

Vinson&Elkins
Established 1917

DECEMBER 12, 2018

THE NEW GOVERNANCE: NAVIGATING THE RISING ESG TIDE

velaw.com



DISCUSSION TOPICS

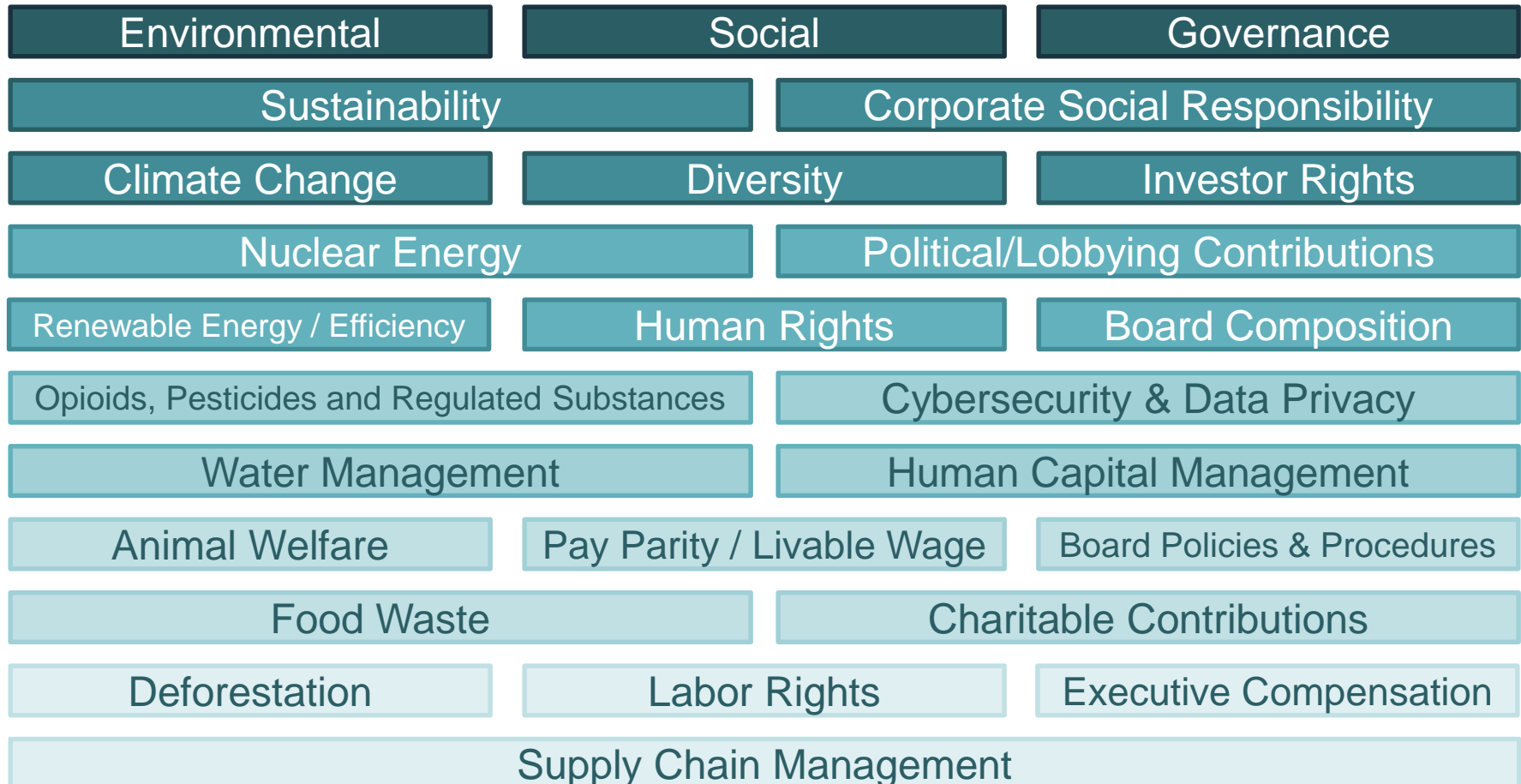
What is ESG?	3 – 4
ESG: Why Engage?	5 – 8
Recent ESG Developments	9 – 14
Navigating ESG: Engaging Proactively	15
Navigating ESG: Managing ESG Activism	16 – 20
Navigating ESG: Adopting Voluntary Disclosures	21 – 22
Navigating ESG: Strategically Integrating ESG Risks and Opportunities	23 – 24

WHAT IS ESG?

THE BROAD WORLD OF ESG



What is ESG?



WHAT IS ESG?

FIVE FACTS ABOUT ESG YOU MAY NOT KNOW (BUT SHOULD!)

1

ESG is no longer only relevant to companies with broad investor bases or companies in particular industries. Companies large and small, with broad investor bases or with significant shareholders, in industries ranging from technology to utilities to real estate, are now finding themselves the focus of ESG interest.

2

ESG regulation is already here, and it's growing. ESG regulation has arguably been around for decades, but recently global efforts have intensified.

