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## **Practical Tips for CLOs to Increase their Organization’s Social Governance: Using the United Nations’ Sustainable Development Goal 16**

By the Association of Corporate Counsel

August 13, 2020

As a Chief Legal Officer (CLO), how do you mobilize corporate stakeholders around Environmental Sustainability and Governance (ESG) issues? The United Nations Global Compact’s [Sustainable Development Goal 16](#) offers a framework to articulate key ESG goals within and outside your organization. Explore the key takeaways below from the CLO roundtable organized by the Association of Corporate Counsel (ACC) on July 9, 2020 with the participation of Ms. Christina Koulias, Senior Manager, Anti-Corruption and Global Governance at the United Nations Global Compact.

### **What is [Sustainable Development Goal 16](#) and why should Chief Legal Officers care?**

Launched in 2000, the [UN Global Compact](#) offers [ten principles](#) to “[give a human face to the global market](#)”. These principles support good practices by businesses in areas such as human rights, labor rights, environmental issues, and anticorruption. They relate to what it means for a business to be a responsible, accountable and transparent.

Within the Global Compact’s framework, the purpose of [Sustainable Development Goal 16](#) (SDG 16) is to “[p]romote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.”

Chief Legal Officers play a key role in their businesses’ social governance, strategies, policies and codes of conduct regarding matters such as child exploitation, human trafficking, corruption and discrimination. CLOs and their businesses manage more than shareholders. They interact with multiple internal and external stakeholders. The COVID 19 pandemic underscores issues such as social inequalities, and the pressure for greater social governance is likely to increase.

SDG 16 provides a framework that CLOs can use to articulate various sustainability principles through a cohesive lens within their organizations. The United Nations’ [2015](#) and [2019](#) guides also offer corporate responsibility insight for general counsel.

## **Practical Tips for CLOs to advance ESG goals within and outside their organization**

### **1. Develop a user-friendly ethical framework focused on core principles and connected to your organization's strategy:**

- Over time, organizations may have developed codes of conduct and policies with sophisticated, detailed, and lengthy rules. The volume, detail, and multiplicity of policies might reduce their effectiveness by losing sight of a key factor: the business users' need for ease of use in their day to day work.
- Despite meters of corporate policies, your stakeholders may still misunderstand the values that your company wants to uphold. This may lead to significant reputational consequences.
- Be a change agent: Consider moving from a rule-based to a principle-based approach, focused on a small number of core principles. [SDG16](#) can help you articulate a framework.
- Focus on principle-based decisions to reframe the policies.
- For greater impact, link the core principles to your business's corporate strategy, and determine what needs to be done to deliver the strategy.

### **2. Facilitate ethics discussions and set a consistent tone at the top**

- ESG offers Chief Legal Officers an opportunity to link multiple key governance issues, take a leading role and initiate discussions on the topic.
- Create opportunities for discussions around ethics questions, to eliminate erroneous assumptions. This will help to reduce stakeholders' belief that, because they think they are handling a situation in a certain way, everyone would adopt the same view.
- Consider gathering senior executives for a workshop about ethical leadership. Get participants to probe and understand their respective approach of the same issue. Discuss biases and blind spots, to help stakeholders realize that while they are making assumptions, such discussions help set a consistent tone at the top.
- Use [SDG16](#) to reframe the narrative and initiate provocative corporate discussions. As SDG 16 relates to goals that can be considered accepted by others outside your organization, connecting this framework to your company's business goals can help you drive the conversation and cause engagement.

### **3. Develop leaders at all levels of the business**

- A challenge is to translate an organization's principles into its business's culture.
- Beyond an organization's compliance group, it is every executive leader's responsibility to articulate the company's values.
- You need leaders at all levels to drive ethical values, not just at the top. This may take years.
- Persuade and explain to associates why your organization's ethical values matter at all levels of the business, including when it comes to whom you hire, promote and reward.
- Enable associates to talk about your organization's core ethical values with others.
- Small incremental steps can have a substantial impact.

#### **4. Look beyond your organization and join forces for good**

- The ethical lens extends to all stakeholders your business interacts with.
- For greater positive societal impact, consider bringing other organizations or companies into the discussion to share regarding their perspective on key ESG issues.

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