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# **ACC DOCKET**

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## **My Take: Why Our Seat at the Table Is Critically Important**

**Diversity and Inclusion**

**Environmental**

**Information Governance**

**Corporate, Securities, and Governance**



As chief legal officers, general counsel, and senior counsel, we are not only expected to be good lawyers, but also business leaders who contribute to the bottom line. In my opinion, the GC or CLO should actively lead and promote a safe, inclusive, and diverse culture as well being the moral compass in upholding and advocating for these rights.

The modern GC's ability to contribute to the conversation is far more than legal answers to legal questions as the "lawyer" in the room. General counsel are increasingly leading and managing business functions that were traditionally stand alone or reported into other C-suite positions. The Association of Corporate Counsel's (ACC) [2022 Chief Legal Officers Survey](#) helps put this evolution into context. According to the survey, CLOs have direct oversight of more of the business today than they had in 2020, reporting that they directly oversee 18 of the 21 functions surveyed. These functions include compliance, ethics, privacy, and government affairs.

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General counsel are also at the forefront of emerging portfolios such as environmental, social and governance (ESG) and diversity, equity, and inclusion (DE&I), making us uniquely positioned in advising and leading our organisations on these issues given that we exercise judgement on a wide range of business issues by drawing on legal principles and business acumen to support and advise the business. These contributions are no less valuable or critical than other roles in the C-suite, or on the board.

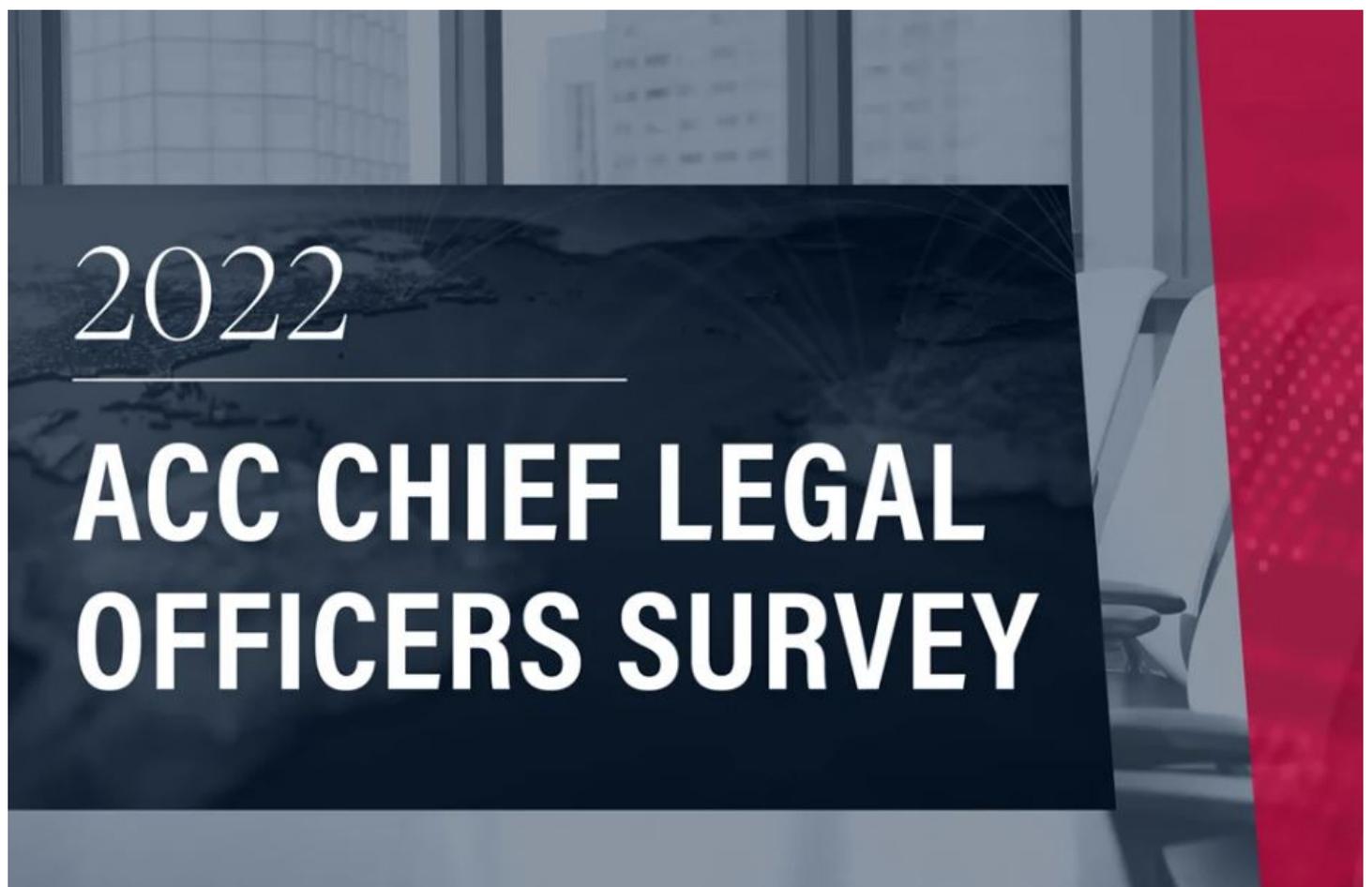
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In fact, it's critical for the in-house legal department, through the GC or CLO, to be represented in the C-suite, and for the GC to be distinctly known as not only the trusted legal advisor to the CEO and board, but as a business leader in the same way that CFOs are viewed as the trusted financial and commercial advisor to the board. This establishes the tone from the top on the critical role of the CLO, but also recognition of the CLO as a business leader in the same way as the CFO, CIO, CMO, and HR.