3

There are over two dozen external regimes that are widely recognized and that regularly issue standards, reports and rankings. The amount of “soft” regulation grows each year, as do the expectations and complexity of the requirements and the influence of these regimes.

4

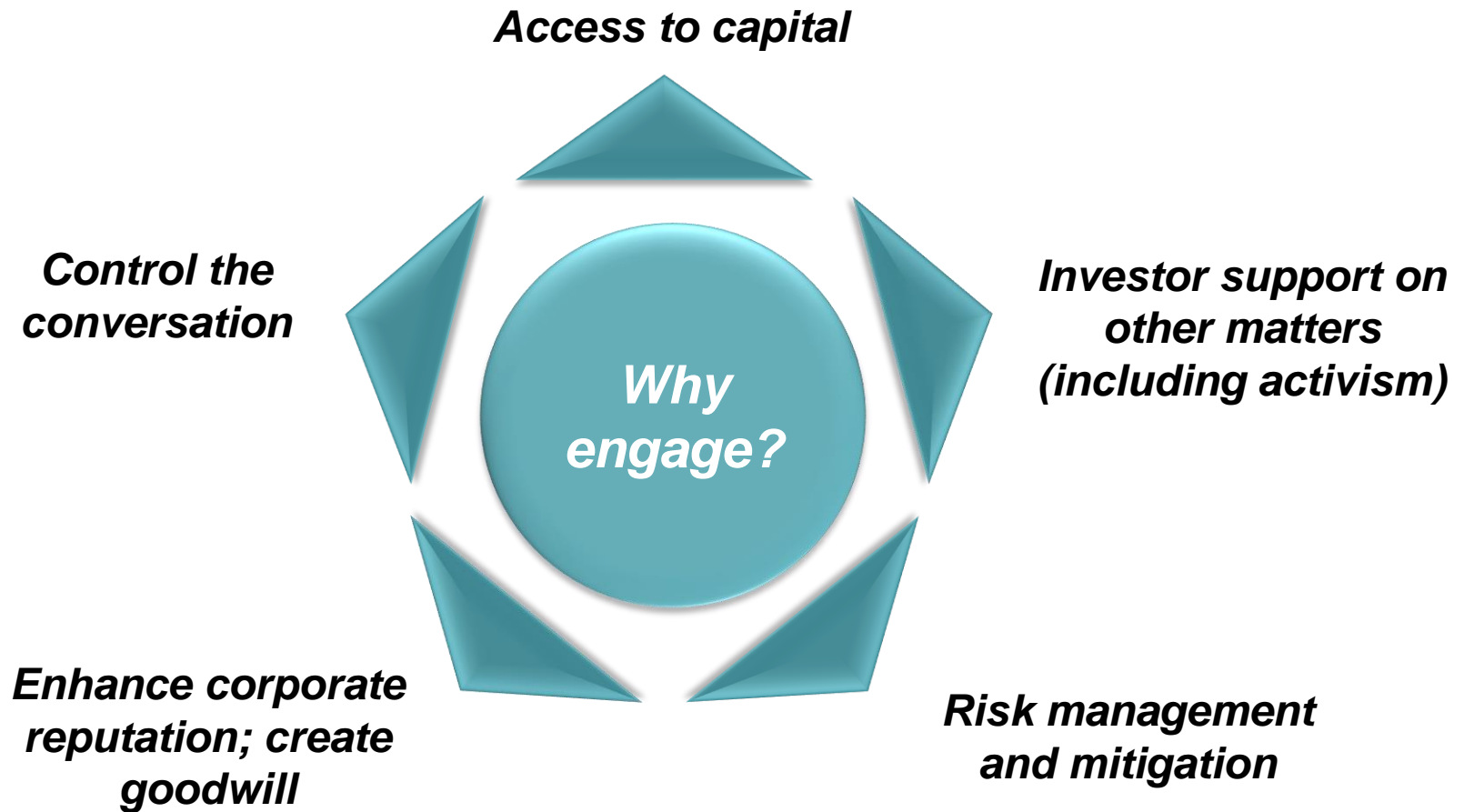
ESG has significant implications for transactions and corporate change. Companies may pay a significant cost for failing to do adequate ESG due diligence prior to engaging in a transaction or undertaking a strategic change.

5

ESG enforcement and litigation is on the rise. Cybersecurity, child labor, sustainability, animal welfare, climate change. Each of these has been the focus of major litigation or enforcement efforts in the past 12-18 months.

ESG: WHY ENGAGE?

WHY ENGAGING WITH INVESTORS IS IMPORTANT



ESG: WHY ENGAGE?

FIVE RULES FOR ENGAGING WITH INVESTORS ON ESG MATTERS

1 Determine what your ESG story is and how it may change.

- What is your company doing now from an ESG perspective? What are you not getting credit for?
- What industries trends are relevant to your company and which are not?
- How may your ownership structure change over the next 3 to 5 years?

2 Get investor relations, legal, marketing and subject-matter experts on the same page.

- Is there an agreed upon agenda and an agreed upon approach?

3 Consider Regulation FD and securities law implications.

- What constitutes “material” ESG information?

