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How Social Impact & ESG are Fueling the Transportation & Logistics Industries

Hot Topics Impacting the Transportation
& Logistics Industries

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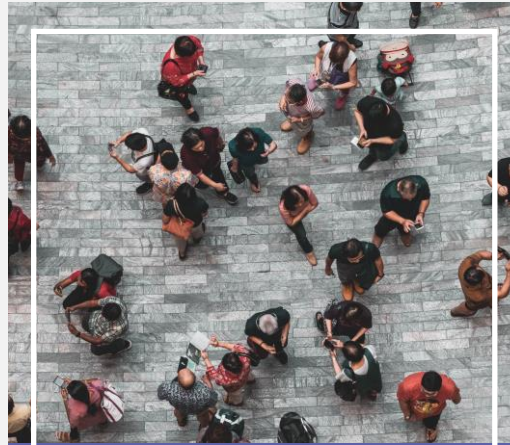


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Agenda



1
The ESG Framework



2
The “S”



3
The “E”



1

The ESG Framework



Marketplace Shifts

- Social norms are shifting business norms
- Purpose of the corporation is being repurposed
- ESG is - and doing - many things:
 - Economic / enterprise value
 - Pillar of Impact (Values)
 - Changing the C-Suite
 - Changing the role of in-house legal
 - Increasing board's engagement with traditionally non-financial matters

ESG – Trying to Define it

What it is. . . .

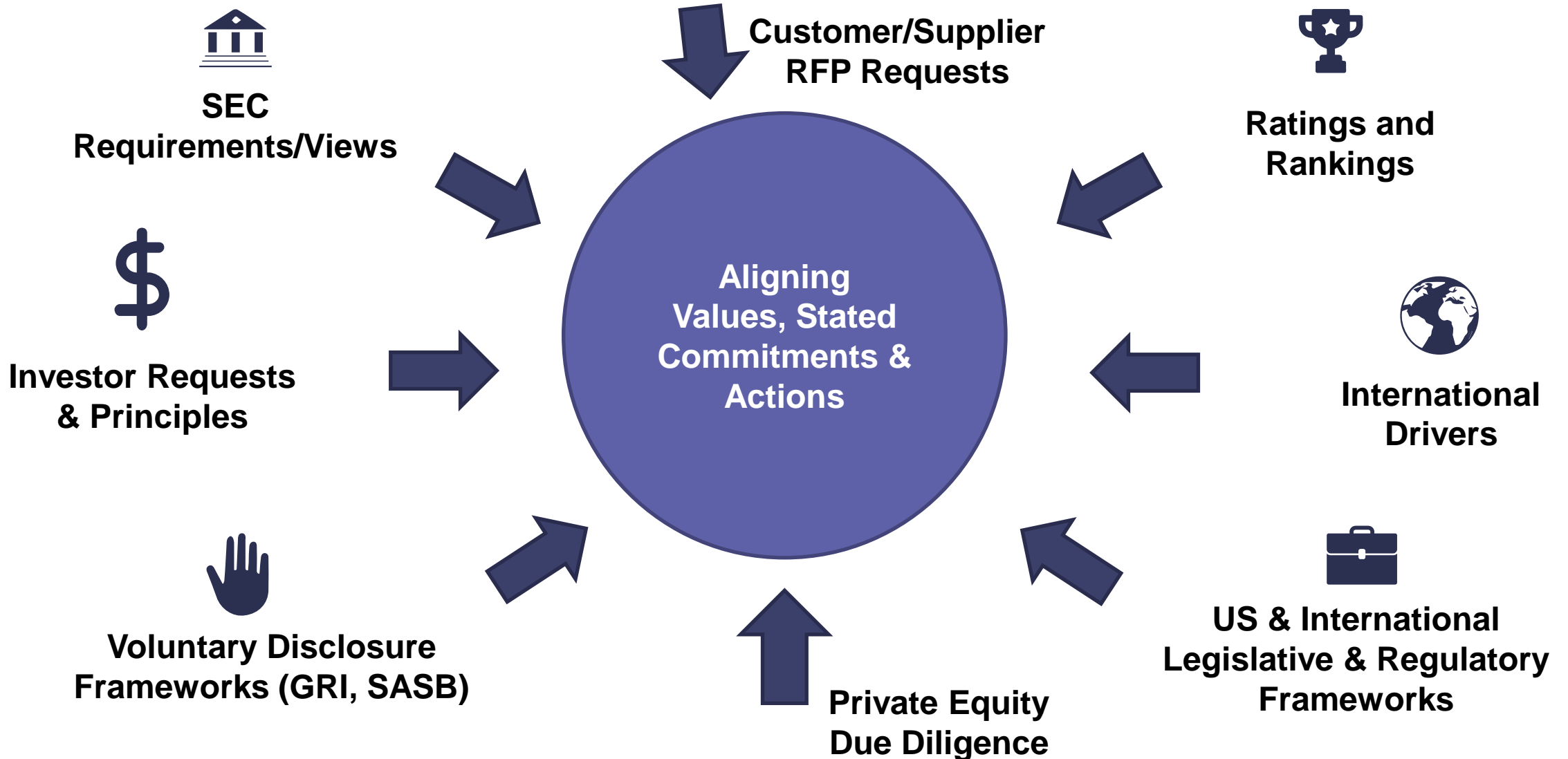
- Undefined & amorphous
- Enterprise-wide financial proposition
- A path to develop resiliency and profits
- Integrated with business strategy
- A way to tell potential hires, clients and the marketplace who you are
- Aligned with purpose, mission & values

