

# The ESG Ecosystem

**An Interview with Jeannie S. Rhee,  
Partner, Litigation Department and Deputy Managing Partner, Washington, D.C. Office,  
Paul, Weiss, Rifkind, Wharton & Garrison**

**EDITORS' NOTE** *Jeannie Rhee is a litigation partner and deputy managing partner of Paul, Weiss' Washington, D.C. office. She joined Paul, Weiss in 2019 from the office of Special Counsel Robert Mueller, where she led the team investigating Russian cyber, social media and intelligence efforts to influence the 2016 presidential election. A versatile litigator and former prosecutor, she specializes in sensitive investigations, white collar and regulatory defense and cybersecurity matters. She is also leading several impactful pro bono matters focused on hate groups and the rights of Asian Americans. Rhee earned a BA summa cum laude from Yale University and a JD from Yale Law School.*



Jeannie S. Rhee

**Will you give an overview of Paul, Weiss' Sustainability and ESG practice?**

Our ESG team has grown to seven full-time ESG lawyers and six ESG professionals, who regularly collaborate with 25 ESG-focused partners across the firm, such as myself. At a high level, the firm leverages this cross-disciplinary team to help clients build, improve and strengthen their ESG programs, strategy and governance. Using a collaborative approach, we work with clients to produce tailored, holistic solutions that mitigate legal risk and optimize for long-term success.

The practice brings together ESG-focused lawyers, dedicated program managers, sustainability experts, data scientists and researchers with our market-leading, preeminent lawyers in M&A, white collar and regulatory defense, internal investigations, fund formation and other practices. We provide counsel on the entire breadth of needs in the ESG ecosystem, from engagement on ESG issues; to corporate governance, the "G" of ESG; to crisis management in the ESG context; to corporate social responsibility and sustainability initiatives; to diversity, equity and inclusion-focused ESG matters; and to regulatory compliance and enforcement matters.

Companies and boards often struggle to follow and coordinate the fragmented ecosystem of ESG ratings, frameworks and regulation. We help clients with this. We also provide clients robust thought leadership to empower them with the most relevant and timely regulatory developments, market trends and industry best practices.

Our ultimate goal is to help our clients, which include the world's largest and most important companies and their boards, navigate safely through these challenges so that their businesses emerge stronger and more resilient.

**How is ESG a core component of your practice?**

I advise clients on sensitive internal investigations and high-stakes civil, white collar and regulatory matters. Today, I am expected to apply an ESG lens to my work on internal investigations and general litigation strategy. Increasingly, an ESG knowledge base is critical to mitigating legal risk and thus an important tool in my litigators' toolbox. So whether I am conducting a racial equity audit for a large online retailer, engaging in a holistic review of a technology company's compliance program, or litigating against hate groups for carrying out racially motivated violence, I am taking ESG principles and best practices into consideration.

**FIRM BRIEF** *Paul, Weiss, Rifkind, Wharton & Garrison (paulweiss.com) is a firm of more than 1,000 lawyers with diverse backgrounds, personalities, ideas and interests who collaboratively provide innovative solutions to their clients' most critical and complex legal and business challenges. Paul, Weiss represents the world's largest public and privately held corporations and investors, as well as clients in need of pro bono assistance.*

**Why did Paul, Weiss create an ESG Advisory practice?**

In the years leading up to the launch of our ESG practice, we were approached by numerous clients who needed help navigating the labyrinthine legal, business and political ramifications of developing and implementing ESG-related initiatives. Our Chairman, Brad Karp, recognized that we had to build a full-service, dedicated team of ESG lawyers and experts to respond holistically to client needs in this area.

Our firm brought in Dave Curran, an internationally recognized expert on ESG, to help us launch our Sustainability & ESG Advisory Practice in April 2020, ahead of most other law firms, positioning us well to proactively help our clients respond to ESG-related challenges, including those prompted by the COVID-19 pandemic and the Black Lives Matter movement, among others. The practice has been incredibly successful since its launch.

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I regularly oversee sensitive investigations and formal audits, and help boards and top management become informed and respond appropriately, both to internal and external stakeholders, often in conjunction with the ESG advisory team. I evaluate and measure material risks, consider external factors and influences, help clients define the story they wish to tell, and help them make decisions based on input from all stakeholders.

**Why are clients increasingly turning to Paul, Weiss for guidance on ESG issues?**

The pandemic and the national movement for racial justice greatly intensified stakeholder focus on the “S,” or social concerns, in ESG. Companies are now expected to address and respond with conviction to high-profile social issues and back it up with aligned action. Today, many of our ESG mandates are focused on helping clients address DE&I concerns and on ensuring that their public statements related to diversity goals match their ability to track progress and meet expectations.