4 Adopt a long-term ESG strategy.

- What is your company’s ESG journey?
- What is the “goal” of your company’s ESG engagement?

5 Consider what level of board oversight is appropriate.

- What body/bodies of the board are charged with risk oversight and is ESG on the agenda?

ESG: WHY ENGAGE?

HOW ESG INFORMATION IS USED BY INVESTORS

Voting Decisions

- Utilizing ESG information in determining how to vote proxies for shareholder proposals and management proposals, including director nominations
- ISS E&S QualityScore; Glass Lewis incorporating SASB standards

Engaging with Management and the Board

- Asking specific, targeted questions regarding ESG risk oversight in engagements
- For 2018, BlackRock has made climate risk oversight and human capital management engagement priorities

Incorporating ESG Factors into the Investment Decision-making Process

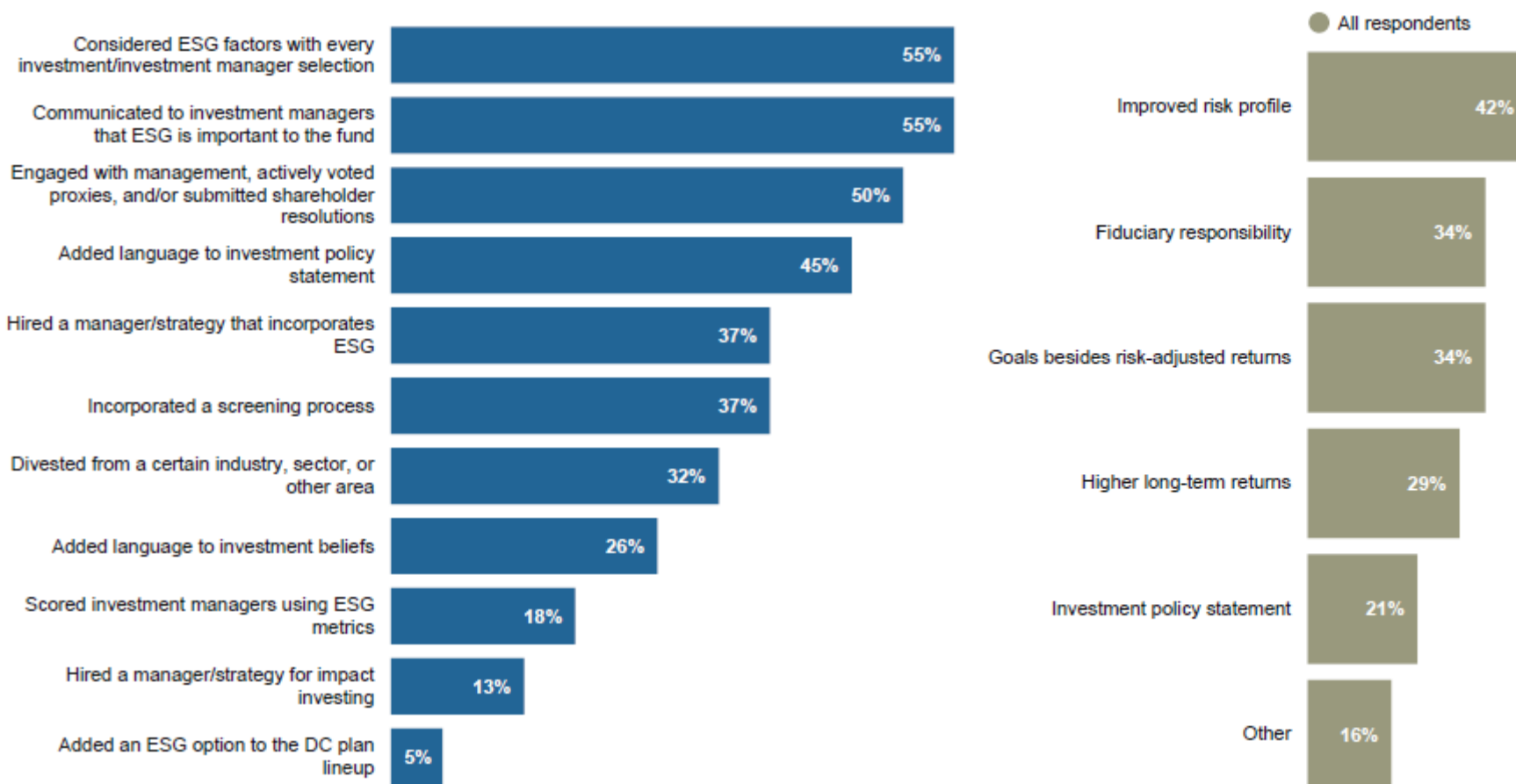
- Recent reports place the level of ESG-focused investment at approximately \$20 trillion of assets under management
- ESG systems being put in place to inform investment decisions for actively managed funds
 - Incorporation of ESG factors into the investment decision-making process nearly doubled to 43% in 2018 compared to 22% in 2013⁽¹⁾
 - T. Rowe Price, for example, has developed an ESG rating system to inform portfolio managers on ESG risks with a traffic light system

(1) According to Callan Institute's 2018 ESG Survey of 89 institutional funds and trusts.

