

ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE (ESG)

HELPING CLIENTS MAXIMIZE THE TRIPLE BOTTOM LINE



Arnold & Porter

Our multidisciplinary team helps global companies continually assess the shifting risks and opportunities to successfully navigate the ESG landscape. With one of the most comprehensive climate change practices in the U.S., we are among the few firms able to deliver truly comprehensive services across all legal aspects – environmental, social, and governance. Our practice has a global reach, with lawyers in the U.S., UK, Europe, and Asia advising on a wide range of sustainability, governance, social responsibility, and compliance issues. We draw on the insights of former senior leaders from the Environmental Protection Agency (EPA), Securities Exchange Commission (SEC), Department of Justice (DOJ), Serious Fraud Office (SFO), and European Commission (EC).



Arnold & Porter has partnered with the ABA to publish *Environmental, Social, Governance: The Professional's Guide to the Law and Practice of ESG*

GOVERNANCE, POLICY, STRATEGY & ENGAGEMENT

- Counseling boards and management on compliance with overlapping and complex global regulatory and industry standards, including the EU Corporate Sustainability Due Diligence Directive (CSDDD), and California's GHG emissions disclosure laws, while continuously monitoring changing ESG protocols, policies and regulations
- Advising on the role of companies' boards and management on diversity, effective governance, corporate culture and oversight of ESG risks and opportunities
- Assisting boards with setting targets and designing and overseeing appropriate monitoring systems for ESG protocols, policies and regulations
- Advising on whistleblower policies, internal reporting structures, and retaliation policies to encourage internal reporting
- Advising boards and management on responses to ESG-focused shareholder activism, including shareholder proposals, and proactively addressing investor requirements, including navigating conflicts between pro-ESG and anti-ESG investors
- Conducting assessments for boards and management on key ESG issues
- 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

REPORTING & DISCLOSURES

- Advising on overlapping and complex climate and sustainability disclosure regimes and reporting requirements under U.S., and international jurisdictions, including California's GHG emissions disclosure laws, the EU Corporate Sustainability Due Diligence Directive (CSDDD), and the International Sustainability Standard Board (ISSB)
- Advising on disclosures involving board diversity, stakeholder capitalism, and other ESG governance matters
- Advising on voluntary disclosures and commitments, including sustainability reports and website pages
- Providing guidance on evolving metrics and financial reporting standards

LITIGATION, INVESTIGATIONS & DISPUTE RESOLUTION

- Providing risk reduction counseling, including for disclosures and misrepresentation claims regarding sustainability ("green marketing" claims)
- Defending ESG-related litigation and administrative proceedings
- Managing government investigations conducted by the EPA, DOJ, FTC, SEC, CFTC, state Attorneys General, and Congressional hearings
- Conducting internal investigations, often involving novel categories of allegations with special concerns for whistleblower actions, government investigations, and shareholder litigation
- Advising on international commercial and investor-state arbitration proceedings
- Counseling on crisis management and engagement with stakeholders and regulators

TRANSACTIONS

- Advising on ESG-tailored buyer/vendor due diligence models
- Counseling on ESG value impacts and risks on acquisitions, investments, and lending for investors, targets, buyers, lenders, and borrowers
- Advising on risk mitigation strategies for buyers and sellers in the context of ESG-related issues
- Advising on M&A and joint ventures relating to renewable, clean, and alternative energy projects
- Evaluating and mitigating ESG-related antitrust/competition risk arising in connection with M&A and other transactions
- Counseling on executive compensation linked to ESG metrics, including related disclosure considerations

ENERGY TRANSITION

- Advising on considerations when setting greenhouse gas emissions targets and energy transition strategies
- Guiding public companies in both mitigating and disclosing climate risks and greenhouse gas emissions in their operations and supply chains
- Counseling on emerging legislation and policy issues impacting energy transition, climate, and sustainability
- Advising on M&A and joint ventures relating to renewable, clean, and alternative energy projects, including carbon capture, use, and storage, and hydrogen production

INVESTMENT & SUSTAINABLE FINANCE

- Advising private fund managers on legal and regulatory requirements related to offering and managing impact/ESG investment funds
- Advising investors on the legal aspects of their investments in impact/ESG investment funds
- Counseling asset and private fund managers about the ESG expectations of institutional investors and differing reporting requirements
- Guiding asset and private fund managers in developing and implementing ESG-related investment policies and investor engagement policies
- Advising on sustainable financing including ESG-linked loans, sustainability-linked or “green” loans, sustainable supply chain financing and financing of energy transition and renewable energy projects
- Advising on ESG considerations in connection with IPOs and other capital markets transactions and ESG-related products, such as green bonds, social bonds and sustainability-linked bonds or “green” loans, sustainable supply chain financing and financing energy transition and renewable energy projects

HUMAN ASSETS

- Advising on global Business and Human Rights (BHR) policies (including the UN Guiding Principles (UNGPs), OECD Guidelines, and others) to mitigate legal and reputational risks
- Guiding boards and management, and conducting investigations in relation to complaints of whistleblowing, discrimination, and harassment
- Advising on the development of due diligence mechanisms to prevent and mitigate adverse human rights and environmental impacts
- Drafting and implementing executive compensation strategies and policies
- Advising on best practices in relation to community engagement, philanthropy, and diversity and inclusion
- Counseling on supply chain diligence and management, data ethics and information security Board diversity

PHILANTHROPY & COMMUNITY ENGAGEMENT

- Advising on innovative structures and vehicles for corporate philanthropy and impact investing
- Guiding mission-related and social venture capital investments
- Directing establishment of foundations and ensuring compliance with legal standards
- Advising on broad aspects of health equity initiatives, including global regulatory challenges, collaboration with tax-exempt organizations, and product development guidance.

ENVIRONMENTAL JUSTICE

- Conducting enterprise-wide or site-specific environmental justice audit(s) and enforcement/compliance risk assessments, as well as providing tailored recommendations/best practices for risk mitigation
- Tracking legal and policy developments
- Providing guidance for policy implementation and alignment with corporate ESG goals
- Offering training presentations and curriculum for targeted or enterprise-wide EJ programs
- Providing strategic counseling, analysis, and representation in permitting and project development matters with heightened EJ-related risks or opportunities
- Developing community engagement strategies and community benefits plans for federal and state funding opportunities
- Defending enforcement actions, litigation, and other legal matters with significant EJ components
- Coordinating with internal communications and stakeholder engagement teams to mitigate reputational harm and ensure compliance following incidents
- Developing crisis management EJ strategic playbooks for priority teams, incorporating federal and state guidance/best practices



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 each year.
- Arnold & Porter authored and edited *Environmental, Social, Governance: The Professional's Guide to the Law and Practice of ESG*, published by the ABA (2023).
- Our “Sustainability Committee” has taken many steps to improve resource conservation and sustainable business practices firmwide, with most U.S. offices attaining LEED Gold status.

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.



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