On top of rising stakeholder expectations, a new wave of federal ESG-related regulation is expected to trigger significant new challenges for businesses and boards. Paul, Weiss is uniquely prepared to support our clients in this area because we have deeply experienced lawyers focused on compliance and regulatory issues, such as myself, and a market-leading ESG advisory team.

**How is Paul, Weiss currently helping clients in their ESG efforts?**

Our firm includes former senior-level government officials like myself and nationally leading litigators and corporate advisers who are focused on helping clients navigate new ESG-focused state, national and global regulatory changes. In particular, because of our historic leadership in the civil rights and DE&I areas, Paul, Weiss is the reflexive choice for engagements touching on issues of racial equity.

We leverage our experience in this area to help clients enhance their efforts to develop sustainable and impactful initiatives; build or enhance a culture of inclusion; and track and measure DE&I progress. Recently, our team has been counseling some of the world’s largest companies and their boards in sensitive audits and internal investigations – including DE&I-focused audits – to help them manage, respond to and navigate challenging new expectations on the part of internal and external shareholders.

If necessary, our renowned litigation team defends companies and boards when ESG-related issues prompt regulatory interest or enforcement actions. We defend clients in a full range of ESG-related crises, including unfavorable media exposure; alleged employee or management misconduct; disclosure-related and other securities litigation; and various claims against boards and independent committees.

**How can companies effectively navigate the “social” element of ESG?**

Stakeholders are demanding that businesses respond publicly to issues of great societal urgency, including coronavirus pandemic impacts, the racial justice movement, voter restrictions, anti-abortion and anti-LGBTQ state laws, and the recent rise in violence against the Asian American and Pacific Islander community, among other issues.

These demands on businesses and investment funds are increasingly reflexive and organizations should be prepared for continued scrutiny from all sides. Responses must be driven by a thorough assessment and deep understanding of what your stakeholders are expecting from you during a moment of crisis. Actively and consciously engaging with all stakeholders – including customers, employees, investors and board members – can help clearly define what a company or entity stands for, allowing it to respond comprehensively and effectively when ESG issues arise.

Particularly for “S” issues, it’s also important to not underestimate the power of allyship – advocating and actively working for the inclusion of a marginalized group – in addressing challenging social issues, particularly among members of the Black and AAPI community.

**Paul, Weiss is known for its commitment and investment in ESG thought leadership. Will you share how the practice is broadening its knowledge and research efforts, especially for lawyers and the business community?**

In 2020 and 2021, clients were clamoring not only for thought leadership on ESG, but deeper, data-driven ESG intelligence on evolving trends, new regulations and market dynamics. Paul, Weiss recognized the need for independent, solutions-oriented research and analysis on the intersection of ESG with legal risk and has produced some of the timeliest analyses on the emerging area.

We are also on the front lines of emerging ESG thought leadership via a first-of-its-kind ESG and Law Institute. The Institute cultivates and expands the discussion on the intersection of ESG and the law, providing a centralized forum of ESG intelligence for public company leadership and the legal community. Led by firm Chairman Brad Karp and ESG Advisory Practice Co-Chair Dave Curran, it partners with the nation’s leading law schools to convene roundtable discussions and collaborate on proprietary research, and will provide cutting-edge insights and intelligence to businesses still navigating the ESG ecosystem. The Institute has already partnered with Berkeley Law School’s Business in Society Institute and Howard University School of Law.

**What advice do you have for organizations trying to comply with the rapidly evolving ESG regulatory landscape?**

We are almost certain to see a slow but steady transition from voluntary to mandatory ESG disclosure. Regulators expect companies to take the lead and define the issues and topics material to them. More importantly, regulators will observe closely how organizations talk about those issues and then scrutinize disclosures by asking: is this company actually doing what they say they are doing? Does this fall in line with our compliance?

Companies and their legal teams should get out ahead of these upcoming changes. This is the time to revisit and update ESG priorities, consider scenario planning and start pressure-testing new ESG initiatives. Engage directly with investors and the public to take the temperature, and keep an eye out for geopolitical, regulatory or other clues that the ground will shift again. Ensure consistency and alignment in messaging across all channels – filings, public statements, ESG reports and more – to close the gaps and lessen risk. Reviews and formal audits are a powerful way to find the facts and face them head-on: boards and top management should take informed action to address shortcomings, respond appropriately to internal and external stakeholders, and mitigate potential adverse publicity. ●