ESG: WHY ENGAGE?

ESG IMPLEMENTATION BY INVESTORS

How funds are incorporating ESG⁽¹⁾: Reasons cited for incorporating ESG⁽¹⁾:



(1) multiple responses allowed.

RECENT ESG DEVELOPMENTS

2017 – 2018: AN EXPLOSION OF REGULATORY AND INVESTOR ESG INTEREST

2010: SEC issues climate change disclosure guidance

2011: SEC issues cybersecurity disclosure guidance

March 2017: BlackRock and State Street indicate they intend to hold directors responsible for a lack of diversity on their boards

September 2017: NYC Comptroller announces “Boardroom Accountability Project 2.0” pushing for board diversity and board climate expertise

January 2018: BlackRock issues investor letter emphasizing the importance of corporate social responsibility

April 2018: SEC brings first cyber-related disclosure enforcement action (Yahoo!)

April 2018: NIST issues updated Framework for Improving Critical Infrastructure Cybersecurity

April 2018: DOJ issues an interpretive bulletin regarding plan investments and ESG goals

2017

August 2017: Vanguard issues its Investment Stewardship 2017 Annual Report, indicating that climate change and board diversity are priorities

August 2017: State Street issues Perspectives on Effective Climate Change Disclosure

November 2017: New ISS and Glass Lewis policies address board diversity and climate change matters

2018

February 2018: SEC issues updated cybersecurity disclosure guidance

February 2018: ISS launches Environmental & Social QualityScore

November 2018: Final ISS 2019 policies

October 2018: ISS issues FAQs on its new Environmental & Social Disclosure QualityScore

2012 - 2014: SEC issues two reports to Congress on climate change disclosures

Non-U.S. regulatory developments are likely to be major regulatory drivers (e.g. EU Directive on Non-Financial Disclosures).

RECENT ESG DEVELOPMENTS

WHY BOARD DIVERSITY IS A HOT TOPIC NOW

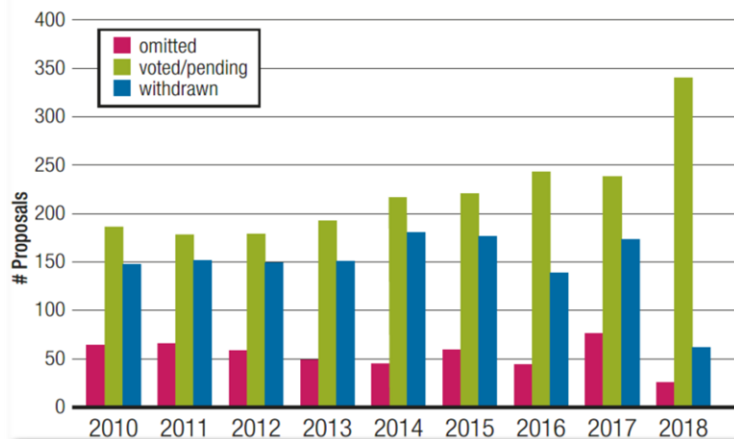
2017 represented a watershed moment in the U.S., not only for board gender diversity, but for gender dynamics in general



RECENT ESG DEVELOPMENTS

INCREASED ESG INVESTOR INTEREST AND DISCLOSURE

Environmental, Social & Sustainability Resolutions Since 2010



Source: Proxy Preview 2018

ESG Reporting Has More Than Tripled Since 2011

During 2011, just under 20% of S&P 500 companies reported on their sustainability, corporate social responsibility, ESG performance and related topics and issues. In 2017, the total rose to 85% of S&P 500 companies reporting on these matters.*

*Governance & Accountability Institute Research Results (2018)

Major Institutional Investors Have Emphasized the Link Between Environmental Issues and Shareholder Value

BLACKROCK



"Environmental, social, and governance (ESG) factors relevant to a company's business can provide essential insights into management effectiveness and thus a company's long-term prospects" – CEO'S ANNUAL LETTER TO INVESTORS.

"We call on high-impact sector companies to provide information on the following ... areas... [g]overnance and board oversight of climate risk [and] [e]stablishing and disclosing long-term GHG emissions goals..." – SSGA'S PERSPECTIVES ON EFFECTIVE CLIMATE CHANGE DISCLOSURE.

"As the steward of long-term shareholder value for more than 20 million investors, Vanguard closely monitors how our portfolio companies identify, manage, and mitigate risks—including climate risk." – INVESTMENT STEWARDSHIP 2017 ANNUAL REPORT.

RECENT ESG DEVELOPMENTS

SUMMARY



- **ESG Investment.** Increasingly, ESG is a factor in investment decisions. While some investors choose to proactively pursue ESG-focused investments, or avoid certain companies or industries viewed as problematic from an ESG perspective, other investors use ESG factors as only one of several categories of considerations.
- **ESG Ratings.** The number of ESG rating organizations, and the complexity of their methodologies, continue to proliferate.
- **ESG Activism**
 - Traditional activists have used governance factors to push their agendas for decades; now these individuals may also use ESG (i.e., Jana Partners and Apple Inc.).
 - Shareholder proposals on ESG matters have also been around for decades, what has changed is:
 - The extent of their use;
 - The level of their legitimacy; and
 - The level of their support.

