

ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE (ESG)

KEY TAKEAWAYS:

The “G” in ESG is the foundation.

Governance indicates the rules and procedures corporations follow that fulfill environmental and social responsibilities.

We provide objective assessments of ESG risks and help you manage and mitigate them.

We are operating in a hyper-transparent world where environmental and social vulnerabilities – and sometimes, upheavals – can swiftly damage corporate reputations as well as performance. Consumers and investors are increasingly aligning their loyalties with companies and brands that are fully transparent about their business practices and clear about their ethical values.

With heightened scrutiny and active challenges by shareholders, the government and the public, corporate conduct is as important as, if not more than, the financial results it produces.

At the same time, too many corporate leaders see their compliance organization as a separate business function and expense line item, rather than a central component of their company’s mission and culture. The right ethical considerations must underpin every decision that a company makes, regardless of its size or industry.

ESG standards present companies – and the people who run them – with the *opportunity* to build a culture of ethics and

compliance, mitigate risk, deliver profitability, as well as build shareholder, employee, and consumer trust.

THE "G" IN ESG IS CRUCIAL

Regulators and activist investors criticize companies for what they say publicly about the environment (E) and society (S), rather than what they actually do. Consequently, these firms are called out, investigated and prosecuted for misleading acts and statements. It's because their governance (the G in ESG) is flawed over management's culture, controls and ability to robustly assess and act upon their compliance and ethical risks.

GUIDEPOST IS YOUR GUIDE TO STRENGTHENING THE G IN YOUR ESG PROGRAM.

We can help create policies and systems that promote resilience and build an ethical culture that cascades down and across business reporting lines. We can help you strengthen the partnership between the board and compliance to hold management accountable not only to do the right thing, but to act based on the ESG goals they set, as well as meet SEC and other ESG regulations being established.

Our team of experts includes experienced compliance and investigations professionals, former federal and state prosecutors, forensic accountants, cyber forensic experts, certified fraud examiners, and certified privacy professionals. We are recognized integrity monitors who offer companies the opportunity to enhance their commitment to a compliant culture and present a new or more dynamic compliance framework to regulators and law enforcement.

Services include:

RISK + COMPLIANCE

- **Corporate Governance** – How well-managed a company is on the inside and overseen by the board of directors involves instilling the right policies and procedures into your workflow to reduce regulatory noncompliance and ethical misconduct. It also means transparency in your processes, your ability to audit yourself, and the independent makeup of your members. Our team evaluates systems to ensure your company is managed in the interests of all stakeholders, including longer-term stakeholders such as employees, the community, and society. We provide solutions that address the long-term business culture, ethics, and code of conduct to ensure compliance practices are designed and meet the letter of the law, as well as the spirit of the law's intention. We will work with your board to enable it to govern effectively over management's actions and meet its fiduciary duties of loyalty and care.
- **Risk Assessments** – Identifying factors that may have a material impact on your organization is a critical risk management endeavor. We examine the effectiveness of your company's risk management organization and practices, including the independence of risk management and compliance functions from business lines, the identification of long-term risks, their potential impact, and your company's mitigation efforts.
- **Supply Chain Management** – In view of the challenges presented by COVID, cybercrimes, and geopolitical events globally, exposures to supply chain risks are now much higher. When a company outsources its production, services, or business processes, it also outsources its own corporate responsibilities and its reputation. We provide strategies to manage the associated risks and opportunities posed by your supply chain.
- **Anti-Human Trafficking** – The potential for human trafficking in supply chains should be of concern for all companies and organizations that have global and complex supply chains. We have considerable experience investigating human trafficking allegations, identifying and assisting victims of trafficking, and developing and

auditing anti-trafficking compliance programs. We are well positioned to assist in addressing expanding mandates.

INVESTIGATIONS

- **ESG Investigations** – Our team of former law enforcement professionals, attorneys, forensic accountants, research analysts, field investigators and computer forensics experts have a track record of success with investigations related to labor practices and sanctions, allegations of greenwashing (the misrepresentation or misstatement of the sustainability credentials of a company or its financial products or performance), and reconciling enterprise-wide activities against regulatory and other public disclosures.
- **Supply Chain Management** – ESG strategies must consider the potential vulnerability of their supply chain from vendors and other third parties to products and supplies. Our integrity investigations give companies insight into their exposure to hidden and uncontrollable risks that could negatively affect ESG such as bribery, corruption, money laundering, fraud, sanction violations and bring transparency to your supply chain.
- **Litigation Support** – The litigation risks associated with the increased focus on ESG mean your company needs to be prepared, able to respond, and ultimately resolve claims involving ESG issues. Our subject matter experts can contribute to successful litigation outcomes with timely, accurate and effective analysis and expert witness services.

MONITORSHIPS

- **Monitorships** – Members of our team have been performing court- and regulator-mandated independent monitorships involving entities in the [corporate](#), non-profit and [construction](#) sectors for decades. These assignments have involved overseeing divestitures, ensuring [compliance](#) with federal and state laws and reviewing and implementing policies, procedures, and training to ensure that companies, their employees and contractors comply with relevant laws and regulations. Many of these assignments have involved interactions with regulators and companies outside of the United States. We are recognized integrity monitors who offer companies the opportunity to enhance their commitment to a compliant culture and present a new or more dynamic compliance framework to regulators and law enforcement. This results in a sustainable while profitable outcome for companies which both meet the regulatory expectations going forward, but also achieve profits and / or its objectives in a safe, and responsible manner for the long run.
- **Infrastructure Construction Monitoring** – Our role is to oversee, from an integrity perspective, all facets of the projects including procurement; contract management; records compliance; labor, materials, and equipment billings; and safety and environmental compliance. During our review of the safety and [environmental](#) component, we verify that all hazardous and non-hazardous materials are disposed in compliance with an approved disposal plan and in accordance with all environmental laws and regulations; ensure all workers are trained to properly dispose materials, equipped in appropriate and authorized personal protection equipment (PPE), and are not in violation of any environmental or safety regulations; and we ensure that all material is stored in compliance with all applicable environmental and safety laws until disposal.

CYBERSECURITY, PRIVACY + DATA SECURITY

Your ability to respond and manage a cybersecurity incident or data privacy attack is fundamentally related to your company's ESG commitments and assessments, including protecting critical infrastructure and governance of sensitive information. This will be even more important as we have entered the new age of decentralized, open-sourced, "metaverse" of yet-to-be-known opportunities and risks.

- An effective cybersecurity program starts with a framework that includes a strong governance model, comprehensive policies and procedures, and a commitment to adhere to industry best practices and standards. It includes regular penetration testing to identify and evaluate gaps in network security, and a plan to make the digital environment more predictive and secure.
- We offer an array of services to help you review, assess, and improve your privacy compliance profile, ranging

from the technical details of data security to the overarching policies and procedures which set the compliance tone for your organization.

- We can help you understand your own environment, harden defenses, rapidly and precisely hunt threats, and recover operations (and reputation) after an incident.