

DECEMBER 3, 2020 | WEBINAR

Living the Values of ESG

On December 3, 2020, Paul, Weiss and NYU School of Law's Center on Race, Inequality, and the Law hosted a joint webinar on "Living the Values of ESG." The webinar, which drew over 150 attendees, was facilitated by Dave Curran, Paul, Weiss Chief Sustainability and ESG Officer. He was joined by Deborah Archer, Co-Faculty Director of the Center and Associate Professor of Clinical Law at NYU; Danyale Price, Chief Inclusion Officer at Paul, Weiss; and Thomas Kim, Chief Legal Officer and Company Secretary at Thomson Reuters.

The conversation was guided by the question "What does it mean to 'live' the values of ESG within corporate, law school and law firm settings?" and principally looked at this question through the lens of diversity, equity and inclusion considerations and initiatives.

Living the Values

Deborah began the conversation by sharing that she believes ESG criteria enable law students to determine if the organizations they want to work for align with their values. The principles of ESG can help society reexamine the traditional divide between public interest students on one side and private interest students on the other side.

Deborah mentioned that the challenge with addressing racism within organizations is that it is a systemic issue, rooted in implicit and explicit bias. Danyale echoed Deborah's sentiments, underscoring the need to evaluate the structures we choose to partner with and be a part of. Danyale also cited the importance of data in supporting organizational goals for addressing social injustice and identifying bias in the hiring and retention process.

Tom challenged panelists to think beyond the current rhetoric of ESG as having sprung up overnight and being largely millennial driven. While the branding of ESG may be new, he said, many people, particularly people of color, have been living ESG and particularly DE&I issues for a long time.

Language Matters

DE&I is the acronym for diversity, equity and inclusion, and Danyale emphasized the importance of unpacking these terms:

- 1. Diversity** – This is about representation – *who is in the room*
- 2. Equity** – This is about access – *does everyone in the room have equal access to the possibilities in the room*
- 3. Inclusion** – This is about feeling welcome and having a sense of belonging – *is the perspective of everyone in the room welcomed and valued – do they feel sufficiently valued to stay in the room*

Diversity initiatives are crucial, but diversity alone is a hollow goal without meaningful equity and inclusion. It is an intentional choice on the part of organizations to fully realize DE&I and enact real change. Finally, organizations should conscientiously consider the process and scoring criteria they utilize in hiring, evaluation and promotion processes to make sure such efforts are consistent with DE&I objectives, corporate values and performance-based considerations.

Moving the Needle

Panelists discussed the rise in diversity mandates in the United States. Just this week, Nasdaq filed a proposal to adopt new listing rules that would mandate board diversity and related disclosure. Further, the adoption of voting policies by proxy advisory firms ISS and Glass Lewis will effectively push larger public

companies to have at least one racially or ethnically diverse director, and two female directors, respectively, on their boards by 2022. One panelist noted that what motivates corporations and law firms to change are consequences to their bottom line, which stakeholders are increasingly bringing to bear.

Tom encouraged organizations to determine whether ESG issues are essential or secondary to their operations. If organizations are not being true to

their company values, stakeholders can tell. Investors and clients are showing that they care what organizations are doing and they are taking action—if they don't like a company's values, they will take their money and business elsewhere. "Purpose drives people," said Tom, "and people drive profit."

Parting Thoughts

In parting, Deborah highlighted the need to challenge our traditional ways of social justice and corporate lawyering by

expanding how students are educated and exposing them to ESG and DE&I. Danyale reminded attendees that while there is no short-term fix to these issues, now is the time for creative solutions. Danyale also encouraged us to celebrate every success because every promotion for the individual is a success for the collective. Each of us has the responsibility to show up every day, be present and make an impact.

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