RECENT ESG DEVELOPMENTS

NOTEWORTHY DEVELOPMENTS

- ***Various institutional investors and proxy advisory firms have adopted standards with respect to board diversity.***
 - CalPERS letter campaign on board diversity.
- ***Royal Dutch Shell recently agreed to set carbon emissions targets next year and link those to executive pay.***
- ***Recently, lawsuits have been filed against the utility company operating in the heart of the region devastated by the deadly Camp Fire in California.***
- ***On January 1, 2019, Australia's Modern Slavery Act will take effect.*** The Act will require companies with a revenue of A\$100 million operating in Australia to do annual reporting on risk in operations and supply chains related to modern slavery and on steps to reduce such risk and their effectiveness.
- ***In October 2018, academics and institutional investors petitioned the SEC to require ESG disclosures.*** In particular, the petition discusses the implications of requiring disclosure regarding climate risks and opportunities, short- and long-term sustainability risks, gender pay equity, human capital management, human rights, political spending disclosure and international tax strategies.

RECENT ESG DEVELOPMENTS

NOTEWORTHY DEVELOPMENTS

- ***In October 2018, California imposed climate risk disclosure requirements on CalPERS and CalSTERS.***
- ***In September 2018, California adopted a law requiring public company boards to include women.***
- ***In September 2018, Senator Warren introduced The Climate Risk Disclosure Act.*** If enacted, The Climate Risk Disclosure Act would require each company to disclose (i) its direct and indirect greenhouse gas emissions, (ii) the total amount of fossil-fuel related assets that it owns or manages, (iii) how its valuation would change if climate change continues at its current pace or if policymakers successfully restrict greenhouse gas emissions to meet the Paris Agreement goal, and (iv) its risk management strategies related to the physical risks and transition risks posed by climate change.
- ***In September 2018, the SEC announced that SeaWorld Entertainment Inc. and its former CEO settled fraud charges for misleading investors about the impact of the documentary film Blackfish on the company's reputation and business.***
- ***On March 9, 2018, UBS filed a Form 6-K with the SEC enclosing its EU-required corporate sustainability report.*** This filing marks a significant moment in the rapidly changing world of ESG disclosures as it effectively declares climate and sustainability reporting to be material.

ENGAGING PROACTIVELY

PROACTIVE ENGAGEMENT WITH INVESTORS ON ESG MATTERS



Q4

Does your company have an investor engagement program?

Investor Engagement Checklist:

- ☐ Identify the segment of investors to be targeted for engagement (i.e., top 20 holders)
- ☐ Identify the best time of year for such investors to be contacted absent a time-sensitive issue
- ☐ Determine whether meetings will be held in person or via telephone and which company personnel will participate. If a member of the board will participate, that individual should be prepared carefully in advance
- ☐ Identify topics to be covered (topics company wants discussed and topics investors may be interested in)
- ☐ Draft and vet an engagement invitation email with IR and legal counsel. Consider what information should be included in the meeting request
- ☐ Draft and vet an engagement Q&A with legal counsel and, as relevant, ESG counsel
- ☐ After engagement, review both positive and negative feedback and create an action plan for addressing any concerns
- ☐ Consider disclosure obligations

MANAGING ESG ACTIVISM

TOP ENVIRONMENTAL AND SOCIAL SHAREHOLDER PROPOSALS

	2016	2017	2018
Environmental	<ul style="list-style-type: none"> 31 proposals on adopting GHG goals or disclosure 26 proposals on climate change-related risks 25 proposals on renewable energy 	<ul style="list-style-type: none"> 33 proposals on climate change-related risks 31 proposals on adopting GHG goals or disclosure 27 proposals on the environmental impact of the business 	<ul style="list-style-type: none"> 38 proposals on adopting GHG goals or disclosure 27 proposals on issuing a sustainability report 21 proposals on climate change-related risks
Social	<ul style="list-style-type: none"> 26 proposals on board diversity 15 proposals on human rights violations 13 proposals on gender pay gap 	<ul style="list-style-type: none"> 33 proposals on board diversity 22 proposals on gender pay gap 21 proposals on preparing a diversity report 	<ul style="list-style-type: none"> 29 proposals on board diversity 25 proposals on gender pay gap 23 proposals on preparing a diversity report

Spoiler Alert.

Climate change-related proposals have consistently been at the top.

Spoiler Alert.

Diversity claims first place, but other human rights matters pack a punch.

