

Environmental, Social and Governance (ESG)

S&C's Multidisciplinary Approach to ESG

The rise of environmental, social and governance (ESG)-focused investing, shareholder engagement and sustainable finance has been a growing focus in international markets for the past decade. S&C has been at the forefront of this movement, advising clients on all aspects of their ESG, corporate purpose and sustainability matters. Key areas include:

- **Advising Boards and Management** – We advise boards on fiduciary duties and best practices for overseeing corporate purpose, sustainability and ESG matters. We also advise on board committee structures and agendas and respond to shareholder proposals related to ESG.
- **Reporting and Disclosures** – We advise clients on evolving developments regarding ESG disclosure frameworks developed by the Sustainability Accounting Standards Board, the Climate-related Financial Disclosures and other standard-makers, as well as related disclosure considerations for issuers. We also conduct benchmarking analyses of comparable disclosures in peer company filings.
- **Investor Engagement** – We develop and advise on effective messaging for institutional investor and proxy adviser engagement initiatives and voting guidelines. We also advise asset managers on fiduciary duty considerations associated with ESG-focused investing.
- **Mergers and Acquisitions** – We help potential targets and prospective buyers consider ESG factors in M&A decisionmaking, including the selection of targets, due diligence, integration and governance.

“Recent surveys confirm that senior executives at corporations, private equity, and asset management firms consider ESG an important factor when evaluating an M&A target.”

— Frank Aquila, Melissa Sawyer and June Hu
An ESG Playbook for Post-Pandemic M&A, Bloomberg Law

- **Green Finance for Infrastructure, Energy and Natural Resources** – We advise on the impact of ESG matters on project structures, financing terms and financing sources. We regularly advise clients regarding Equator Principles and standards and guidelines of multilateral agencies and export credit agencies.
- **Sustainability-Linked Financing** – We develop and implement innovative structures and terms for green and sustainability-linked financings. Our advice includes compliance with standards such as ICMA's Green, Social and Sustainability-Linked Bond Principles.
- **Clean Technology and Renewable Energy** – We have taken a leading role advising clients on innovative project financings for clean technology, renewable and alternative energy.

PRACTICES & CAPABILITIES

General Practice/Corporate Law
Capital Markets
Commercial Real Estate
Corporate Governance
Credit & Leveraged Finance
Environmental, Social and Governance (ESG)
Executive Compensation
Financial Services
Foreign Investments and Trade Regulations
Intellectual Property & Technology Transactions
Mergers & Acquisitions
Project Development & Finance
Restructuring
Environmental, Estates & Personal
Labor & Employment
Renewable & Alternative Energy
Tax



[Read our client memo on “Hydrogen—Recent Developments in Hydrogen Projects: Hydrogen Series”](#)

- **Environmental Risk Management** – We advise clients on managing environmental risk, compliance strategies, and developing environmental programs to minimize liabilities.
- **Litigation** – We handle litigation, including class actions, arising from sustainability disclosures.
- **Employment-Related Advice** – We regularly advise clients on their most challenging employment matters, including social responsibility, company culture, diversity and inclusion. We also advise on employee compensation and incentive programs related to ESG metrics.

Recent Memos

[“Hydrogen—Recent Developments in Hydrogen Projects: Hydrogen Series – Part 2”](#)

[“Hydrogen – Fuel of the Future or Just Hot Air?: Hydrogen Series – Part 1”](#)

[“U.S. Department of Labor Announces Proposal Affecting Plan Fiduciaries and ESG Investments”](#)

Recent Developments

["European M&A and Corporate Governance Hot Topics – December 2020"](#)

[“Sustainable Finance Update: New Loan Standards, Proposed EU Green Bond Standard and Other Recent Developments”](#)

Watch Our Webinar

[“2020 Proxy Season Review”](#) by Marc Trevino, Melissa Sawyer and June Hu

Listen to Our Podcasts

[S&C Critical Insights – An Overview of the Equator Principles 4](#)

[S&C Critical Insights – Financing with a Conscience: The Growth of Sustainable Finance](#)

