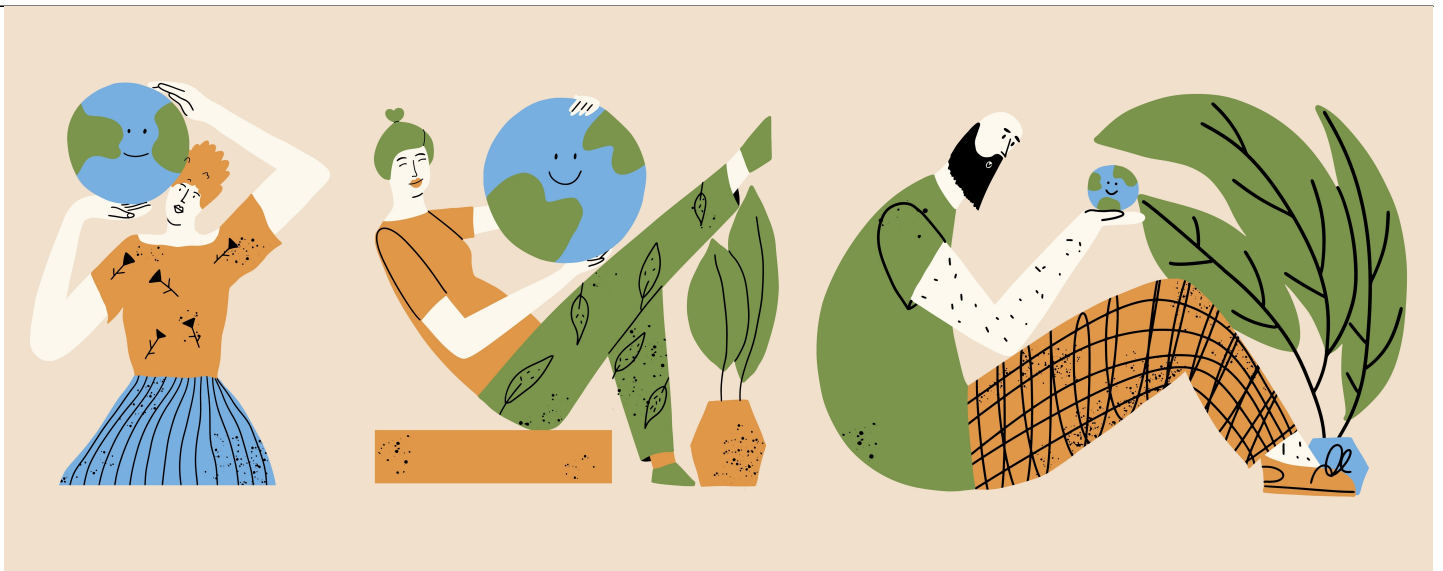




## **Positively Legal: The Skills for ESG Success**

**Skills and Professional Development**



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For in-house lawyers, ESG is undoubtedly one of 2023's most discussed acronyms. ESG, which stands for Environmental, Social and, Governance, describes non-financial factors that affect a company's performance.

In-house counsel are becoming more involved in identifying which ESG issues their companies will prioritize and helping to support or lead in areas including reducing or managing greenhouse emissions, end-to-end procurement and supply chain uplift, and general governance.

We all know the legal implications and skills needed to work in these areas. But are there other skills we can leverage to move into the ESG space? This month I discuss this with [Nick Willetts](#), general counsel at [iQ Renew](#), and [Zirin Köprücü](#), leadership coach and trainer and ACC global guest speaker.

## The ethics of shared value

In-house lawyers often take a lead in ethical issues by combining legal skills with an understanding of risk and a view to fairness and equality. They often bring the “should we” rather than the “could we” lens as they champion a values-led organization direction. ESG moves beyond CSR (Corporate Social Responsibility) and arguably into one of creating shared value, although there is [criticism](#).

Harvard Professor Michael Porter describes creating shared value as: “Corporate policies and practices that enhance the competitive advantage and profitability of the company while simultaneously advancing social and economic conditions in the communities in which it sells and operates.” There are three key ways that companies can [create shared value opportunities](#):

1. By reconceiving products and markets,
2. By redefining productivity in the value chain, and

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### 3. By enabling local cluster development.