MANAGING ESG ACTIVISM

TOP GOVERNANCE SHAREHOLDER PROPOSALS

	2016	2017	2018
Governance	<ul style="list-style-type: none">▪ 195 proposals on adopting proxy access▪ 55 proposals on independent board chair▪ 30 proposals on reducing supermajority vote requirements	<ul style="list-style-type: none">▪ 86 proposals on adopting proxy access▪ 48 proposals on independent board chair▪ 30 proposals on amending existing proxy access provisions	<ul style="list-style-type: none">▪ 74 proposals on reducing the threshold for/permitting shareholders to call a special meeting▪ 53 proposals on independent board chair▪ 42 proposals on permitting shareholders to act by written consent

Spoiler Alert:
Proxy access was a trend; proponents have mostly returned to traditional governance topics.

MANAGING ESG ACTIVISM

TOP COMPENSATION AND POLITICAL SHAREHOLDER PROPOSALS

	2016	2017	2018
Compensation <p><i>Spoiler Alert: While performance metrics take the day, under the surface, environmental and social matters drive many of these proposals.</i></p>	<ul style="list-style-type: none"> 24 proposals on equity award vesting 14 proposals on using particular performance metrics 13 proposals on adopting stock retention/holding periods 	<ul style="list-style-type: none"> 14 proposals on using particular performance metrics 12 proposals on equity award vesting 	<ul style="list-style-type: none"> 22 proposals on using particular performance metrics 12 proposals on clawbacks
Political <p><i>Spoiler Alert: These proposals have been slowly increasing in number and support. Will we see a majority vote on a 2019 proposal?</i></p>	<ul style="list-style-type: none"> 48 proposals on reporting lobbying payments 39 proposals on reporting political contributions 	<ul style="list-style-type: none"> 49 proposals on reporting lobbying payments 36 proposals on reporting political contributions 16 on reporting political activity and risks 	<ul style="list-style-type: none"> 47 proposals on reporting lobbying payments 37 proposals on reporting political contributions

MANAGING ESG ACTIVISM

PROXY SEASON REVIEW

E&S Proposals

- E&S issues remained at the forefront in 2018 as they did in 2017. A record number of E&S proposals received majority support in 2018 with 12 proposals passing, including 2 proposals relating to climate change and 3 regarding sustainability reporting; median support was at a record high of 23.4%.
- As support for E&S proposals trend upward, more companies opted for negotiated withdrawals; 44% of E&S proposals were withdrawn before the meeting.

Governance Proposals

- Lower number of governance proposals in 2017 and 2018 largely due to the fall in the number of proxy access proposals, as the provision is now in place at approx. 70% of S&P 500 companies; NYC Comptroller shifted focus to board composition.
- Special meeting and written consent proposals nearly tripled over 2017, primarily from John Chevedden, who filed over 110 proposals, more than twice as many as the next most prolific proponent.

FIVE CONSIDERATIONS FOR ADDRESSING ESG SHAREHOLDER PROPOSALS



1 Save everything.

- To preserve all potential procedural arguments, retain the packaging materials of any mailed proposals

2 Know your deadlines and Rule 14a-8 timing requirements.

- A company has 14 days following the receipt of any 14a-8 proposal to notify the proponent of any deficiency that can be remedied, and the proponent has 14 days to respond
- Generally, proponents must deliver any 14a-8 proposal at least 120 days prior to the one-year anniversary of the date the company released its proxy materials for the prior year's annual meeting

3 Have a basic understanding of the procedural and substantive arguments for exclusion.

4 Be prepared to engage.

- Proposals often can be negotiated out, even if the company does not have a procedural or substantive argument for exclusion

5 Plan for the long term.

- Remember, proponents can come back next year with a new request

ADOPTING VOLUNTARY DISCLOSURES

TOP VOLUNTARY ESG DISCLOSURES

Q7

ExxonMobil

2018 Energy & Carbon Summary
Positioning for a Lower-Carbon Energy Future

climate change resilience

a framework for decision making

SHELL SCENARIOS

Sky

MEETING THE CHALLENGES OF
THE PARIS AGREEMENT

UBS

2050 2055

GRI Document 2017

Sustainability reporting information

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

Date: March 9, 2018

UBS Group AG

Commission File Number: 1-36764

Commission

Finance for a Climate-Resilient Future

Citi's TCFD Report

citi

FIVE CONSIDERATIONS FOR MAKING VOLUNTARY ESG DISCLOSURES



- 1** What is your ownership structure and are your investors interested in any ESG matters?
 - Do you know which of your investors have ESG policies?
- 2** What resources, including human capital, does your organization have available for considering/crafting voluntary ESG disclosures?
 - Where do ESG engagement efforts draw their budget and expertise from?
 - Will separate resources be identified for creating voluntary disclosures?
- 3** Have you already established board-level oversight of ESG matters?
 - How and when is the board updated on ESG matters?
- 4** What access do you have to expertise across key ESG matters (i.e., labor, supply chain, climate change, diversity, cybersecurity)?
 - What external experts will be engaged?
- 5** What is the long-term benefit of providing the voluntary disclosure?
What is the long-term goal?