&

What it is not. . . .

- A single thing
- An area of law (yet)
- Climate, DE&I, pro bono, data privacy or any other single topic under the umbrella of ESG
- A check the box exercise
- A “do good” business

ESG is Everywhere – The Why



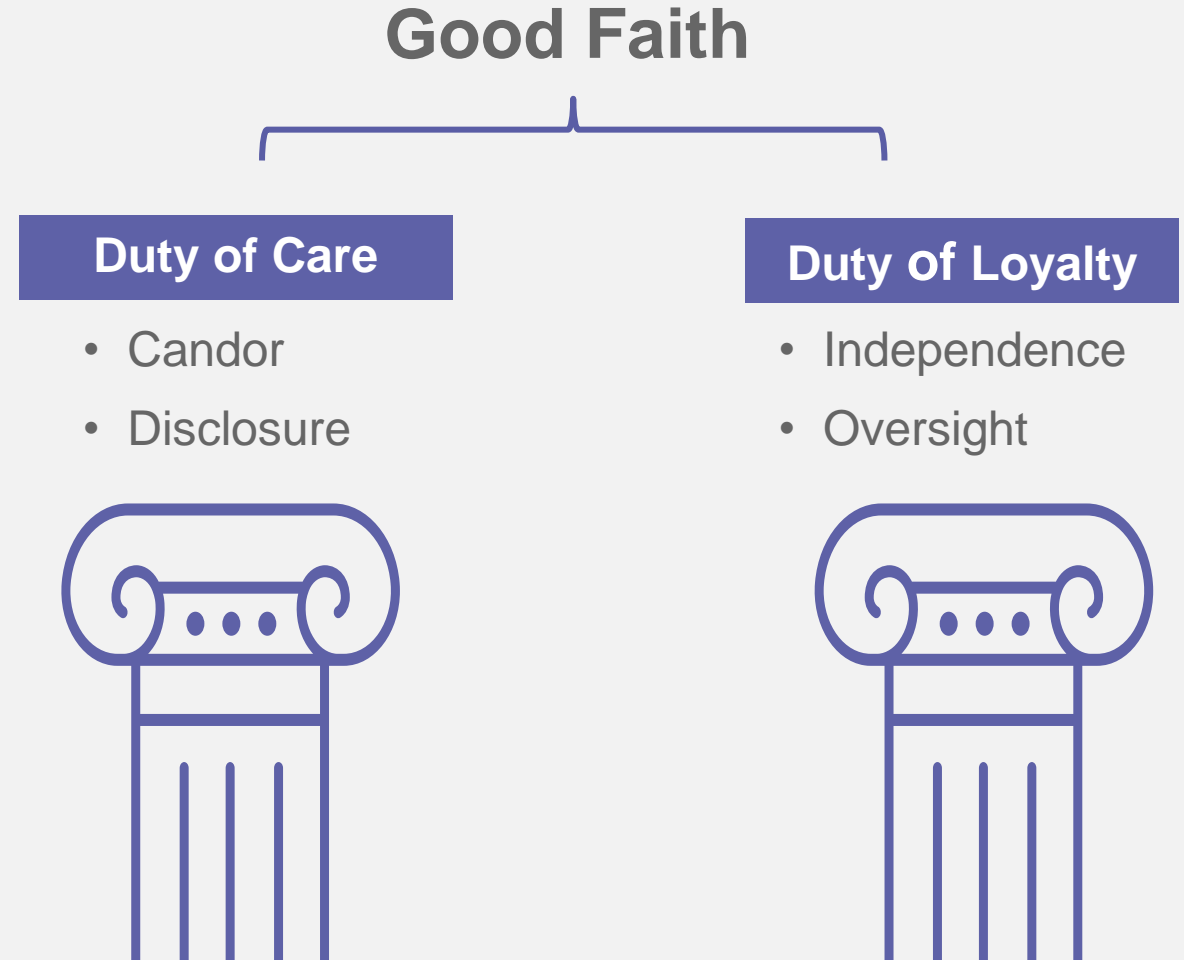
Organizing ESG

Interconnectedness
of the E, S, G with
business strategy &
impact



US Fiduciary Duties and Governance of the E&S

- Role of the Board vs. role of management
- Board oversight – tested in the courts
- Fiduciary duties





Litigation Outlook

- SEC Regulations
 - Climate-related Disclosure Rule
 - ESG Fund Strategies
 - Greenwashing of Fund names
- Greenwashing
 - Consumer Protection
 - False Advertising
- Environmental Enforcement
 - Climate policies
 - Environmental justice
- ERISA Matters
 - Department of Labor Rule on ESG Factors
 - *Dobbs* Decision's Impact on ERISA
- Private Plaintiff Cases on Social Issues



2 The “S”



Social

- Human capital
- New SEC Disclosure requirements in 2020
- Insights from 2022 reporting
 - Board oversight references up
 - Safety still important
 - DEI continues to be important
 - Recruiting and retention focus
 - Benefits

Social: A Closer Look at Industry







































































































- Carbon emissions
- Workplace health and safety measures
- Opportunities for training and upward mobility
- Technological innovation

