trade

We collaborate across disciplines to provide a full slate of trade litigation, compliance and policy advice to

clients with sophisticated global operations and supply chains. We leverage our global resources to advise corporations, governments, trade associations, and nongovernmental organizations on the full range of legal issues encompassing international trade regulation and disputes. Clients benefit from the decades of experience offered by our roster of former officials at federal agencies with jurisdiction over trade, including the US Department of Commerce, Office of the US Trade Representative and US Customs and Border Protection.

- *Major companies* in navigating the product-exclusions process for Section 232 national security tariffs and quotas and Section 301 tariffs on imported goods from China.
- *Broad range of sophisticated companies* in import compliance matters and enforcement proceedings implicating multiple government agencies, including US Customs and Border Protection, the US Food and Drug Administration, the US Consumer Product Safety Commission, and other federal agencies involved in the international trade of goods.

Investment Management

Private fund managers work with us to incorporate ESG factors into their investment programs, including through the creation of impact investment funds. We advise on the formation of impact funds, including special considerations in the marketing, measurement and disclosure of ESG and impact in the highly regulated fund context. We provide guidance regarding key regulatory and tax considerations related to ESG investing, including SEC oversight related to ESG, program-related investment requirements for non-profit investors in impact funds, and applicable DOL rules related to ERISA plan investments in ESG investment vehicles. We also work with institutional investors who are focused on making ESG and impact fund



ARNOLD & PORTER IS
"RECOGNIZED FOR ITS HANDLING
OF COMPLEX CASES IN RELATION
TO EMERGING CLIMATE CHANGE
REGIMES." —CHAMBERS 2021

investments, reviewing and negotiating fund offering documents to confirm adherence to ESG principles and measurement as well as the maintenance of key governance and other provisions for the protection of investors. In Europe, we advise on the EU Regulation on sustainability-related disclosures in the financial sector (SFDR) and related rules and regulations, and their impact on local and US fund managers and advisors.

- *Sonen Capital*, a dedicated impact investment management firm, in connection with their global equity, fixed income, multi-strategy, and real assets funds.
- *Hedge fund manager* in connection with the establishment of a hedge fund share class that applies an ESG “screen” to the fund’s investment strategy, for investors that wish to participate in a socially responsible investment program within the fund.
- *Pharmaceutical company seed investor* in a fund formed to invest in the development of antibiotics that address unmet medical needs prioritized by WHO, CDC and other health authorities to advance medical science, contribute to slowing the emergence of resistance and support appropriate patient access.

Philanthropy

Arnold & Porter has a long tradition of providing a full range of legal services to all types of non-profit organizations on environmental, advocacy, philanthropy, legislative, governance, operational,

litigation, compliance, complex tax, and other matters. Our attorneys help nonprofits pursue their work with dedication, integrity and innovation in light of increasing calls for greater accountability and effectiveness from sophisticated stakeholders, including the public, the press, donors, regulators, and legislators.

- *Goldman Sachs and the Goldman Sachs Foundation* with its 10,000 Small Businesses initiative to help entrepreneurs create jobs and economic opportunity by providing access to education, capital and business support services.
- *The ONE Campaign, and its related ONE Action Fund*, in advising and counseling their public advocacy efforts to fight AIDS and extreme poverty around the world.
- *The United Nations Foundation*, the organization that receives and distributes Ted Turner’s \$1-billion gift to the United Nations, on its general operating and philanthropic matters.

Securities Enforcement and Shareholder Litigation

Drawing on the insights of former SEC and DOJ attorneys, our team guides clients in navigating the priorities of the SEC’s Climate and ESG Task Force. We help public companies and their contractors to evaluate their exposure to ESG issues, assess their climate-related disclosure obligations and mitigate the risks of enforcement action. Our attorneys have extensive experience navigating complex internal or government



“ARNOLD & PORTER ADOPTS A MULTIDISCIPLINARY APPROACH TO CORPORATE COMPLIANCE, GOVERNANCE AND RISK MANAGEMENT ISSUES.”

—LEGAL 500 2021

investigations, and we have an established record successfully defending securities class actions and shareholder derivative actions, which may arise out of allegations involving poor corporate governance.

- *Special board committee of a financial services public company* both in conducting an internal investigation involving corporate governance, internal control and financial reporting issues, and in handling related SEC, DOJ and other regulatory investigations and shareholder litigation.

- *Special board committee of an automotive public company* in conducting an internal investigation involving whistleblower allegations and issues relating to securities, criminal and other laws and regulations, as well as handling a related SEC investigation.
- *Internet services public company* in SEC, DOJ and internal investigations involving accounting, financial reporting, disclosure, and related issues.



Keep Current

Stay updated on environmental and climate change law and policy by subscribing to our blog, the [Environmental Edge](#).

Visit [our website](#) for our analysis of a broad range of ESG topics including board diversity, disclosures, green finance, decarbonization, and human rights.

In our [video series](#) 'ESG: The Bottom Line,' we dive into Environmental, Social and Governance legal issues.

About Arnold & Porter

With nearly 1,000 lawyers practicing in 15 offices around the globe, Arnold & Porter serves clients across 40 distinct practice areas. The firm offers 100 years of renowned regulatory expertise, sophisticated litigation and transactional practices, and leading multidisciplinary offerings in the life sciences and financial services industries.

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