ESG

Strategic Direction

- Identification of ESG strategic metrics, goals
- Identification of ESG strategic opportunities
- Evaluation of integrated approaches

Risk Oversight

- Identification of ESG risks as part of the ERM process
- ESG due diligence in advance of strategic transactions

Incentives

- Executive compensation aligned to long-term ESG value creation
- ESG risks/solutions identification rewarded

Corporate Culture

- ESG “tone at the top”
- ESG values communicated broadly
- ESG brand
- Reporting employees protected

USING THE CORPORATE COMPLIANCE APPROACH TO ADDRESS ESG MATTERS

Compliance Program

- Upper management and board-level oversight
- Clearly identified roles and reporting structures
- Established definitions and bright-line standards
- Required policies and procedures
- Protections for company employees identifying issues
- Dedicated, allocated resources
- External expertise

ESG Considerations

- Identify key personnel and board bodies charged with oversight of various ESG matters
- Provide clear duties for personnel charged with management of various ESG matters
- Consider the key areas of ESG risk and define bright-line standards for disclosure
- Establish internal ESG policies and procedures and consider whether external disclosures are needed
- Review key corporate ESG-related policies, clarify protections for employees reporting ESG issues and consider corporate cultural implications
- Consider whether adequate personnel and budget have been allocated to various ESG matters
- Identify external ESG expertise

LINKS TO RECENT V&E ESG THOUGHT LEADERSHIP

- [Strategic Preparation for the 2019 10-K and Proxy Season](#) (December 2018)
- [Developments in Governance and Disclosure](#) (December 2018)
- [Cyber-Governance: Legal Considerations for Cyber Disclosure and Preparedness](#) (November 2018)
- [The Cyber Risks Your Employees May Be Creating](#) (October 2018)
- [When CEOs Go Rogue: Director Oversight of Corporate Goodwill and Social Capital](#) (September 2018)
- [Developments in Governance and Disclosure](#) (July 2018)
- [A Monster of a Lesson on Managing Risks in Supply Chains](#) (June 2018)
- [The Edison Electric Institute ESG/Sustainability Reporting Template: A Model For Other Industries](#) (May 2018)
- [Responding to #MeToo Part II: When the Alleged Harasser is in Charge and Responding to #MeToo Part I: Building an Effective Anti-harassment Training Program](#) (May 2018)

LINKS TO RECENT V&E ESG THOUGHT LEADERSHIP

- [Natural Disaster: Social Insurance in an Era of Climate Change \(April 2018\)](#)
- [SEC Staff Permits “Micro-Management” Argument to Exclude Climate Change Proposals \(April 2018\)](#)
- [ExxonMobil Releases Climate Change Report, Following Similar Reports by Chevron, Shell, and Others \(April 2018\)](#)
- [Presentation on Legal Considerations for Climate Scenario Analysis \(March 2018\)](#)
- [Key Steps for Addressing the SEC’s New Cybersecurity Disclosure Guidance \(February 2018\)](#)
- [The Task Force on Climate-related Financial Disclosures \(TCFD\) Seeks to Revamp Climate Change Disclosures Worldwide \(November 2017\)](#)
- [State Street Issues New Recommendations for Enhanced Climate-Related Disclosures \(September 2017\)](#)
- [The Ascendancy of 2° Celsius Proposals in ESG Activism \(June 2017\)](#)
- [Lessons From an Agreement with 21st Century Fox \(December 2017\)](#)



THANK YOU

Austin

T +1.512.542.8400

Beijing

T +86.10.6414.5500

Dallas

T +1.214.220.7700

Dubai

T +971.4.330.1800

Hong Kong

T +852.3658.6400

Houston

T +1.713.758.2222

London

T +44.20.7065.6000

Moscow

T +7.495.544.5800

New York

T +1.212.237.0000

Richmond

T +1.804.327.6300

Riyadh

T +966.11.250.0800

San Francisco

T +1.415.979.6900

Tokyo

T +81.3.3282.0450

Washington

T +1.202.639.6500



V&E PROFILE



THOMAS H. WILSON
PARTNER, LABOR & EMPLOYMENT



+1.713.758.2042



twilson@velaw.com

Recognition

Chambers USA, Labor and Employment (Texas), 2006–2018

The Best Lawyers in America® (Woodward/White, Inc.), Labor and Employment law, 2003–2006, 2008–2017

Selected to the Texas Super Lawyers list, *Super Lawyers* (Thomson Reuters), 2003–2004, 2006–2017

Who's Who Legal (Law Business Research Ltd.), Labor, Employment & Benefits, 2016

Tom Wilson's experience has made him an advisor and thought leader on the social issues concerning international human rights. Tom has conducted international due diligence and investigation projects in Asia (Far and Middle East), Africa, and Latin America. Included in these matters have been investigations in Malaysia, Brazil, and Mauritania concerning issues including modern slavery, child labor, and indigenous people impacts. Tom advises companies on their role in protecting the international human rights of those working directly for or in the supply chain as well as on the impact the companies' operations may have on others. Tom has provided training sessions and helps companies develop their international human rights policies, procedures and practices.

Based upon his experience, particularly in representation of energy companies, Tom proposed in a speech in June 2015 that the State of Texas Bar create an International Human Rights Committee. Based upon that proposal, the Texas Bar's International Law Section created the Texas Bar's International Human Rights Committee. Tom served as chair of that committee for the first two years of its existence. He now serves as the chair of the Texas Bar's International Law Section.