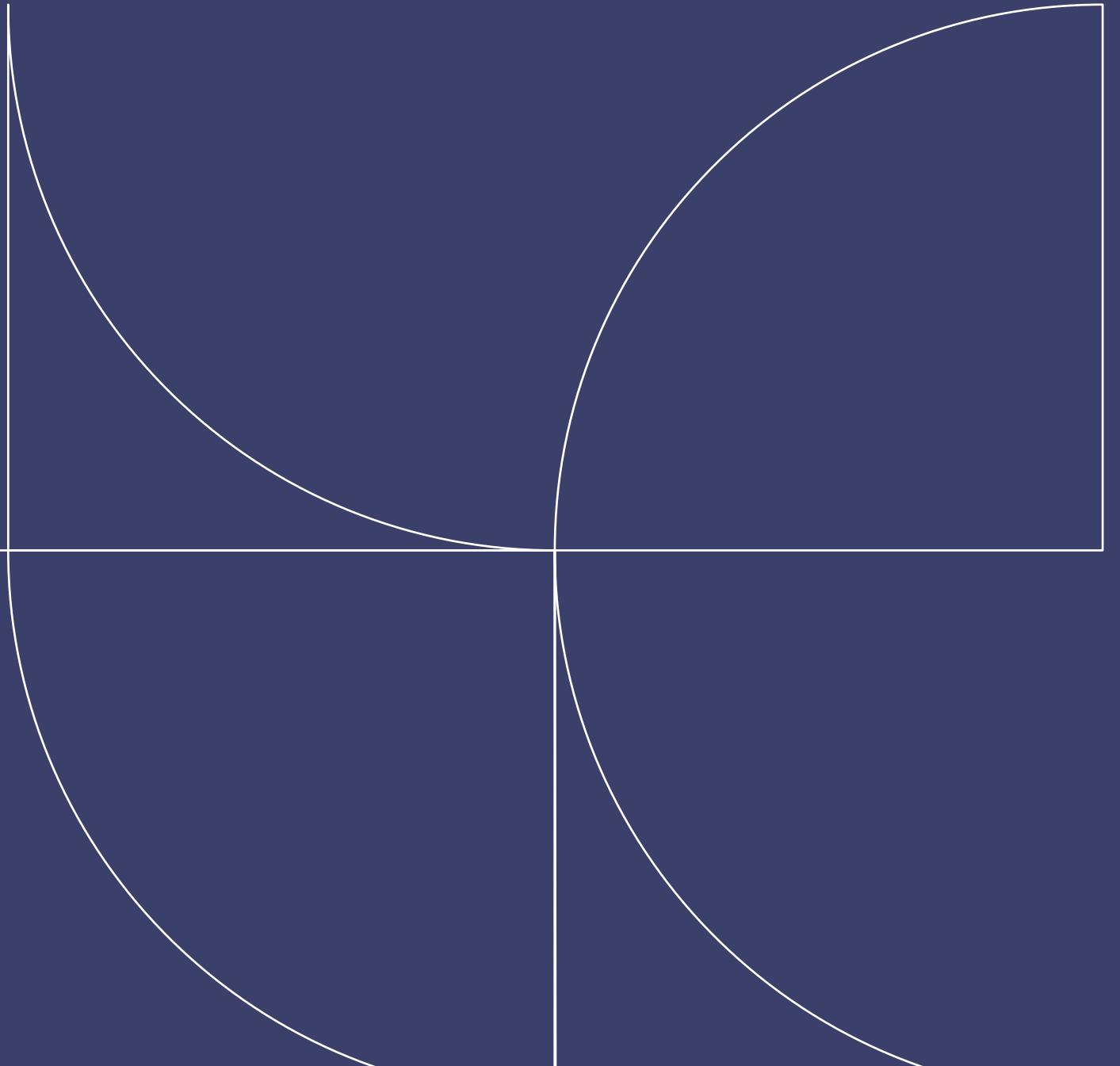


- Emphasis on Board and leadership oversight of DEI and talent development
- Benefits
 - telecommuting
 - flexible work schedules
 - employee stock purchase plans

Human Capital Management Industry At-A-Glance

	Agriculture & Food	Construction & Real Estate	Energy & Natural Resources (Incl Utilities)	Financial & Insurance	Healthcare & Pharma	Industrial & Manufacturing	Retail	Services	Technology & Telecom	Transportation
COVID-19	 75%	 60%	 80%	 60%	 80%	 75%	 70%	 60%	 65%	 55%
Culture	 95%	 70%	 75%	 55%	 90%	 75%	 80%	 100%	 85%	 55%
Demographics	 70%	 40%	 65%	 75%	 80%	 50%	 30%	 50%	 60%	 70%
Diversity and Inclusion	 100%	 85%	 100%	 95%	 100%	 95%	 95%	 95%	 95%	 85%
Employee Health and Safety	 95%	 80%	 100%	 65%	 100%	 75%	 80%	 85%	 75%	 85%
Initiatives	 90%	 95%	 65%	 80%	 100%	 90%	 70%	 90%	 80%	 75%
Pay Equity	 30%	 25%	 25%	 40%	 50%	 25%	 25%	 25%	 40%	 10%
Recruiting and Retention	 60%	 75%	 90%	 90%	 95%	 90%	 65%	 100%	 75%	 85%
Talent Development and Management	 90%	 85%	 90%	 90%	 100%	 90%	 85%	 100%	 95%	 95%
Did it mention the Board or a Board committee as having oversight of human capital?	 65%	 35%	 60%	 60%	 40%	 40%	 40%	 35%	 40%	 35%

CLE Code





3

The “E”

Factors Behind the Increased Focus on Sustainability

1

Increased Stakeholder Demands

- Most public companies provide some reports
- Increased demand for industries to reduce greenhouse gas emissions
- Socially responsible investing

2

Proposed Rules and Regulations

- Federal rules
- States laws

3

International Pressure

- EU practices
- Paris Agreement
- Climate Pledge

4

Federal Funding and Programs



Environmental Considerations for 2023

- Decarbonization
 - Electric Vehicle charging stations
 - Battery production and recycling
 - Increased support for net zero
 - Alternative fuels
- Proposed SEC Rules
 - Disclosure Rule
- Federal Programs
 - National Electric Vehicle Incentive
 - Inflation Reduction Act
 - Infrastructure Investment and Jobs Act
- Environmental Justice



Questions



**thank
you**

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next webinar:

**Commercial Litigation: Insights and Predictions for
the Transportation & Logistics Industries**

Thursday, April 27, 2023

Helpful Resources

- Seyfarth [Impact & ESG](#) practice
- [ESG 101: Landscape & Considerations](#)
- [2022 Human Capital Management Report](#)
- [2023 Commercial Litigation Outlook](#)

Additional resources, including Legal Updates and podcasts, available [here](#)