



Environmental, Social and Corporate Governance

Responsibility has always mattered in business, but now, environmental, social and corporate governance (ESG) practices face increasingly intense and high-profile scrutiny. Public companies, investment advisors and other entities need experienced, pragmatic advisors to help prepare for and navigate this scrutiny and identify enterprise-differentiating approaches. Our multidisciplinary, cross-border team has all the necessary resources to help our clients navigate the rapidly evolving legal, policy and corporate governance responses to climate change and social justice issues.

PRACTICE AT A GLANCE

- The US Securities and Exchange Commission (SEC) Division of Enforcement announced the formation of its Climate and ESG Task Force in 2021. The Division of Examinations similarly stated that it would prioritize ESG issues during examinations. This heightened scrutiny from the SEC is matched by the Financial Conduct Authority and the Prudential Regulatory Authority in the United Kingdom and agencies around the world. Our cross-border team can help clients navigate this scrutiny and prepare for an uptick in enforcement.
- Our ESG group includes former directors of the Division of Enforcement and the Division of Corporation Finance at the SEC—the latter of whom, during her tenure, helped shape the commission’s current disclosure requirements and guidelines around climate and board diversity, among other key topics.
- It also includes business-minded and seasoned practitioners in environmental law, bank regulatory law, corporate disclosure and enforcement, investment management regulatory requirements, public policy, anti-discrimination, human rights law, and strategic response.
- If needed, our top-notch litigators and trial lawyers stand ready to resolve shareholder disputes efficiently.
- We serve clients in a wide range of industries—from financial services and technology to energy and transportation—on the full spectrum of ESG-related matters.

\$1 trillion

amount ESG investing is expected to reach by 2030

Source: CNBC



of a company's market value, on average, is directly attributable to its reputation

Source: World Economic Forum

AREAS OF FOCUS

- **Climate Change and Environmental Justice:** We advise clients on environmental justice and related corporate governance, ethics, and compliance issues. We also advise on adapting to the implications of climate change and the increased environmental enforcement and litigation focus at all levels of government.
- **Regulatory and Compliance Counseling:** With deep experience interpreting regulatory requirements and developing compliance strategies, we shepherd companies through rapidly changing climate- and ESG-focused regulations and guidance.
- **Anti-Discrimination and Equity Issues:** Businesses face increasing pressure to show legal compliance with and/or commitment to diversity, equity and inclusion both internally and through their products, services and platforms. By conducting workplace culture reviews and racial equity and civil rights audits, we help companies and boards navigate these evolving expectations and related legal, business and policy implications.
- **Corporate Governance:** We help clients understand ESG risks and opportunities and steer them through the competing concerns of shareholders and other stakeholders, including employees and customers, proxy advisory firms, NGOs and others.
- **Disclosure Requirements:** Harnessing the experience of lawyers who formerly held high-level SEC roles, we advise on the full range of ESG disclosures, including sustainability, environmental risk management, climate matters, diversity and human capital management, human rights, and supply chain practices.
- **Investment Management:** Investment advisors, fund sponsors, and registered investment companies and their directors turn to us to navigate the complexities of the investment decision-making process, disclosure of these strategies and associated risks, and the marketing of ESG products.
- **Securities Enforcement:** As a leading international securities enforcement defense firm, we have the depth of experience with global regulatory bodies to successfully guide clients through the enforcement process, including parallel investigations by multiple regulators.
- **Securities and Shareholder Litigation:** ESG-related litigation is already pervasive, and we have represented many public companies in responding to board demands, conducting investigations and defending shareholder litigation based on allegedly deficient ESG practices and disclosures.
- **Crisis Management and Strategic Response:** Relying on government experience and industry insights, we help clients take charge of difficult situations. With lawyers who have extensive experience serving on corporate and nonprofit boards, we bring insight into how organizations can approach ESG and operate smoothly through challenges.

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Expect to see increased regulatory engagement on:

- climate risk disclosures;
- sustainable investment practices;
- executive compensation;
- climate-related risk management; and
- diversity reporting.

Clients describe us as “consummate professionals” with “excellent working relationships with the regulators” and as “an absolutely terrific team,” adding, “They know the enforcement world inside and out, and have incredible resources that they can bring to bear when necessary.”

— Chambers USA

92%

of business respondents agree that companies with commitments to ESG policies will outlast competitors without ESG policies

76%

of consumers say they will discontinue relations with companies that treat employees, communities and the environment poorly

Source: PwC