

5 Insights to Create an Impactful ESG Program

Employment and Labor





With increasing pressure from stakeholders and customers, businesses are expected to deliver products and services that reflect the growing public demand for environmental, social, and governance (ESG) values. Although ESG might not seem to affect a business' bottom lines, these

initiatives are worth the investment, as Jeff Levinson noted in his *ACC Docket* feature <u>"The GC Role"</u> in ESG? Leader":

"ESG goals are not trade-offs with profitability but instead can, if properly aligned, amplify the company's mission."

The <u>November 2020</u> *ACC Docket* cover story highlights the best ways that general counsel can lead and bolster their company's ESG programs, from focusing on the environmental practices to social justice movements. Below are more insights from other *ACC Docket* authors to encourage in-house counsel to prioritize ESG initiatives and get more support from investors.

1. Be transparent

"[ESG standard] practices include obtaining cost-savings benefits through energy efficiency, building a culture that improves employee performance and engagement, and sustaining trust with customers through proper data security governance. By making these details transparent within a standardized framework, ESG can provide investors with useful information about a company's strength and crisis preparedness."

-Noah Webster, General Counsel and ESG Program Leader, Zix

2. Be prepared

"Because a crisis can hit a business at any time, in-house counsel with other key company stakeholders should proactively strategize and develop a useful crisis response and management plan to help the company react swiftly and appropriately to crisis, which can improve the company's ESG scores."

 LaLonnie Gray and Lonnie Giamela in the ACC Docket November 2020 feature "Improving the Social Element of a Company's ESG Scores by Addressing Workforce Issues"

3. Go green

"Large companies have the most flexibility to procure clean power directly from the third-party providers. Some behemoths such as Google, Apple, and Facebook enter directly into PPAs with third-party providers in the same manner as utilities."

 Adrien Lane and Tara Young in the ACC Docket November 2019 cover story "Get on the Clean Energy Bus!"

4. Prioritize privacy

"Privacy and personal data management could also fall appropriately into social justice because of bias embedded into technology. Some argue that privacy is inherently discriminatory because only the privileged can afford it."

- K Royal, Associate General Counsel, TrustArc

5. Demand diversity and inclusion

"We want diversity. We demand diversity. And, you know what? We're going to have visibility around it, buy it, and get it."

- Mark Roellig, retired GC at four Fortune 500 companies and former ACC Docket columnist

For more resources on fostering diversity and inclusion, visit the <u>ACC I.D.E.A.L. Foundation</u> page.

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