This statement of fact is nothing new to ACC, which has been advocating for our collective "seat at the table" for several years. A key aspect of the [ACC Seat at the Table](#) initiative is for 100 percent of CLOs to report directly to the CEO and have direct access to the board of directors.

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ACC research also shows that we are getting closer to this goal – according to the *ACC 2022 Chief Legal Officers Survey*, 80 percent of participants indicate that they report directly to the CEO. Further, a "solid majority" of them note that they "always attend board meetings, meet with other business leaders to discuss operational issues, and are consulted by other executives on key business decisions."



While the CLO continues to play a critical role in the leadership of the business, it is important to discuss the fact that, globally, some GCs do not report to the CEO, nor have as much access to the company's board as other members of the C-suite. Sadly, we have not reached 100 percent, even

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though a GC's seat at the leadership table sends a signal to stakeholders (internal and external) that ethics, compliance, commercial, and other legal risk considerations are a top priority of the company.

By having the CLO report directly to the CEO and sit at the boardroom table, it sends a powerful message that business decisions are made with appropriate consideration of the ethical, legal, and reputational impacts, and when establishing risk appetite and managing those risks. It also sets the tone by the CEO and board that input from legal is valued, and that the company takes ethics and integrity seriously.

The in-house legal function and the role of the GC has evolved from that of purely a legal function dealing with issues like the execution of intellectual property, litigation, and regulations — to also taking on other portfolios such as corporate affairs, communications, procurement, and crisis management — as well as ethical issues like ESG.

In an upcoming article with [former ACC Chair Jo Anne Schwendinger](#), we discuss the impact that general counsel, who are adequately positioned as business partners and strategic advisors, can have in this area. In Australia specifically, ESG is an emerging area of interest to not only the community but to the business and its stakeholders. CLOs are positioned to lead the effort on ESG because the legal function sits at the intersection of legal, compliance, reputation and risk managing the front-line teams responsible for disclosure, reporting, and ethics.

In my opinion, chief legal officers and general counsel should take the opportunity to lead ESG related initiatives. This and other governance areas present a wonderful opportunity to further demonstrate our value, while expanding the scope and reach of our collective seats at the table.

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[Mike Madden](#)



Board Chair

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