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When thinking about shared value within the ESG space, a way to think about it is delivering on the organization's purpose profitably. "An example is the Henkel Corporation," Köprücü says. Henkel's purpose is "Pioneers at heart for the purpose of generations. In pursuing purposeful growth, also being part of the chemical industry, Henkel has made environmental impact and sustainability a strategic priority since 1992." Köprücü explains that last year, the company linked its 2030 Sustainability Ambition Framework with the high inspiration of achieving a "Transformational Impact for the Good of Generations." This measure includes three dimensions of ESG:

1. Regenerative planet,
2. Thriving communities, and
3. Trusted partner.

You can access Henkel's 2022 Sustainability Report [here](#).

Through her facilitation of the Global Marketing for the 4<sup>th</sup> Industrial Revolution course at Thunderbird School of Global Management for nearly five years, Köprücü has also seen the importance of great external and internal communications on a company's performance and profitability through shared value and ESG strategies. The return on investment comes truly to life when customers, stakeholders, and employees know and understand a firm's efforts for and achievements on impact.



A positive attitude in the workplace increases productivity and motivation. mentalmind / Shutterstock.com

People who believe they have a positive impact at work tend to be more engaged and motivated. Shared value can move to a sense of greater purpose for individuals. Willetts says, “At iQ Renew, we recycle so the environment is at the core of everything we do. I apply a level of corporate governance to embed ESG into our corporate DNA. Our purpose is regeneration for future generations and our mission is accelerating the transition to a resilient and circular use of resources.”

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## Cultivating optimism and hope

In-house lawyers moving into the ESG space need to have, and cultivate, optimism and hope. Discussed in my earlier article on [developing hope](#), these characteristics help us to take action and be engaged.



Cultivating optimism creates positive thinking and a greater outlook on life. StockSmartStart / Shutterstock.com

In that article I quote Dr. Jane Goodall saying, “People are so overwhelmed by the magnitude of our folly that they feel helpless ... they sink into apathy and despair, lose hope, and so do nothing. We must find ways to help people understand that each of us has a role to play, no matter how small. Every day we make some impact on the planet. And the cumulative effect of millions of small ethical actions will truly make a difference.” This quote resonated with Willetts on his work in the ESG space.

Willetts describes himself as a “born optimist.” Dr. Goodall’s quote resonated with him and he thinks that “hope must be supported by positive action and a plan.”

## **Building on curiosity**

When moving into a new area of law, in-house counsel [need](#) to maintain their curiosity — the interest in learning more about an unknown topic and looking for a solution. In the ESG space this is essential given its breadth of scope and complexity.

[Dr. Todd Kashdan](#), clinical psychologist and professor of psychology, describes curiosity as the engine of growth and an important ingredient of personal happiness. “Curiosity,” he says, “is about recognizing and reaping the rewards of embracing the uncertain, the unknown, and the new.”



Curiosity is the pathway to opening doors full of new opportunities. Viktoria Kurpas / *Shutterstock.com*

Kashdan describes the following storyline for how curiosity is the engine of growth:

“By being curious, we explore.

By exploring, we discover.

When this is satisfying, we are more likely to repeat it.

By repeating it, we develop competence and mastery.

By developing competence and mastery, our knowledge and skills grow.”

When moving into a new area of law, in-house counsel need to maintain their curiosity.

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Willetts uses a sense of curiosity and positive mindset to make ESG part of the conversation. “Be proactive,” Willetts says. “Get it on the boardroom table. Get management buy-in and filter down to the whole organization. Take small steps. ESG is different for every organization. For example, an oil company has different priorities to a low CO2 technology company. However, each can get ESG embedded into the corporate strategy.”

For further reflections on curiosity, also consider attending ?irin Köprücü’s session titled “Nature Transforms and so does Technology: The Role of Curiosity in Transformation” at [ACC’s 2023 Annual Meeting](#) in San Antonio, TX. Köprücü cannot emphasize the importance of curiosity enough for innovative thinking and trustful relationships: “The field of ESG requires a lot of innovative thinking and communicating across diverse types of people and systems, requiring negotiations to emerge out of discussions with more than either side could achieve on their own while also advocating firmly for their critical needs.”

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In addition to her legal skills she has a Diploma of Positive Psychology and Wellness and is a freelance writer. Her “Positively Legal” column for the *ACC Docket* focuses on the intersection of neuroscience, positive psychology, and in-house practice by interviewing experts and fellow lawyers and curating up to date quality research, podcasts and books to help lawyers learn to take control of their own wellness and support their careers.

Outside of work, Cavallaro loves traveling, snorkeling, meditating and spending time in nature.