

APRIL 7, 2021 | FIRESIDE CHAT

Crisis Management in Unprecedented Times

On April 7, Paul, Weiss hosted a fireside chat, “Crisis Management in Unprecedented Times,” with Don Liu, Chief Legal and Risk Officer at Target and Paul, Weiss Partner Jeannie Rhee, which was facilitated by Paul, Weiss Chief Sustainability and ESG Officer David Curran.

The discussion focused on how companies and the legal industry organized their responses and built effective risk mitigation strategies to address the major social issues that arose in the last year, including the coronavirus pandemic, the widespread economic crisis, the racial justice movement and the recent rash of violence against the Asian American and Pacific Islander (AAPI) community. Don and Jeannie shared their unique perspectives and recommendations for navigating challenging situations in unprecedented times.

The conversation began with Don and Jeannie sharing their experiences as both prominent, public facing figures and Asian American lawyers during a time of rising violence against Asian Americans. While the increased number of reported incidents and the heightened media attention may be new, both Don and Jeannie underscored that the racism and violence faced by the AAPI community is not. Jeannie shared with the audience that following a recent litigation filed against white nationalist group The Proud Boys, the usual protest language regarding free speech was largely replaced by personal attacks on Jeannie’s perceived status as an “outsider.” As a public facing figure who is both a woman and an Asian American, protesters focused on her “otherness” as a way to undermine her important work.

Don and Jeannie also shared their insights on how organizations can build effective management responses to social issues. The key, they noted, is communication. Don highlighted the need for individuals to understand to whom in their organization they should escalate issues

and how best to communicate this information: knowing how to contact the right individual is as important as understanding who to contact. In discussing effective risk mitigation, Jeannie noted that it relies on engagement with all of your stakeholders – from your customers, to your employees, to the board and investors. Understanding what your stakeholders are looking for and expecting from you during a moment of crisis helps drive positive action and an effective response. Don noted Target shares its top potential risks annually with its Board and this year polled Board members on those of greatest concern.

In regard to Target’s unique approach to risk mitigation, Don highlighted the work of Target’s Risk and Reputation team in navigating potential risks to Target’s reputation. Nearly all risk responses and potential commitments are run through the Risk team to consider the potential ramifications and understand how these decisions will impact Target, both in the short-and-long term. Don shared that the “north star” guiding all of Target’s decision-making principles is safety – the safety of their

employees, the safety of their customers and the safety of their reputation. When Target decided to meter the number of guests they allowed in stores in response to the coronavirus pandemic, they knew that they would be taking a short-term financial hit. However, the decision strengthened Target's reputation, Don shared, because their key stakeholders were better protected against the risk of Covid-19.

Don and Jeannie closed the conversation by sharing their expectations for what potential crises lie on the horizon. Both noted that the racial justice movements seen in the past few years will likely continue to rise in prominence, and that organizations should be prepared to continue to address stakeholder scrutiny. Allyship, they noted, is critical in addressing these social issues, particularly among marginalized groups such as the Black and AAPI communities. Jeannie concluded that responses should not be driven by an organization's communications and statements, but rather by what the organization actually stands for: your commitments and decisions should dictate your approach.

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