

## The General Counsel's Big Opportunity to Protect Reputation: 6 Tips

By E. Leigh Dance and Pamela Cone | December 16, 2019

*Forces from multiple sources are connecting to make it easier for legal and compliance chiefs to safeguard and fortify corporate reputations.*



Business headlines provide ample proof that your company's actions and perceived ethics today are judged constantly by your clients and stakeholders. This puts great pressure on corporate legal and compliance chiefs tasked with safeguarding and fortifying the corporate reputation. Now forces from multiple sources are connecting to make your job easier.

First, the US' Business Roundtable's CEOs made a historic decision this fall that business should be more than profit-driven. Weeks later, the UK's Institute of Directors declared that companies should exist also to support the well-being of all their stakeholders, including their communities. We see a great increase in companies signing on the [UN Sustainable Development Goals](#) (UNSDG).

There's a conclusion spreading across businesses internationally that environment, social and governance initiatives (ESG) are an essential part of doing business today.

**The General Counsel's Big Opportunity to Protect Reputation: 6 Tips**

More proof comes from Harvard Business Review, which counts company ESG performance when deciding its annual list of best performing CEOs.

**Managing Reputational Threats**

Of course, every opportunity comes with new challenges. In-house leaders recognize that corporate actions must be viewed with awareness of the damage that perceived bad behavior on a popular issue can cause. In this highly politicized world, hits to reputation can seriously impact the company's financial performance and brand.

Even when unintentional and misinterpreted, incidents with ethical implications not only create doubt and diminish trust, but are often media fodder reaching far and wide. Like any town of a few thousand people, the reality is that at least one employee at one time or another will do something either illegal or out of line with your conduct code.

That makes guarding against reputational risk all the more important, and it helps to "pay it forward" with behavior that your leaders, employees and outside stakeholders can be proud of.

**GCs Must Define and Deliver on ESG Initiatives**

The growing focus on ESG brings both more support and greater responsibility to corporate legal and compliance teams. To effectively reduce reputational risk and connect corporate ethics to the bigger picture, General Counsel should actively help the company both define and deliver on its ESG promises.

We took note in September when 490,000-employee Accenture, with former GC Julie Sweet now at the helm as CEO, appointed General Counsel & CCO Chad Jerdee to a new role. He is now Global Lead for Responsible Business, Sustainability and Corporate Citizenship. The selection of the GC for such a role reminds us of the trend a few years ago to give ethics responsibility to the heads of legal or compliance.

**Purpose and Reputation Affect Brand Value**

At the heart of this opportunity is the fact that your company's brand is shaped today not only by what you produce or deliver, but by what you stand for. In our conversations with in-house counsel in the US and Europe, all are cognizant of how a company's ethics can affect share price, brand value, and trigger regulatory actions. The perceived ethics of your providers are also scrutinized relentlessly. General counsel must be aware of the new challenges and have ways to prepare rather than simply react.

**Does your ESG reporting show what you stand for?**

ESG reporting is increasingly required by regulatory agencies, professional bodies, your clients and your suppliers. Has your company clarified what you stand for, and does that

**The General Counsel's Big Opportunity to Protect Reputation: 6 Tips**

reporting align with it? If you are committed to meeting the Business Roundtable's expectations, corporate counsel can play a big role, including improving reporting to be more consistent, clear and transparent.

To better manage reputational risk, we encourage general counsel to help guide your company's social responsibility and sustainability efforts. Here are some tips that may help.

1. **Select and execute ESG initiatives on issues or themes that connect to your clients' core business.** Both the business connection and what your stakeholders (including employees) most care about helps refine your approach. Develop a social responsibility program around those issues/themes. Peter Beshar, Marsh & McLennan Companies' EVP, GC and CCO rightly says, "If we can find a way to contribute on the most complex societal challenges of our times, it will, one way or the other, rebound to the benefit of our company."
2. **Move from "transactional" to "transformational".** Organizations tend to separate social responsibility and sustainability programs, and also have pro bono and corporate philanthropy in another area as well. You may have siloed or random activities including everything from D&I initiatives, to ethics codes, to an office green team, to pro bono, to funding to community groups. This scattershot, transactional approach fails to clarify what your company stands for. You will achieve far more with a holistic approach: defining and enforcing your standards and values (including high quality) and connecting each initiative directly to your key issues and themes. That will positively transform your brand and protect reputation.
3. **Get involved with an overarching issue that companies care about: climate change.** Leaders in insurance, real estate, logistics and infrastructure increasingly discuss their concerns about the fast-rising costs of climate change-related events. Many are speaking out about how climate change dramatically affects their financial projections. A long list of global multinationals have signed the UN Global Compact, committing to review the environmental, social and governance practices of their supply chain. If your company has signed the UN Global Compact already, but it is one of your scattershot activities, make an effort to change that, and improve how you report progress. Get to know the [UN Sustainable Development Goals](#) (UNSDG).
4. **Collaborate with others for greater impact and more efficient execution.** Partner with clients and other interested groups. Brainstorm how together you can work toward the goals most material and relevant for your company. Consider being proactive in reaching out to your clients and business partners to collaborate on efforts to achieve the UNSDGs by 2030. An excellent example is

**The General Counsel's Big Opportunity to Protect Reputation: 6 Tips**

the collaboration of the District Department of Energy & Environment, Brookfield Properties, Nixon Peabody lawyers, National Housing Trust Community Development Fund, Enterprise Community Partners, and Sol Systems to form a nonprofit called New Partners Community Solar Corporation. It deployed the first community solar installation on commercial property, generating energy benefits to low-income tenants in the District of Columbia.

5. **Be proactive and inclusive in your process.** It's important to involve a diverse team to help bring to life your ESG initiatives and connect them to your business and core values. Walking the talk is a straightforward way to ensure that your community and stakeholders come to understand what you stand for. That greatly increases chances that they will give your company the benefit of the doubt when an incident occurs. Then it's time to reinforce your convictions with action. Transparent communications play an important role.
6. **Make your plan and being acting.** Recognize that your approaches to build the company's brand and reputation must change – and then push go. Defending your reputation only when the crisis of conduct hits, whether real or perceived, is not a winning strategy. Observe how the most respected global companies are doing it. The sooner you become proactive, the greater your opportunity to influence your stakeholders' appreciation of what you stand for.

Leveraging the groundswell of support for “doing the right thing” is too good an opportunity for corporate counsel to miss.

\*\*\*\*\*

**E. Leigh Dance** works globally with in-house legal and compliance and law firm leaders on transformation strategy, communications, leadership and change management. She founded and leads ELD International LLC and Global Counsel Leaders.

[eldance@GlobalCounselLeaders.com](mailto:eldance@GlobalCounselLeaders.com)

[www.ELDInternational.com](http://www.ELDInternational.com), [www.globalcounselleaders.com](http://www.globalcounselleaders.com)

**Pamela Cone** works with professional service firms worldwide to identify and build robust, holistic corporate social responsibility and sustainability programs with internal and external engagement and collaboration. She is founder and CEO of Amity Advisory.

[pamelacone@amityadvisory.com](mailto:pamelacone@amityadvisory.com)

[www.AmityAdvisory.com](http://www.AmityAdvisory.com)

Link to the original published article: <https://www.law.com/corpcounsel/2019/12/16/the-general-counsels-big-opportunity-to-protect-reputation-6-tips/>