Tom is also an officer of the International Bar Associations Human Rights Law Committee. He has spoken on international human rights matters at international conferences in Vienna, Sydney and Rome.

Select Experience

- For an international steel company, managed a supply due diligence project including operations in Brazil
- Conducted an investigation for an international organization related to unfair treatment allegations and included witness interviews in Malaysia and Europe
- Advised international energy company on operations in Mauritania in relation to modern slavery concerns and drafted policies, procedures and contract terms related to same
- Advised international energy company on fair employment issues related to matters in The Bahamas, Mozambique, and Singapore
- Conducted post transaction due diligence for client on purchased operations in the United Arab Emirates, China, and Singapore. Assisted client in closure of operations following completion of this due diligence
- Advised UAE based construction company on human rights issues related to workers and indigenous people for project in Colombia

V&E PROFILE



MARGARET PELOSO
PARTNER, WASHINGTON, DC

+1.202.639.6774

mpeloso@velaw.com

Education

Duke University, Ph.D., Environment, 2010
(Dissertation: Adapting to Rising Sea Levels)

Stanford Law School, J.D. with distinction, 2009
(Editor in Chief, *Stanford Journal of Law, Science & Policy*; Article Review Board Chair, *Stanford Environmental Law Journal*)

Duke University, Masters of Environmental
Management, Environmental Economics and
Policy; Coastal Environmental Management, 2006

Duke University, B.S., Biology *summa cum laude*,
2005 (Phi Beta Kappa)

Margaret's areas of practice are environmental law and climate change. With respect to climate change, she handles a variety of matters, including advising on climate change risk management and disclosure and climate change adaptation issues. Margaret works on a variety of complex environmental litigation matters, with a particular focus on issues related to expert witnesses and the use of scientific evidence in litigation. She also deals extensively with the notice and comment process on a wide range of federal environmental regulations.

Prior to joining Vinson & Elkins, Margaret completed her Ph.D. in environment at Duke University, where she wrote her doctoral dissertation on legal and policy issues associated with sea-level rise adaptation. Margaret frequently authors articles on climate change, environmental law and environmental shareholder activism, including a recently published book titled "*Adapting to Rising Sea Levels: Legal Challenges and Opportunities*," and presents papers on a variety of climate change topics at academic and industry conferences, as well as before various federal agency groups exploring climate change adaptation.

Select Experience

- Advising global commodities merchant with respect to the creation of procedures for vetting transactions and managing reporting, and on the creation of renewable fuels obligations and trading mechanisms to realize value of renewable fuels credits
- Advised downstream energy company in connection with shareholder resolution to defer the purchase of Renewable Fuel Standard (RFS) credits, including guidance on how best to balance obligations under U.S. tax code to maintain status as a MLP while meeting renewable fuels standards
- Advises Fortune 500 companies on climate-related disclosures and regulatory policy
- Leading national expert on climate-related disclosure standards
- Advises clients on legal issues related to asset risk and climate change
- Advises energy industry companies on environmental issues in litigation and transactions
- Advises energy companies on institutional investor relations and responding to shareholder proposals

V&E PROFILE



SARAH E. FORTT
SENIOR ASSOCIATE, MERGERS &
ACQUISITIONS AND CAPITAL MARKETS



+1.512.542.8438



sfortt@velaw.com

Education

- Yale Law School, J.D., 2010 (Editor, *Yale Journal on Regulation*)

Sarah's principal area of practice is securities law and corporate governance. She advises clients, including public companies and their boards of directors, on corporate governance, securities law and regulatory matters, including exchange listing standards. Sarah is also well versed in executive compensation best practices and disclosures. Representative matters include advising clients on Securities and Exchange Commission reporting requirements, proxy and periodic disclosures, director independence and qualification matters, proxy advisory firm policies, board and committee procedures and governance documents, shareholder engagement and corporate governance activism, and disclosure controls and procedures. Sarah is also experienced with emerging corporate governance matters including proxy access, cybersecurity risk disclosures and oversight, corporate social responsibility statements and disclosures, proxy redesign, pay-for-performance and wage parity disclosures, and political contributions disclosures. Sarah also advises non-profit organizations on corporate governance issues.

Select Experience

- Presentations to S&P 500 boards of directors on corporate governance best practices and key governance developments, including insights regarding risk oversight, crisis management, oversight of executive compensation, succession planning, board communications and materials, and stockholder communications
- Support to General Electric, Bank of America, Schlumberger, Intel, Carnival Corporation and others each in their annual preparation for their stockholders meetings, including addressing stockholder proposals, drafting and reviewing proxy statement disclosure and assisting with stockholder engagement efforts
- Business Roundtable policy statements regarding corporate governance and comment letters to the Securities and Exchange Commission on key governance developments
- Ongoing governance support for over a dozen corporations, including independence analysis, implementation of governance policies and procedures, disclosures, and board presentations
- Detailed analyses of current practices and compilation of governance recommendations for nonprofit and charitable organizations