Recent Events

“Creating Environmental, Social, and Governance Criteria: Transparency, Reliance, and Due Diligence,”
Stafford Webinar with Cathy Clarkin and June Hu
“The New Age of Corporate Governance,” PLI Hot Topics for In-House Counsel with Melissa Sawyer

SELECTED REPRESENTATIONS

Selected Representations

- Various **S&P Global 100 companies** on:
 - Director fiduciary duties and best practices for overseeing corporate purpose, sustainability and ESG matters;
 - Developing effective messaging for institutional investor and proxy advisor engagement initiatives and voting guidelines; and
 - Responding to ESG-related shareholder demands and proxy proposals
- Various **S&P 500 company boards** on ESG-linked executive compensation
- **Asian Infrastructure Investment Bank (AIIB)** (China) \$3.0 billion SEC-registered offering of notes. The proceeds from the offering will be used to further AIIB’s operations, which focus on sustainable infrastructure investment in Asia, 2020 – counsel to the issuer
- **Bank of Montreal (BMO)** (Canada) \$500 million offering of Senior Sustainability Notes, BMO’s first issuance of Sustainability Notes, 2019 – counsel to the issuer
- **Corporación Andina de Fomento (CAF)** (Venezuela) €750 million Reg S offering of green bonds, 2019 – counsel to the issuer
- **ECOWAS Centre for Renewable Energy and Energy Efficiency (ECREEE)** in drafting an ECOWAS directive on gender assessments for energy projects, 2017-2020 (pro bono)
- **Electricité de France (EDF)** (France) €2.4 billion Reg S offering of green bonds, EDF’s inaugural green bond offering, the largest convertible green bond ever issued and the largest non-mandatory convertible bond issued in Europe since 2003, 2020 – counsel to the issuer
- **European Investment Bank (EIB)** \$1 billion offering of Sustainability Awareness Bonds (SAB), the first SAB issuance from its U.S. debt shelf registered under Schedule B of the Securities Act, 2020 – counsel to the underwriters
- **Inversiones CMPC S.A.** (Chile) \$100 million green term loan with a syndicate of Japanese banks, one of the first ever green loans incurred by a non-Japanese borrower in the Japanese market, 2019 – counsel to the borrower
- **JUST Capital** (U.S.) in connection with the launch by Goldman Sachs Asset Management of the JUST U.S. Large Cap Equity ETF in partnership with JUST Capital Foundation, which ended its first day of trading with more than \$250 million in assets, making it the most successful ETF incorporating ESG criteria in investment decisions, 2018 – counsel to the issuer
- **KfW (Kreditanstalt für Wiederaufbau)** (Germany) \$2.0 billion SEC-registered offering of global notes (green bonds), 2020 – counsel to the issuer
- **Minera Los Pelambres** (Chile) \$1.3 billion of unsecured commercial bank and export credit agency term loans related to the expansion of the Los Pelambres project, which includes construction of a desalination plant. The \$875 million commercial bank tranche received a Green Evaluation from S&P Global Ratings, making Los Pelambres the first mining company in the world to receive this evaluation from S&P, 2019 – counsel to the borrower
- **Prudential Financial, Inc.** (U.S.) \$500 million SEC-registered green bond offering of medium term notes pursuant to its new Green Bond Framework, 2020 – counsel to the issuer
- **Québec** (Canada) C\$500 million offering of green bonds and listed on Luxembourg Stock Exchange, 2017 – counsel to the underwriters
- **Royal Philips** (Netherlands) €750 million inaugural offering of its Green Innovation Bond and set up of its Sustainable Innovation Bond framework, 2019 – counsel to the issuer
- **Royal Philips** (Netherlands) €1 billion inaugural sustainability-linked loan, one of the first ever in the market, 2017 – counsel to the borrower
- **United Mexican States** (Mexico) €750 million SEC-registered offering of global notes. In the first offering of its kind, Mexico intends to expend an amount of resources equal to the net proceeds from the sale of the notes to fund budgetary programs that qualify as eligible expenditures under its Sustainable Development Goals (SDG) Sovereign Bond Framework), 2020 – counsel to the underwriters