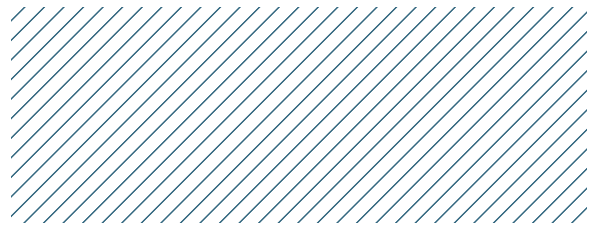




## LEGAL LEADS ON PURPOSE

Corporate Counsel in Conversation

The evolution of the legal department's role inside the company over the last few years has turned a function once seen as peripheral to the business into a valuable center for strategic insight. That shift has put general counsels and chief legal officers right in the middle of conversations about purpose, responsibility and more. The Association of Corporate Counsel's Veta T. Richardson, along with Golden State Foods' John Page, gave us their thoughts on the GC/CLO's role in purpose conversations.



**Tyler Lawrence:** Surveys such as the Edelman Trust Barometer show that the public is increasingly looking to corporations and executives for leadership and guidance on social issues. Why do you think that is? How is this shift playing out for general counsels, chief legal officers and in corporate law departments?

**John Page:** An unprecedented wave of change has created volatility for corporate legal departments. From the new frontier of big data, to complex legal and regulatory challenges, climate change, and data privacy, we find general counsels playing a more central role in the organizations and communities that they serve.

**Veta Richardson:** Ultimately, it falls on CLOs to navigate and serve a broader leadership role in these uncharted waters. For that reason, we have seen a shift among in-house counsel from a purely legal, advisory role to a vital, strategic role developing much faster in this atmosphere.

**TL** What role can and should a legal department play in helping to define and advance a company's social purpose?

**JP** The most critical issues facing companies today are legal and regulatory issues. The legal department plays a central role in business decisions and organizational strategy to ensure that an organization sets the right tone from the top, especially when it comes to ethical issues and accountability. And social issues all boil down to exactly that, ethics and accountability: environmental issues, #MeToo, workplace diversity, and regulatory compliance all help shape and advance an organization's culture and profile as a well-run operation in the eyes of the public at large and with investors.

**VR** Our research supports this as well. When it comes to corporate sustainability, 46 percent of CLOs are influencers with a major say in strategy. Another 40 percent contribute to these conversations. That's why it is essential for CLOs to be at the executive table, in the boardroom, and reporting directly to the CEO. Their decisions impact a company's entire culture, which impacts the industry, which impacts the world. An old-fashioned legal department can never have that kind of reach.

**TL** Lately, it seems like the job of the GC/CLO is shifting from its traditional role protecting the company, to trying to inspire the company. How can corporate legal leaders straddle those competing demands? What kinds of changes have to happen?

**JP** It does often fall on a GC/CLO to inspire the company, but the goals of protecting a company and inspiring it aren't necessarily at odds. The proper alignment of ethics and compliance, for example, can be a major source of inspiration for all employees in a company. Companies that take on compliance proactively tend to be productive overall, with greater employee happiness and less turnover. The Buffett companies are an excellent example of this principle. All that compliance work, from concept to implementation, usually hinges on the CLO.

**TL** John, you have the interesting distinction of being both CLO and also Chief Corporate Social Responsibility Officer. Do you find that combination to be a natural one that more companies should emulate? How do the jobs inform each other?



**JP** The combination is a natural one and one that more companies must and do emulate, now. The legal function is as much about accountability, trust and responsibility as it is about litigating a dispute or closing a commercial transaction. Each aspect of our work has to be balanced with competency and an ethos, which measurably demonstrates the character and values of the company.

In my role, the jobs inform each other. Companies are “citizens” in each of the locations where they exist and they must do their part to ensure ethical behavior while successfully addressing the triple bottom line of people, profit and planet. Corporations have civic, commercial and social responsibility to their communities of interest (consumers, shareholders, investors, employees, customers and other stakeholders), and to the actual communities where we work and live.

**TL** Veta, the ACC has chapters in dozens of countries around the world. Do you see these same sorts of conversations about corporate purpose and social responsibility happening everywhere?

**VR** In a word, yes! The conversation around responsibility and purpose is certainly thriving worldwide. In fact, according to ACC research, legal departments in the United States lag behind other countries in areas like sustainability planning. Approximately 20 percent of US based legal departments have a formal sustainability plan, compared to 40 to 50 percent in Australia and the Pacific, Europe, and Asia.

**TL** John, in addition to your role at Golden State Foods, you're also on the boards of both Tuskegee University and the University of Pennsylvania Law School. This kind of social engagement is increasingly par for the course for all kinds of executives. Do you see that kind of engagement as separate from your “day job,” or an extension of it?

**JP** My service to Tuskegee University and University of Pennsylvania Law School is my day job. Seriously, this type of social engagement is critical for our society and for corporate executives at so many levels. It advances better outcomes for our students and their gainful sustained employability and future (not too far in the future) contributions to society. It helps to create a current and future workforce that focuses on the very highest of ethics, a genuine concern and solution-oriented passion for ecology, and integrity filled performance in the marketplace. These boards and the schools themselves have personally resourced me with knowledge and experience to be a better leader right now, and to be more accountable. Being in leadership on the board at a perennial Top 5 HBCU 1890 land grant institution, and at a perennial Top 8 Ivy League law school, allows for the

best of intellectual exchange and developing the future. In part, I succeed at my “compensated night job” with Golden State Foods Corp. because we readily understand and embrace the benefit and importance of giving back financially, mentoring and sharing our time, experience and talent with future ethical leaders.

**TL** Our audience is composed of all sorts of corporate executives, especially legal, ethics and compliance professionals. Do either of you having parting advice for them as they steer their companies on their purpose journeys?

**VR** We would like to offer two important points of advice. One is that CLOs are indispensable to corporate strategy, and to the engagement and thought leadership that distinguish great companies from the rest. The second, it is more important than ever to have a CLO who is well positioned to influence corporate strategy. For that reason, it is important for all organizations to re-examine the role of the CLO and its positioning within the organizational structure to ensure that the CLO has a seat at the executive table and most importantly, reports to the CEO. This assures the ability to fully contribute.

### Featured Experts

**Veta T. Richardson** is President and Chief Executive Officer of the Association of Corporate Counsel (ACC), and sets the strategy for the world's largest network of in-house counsel. With more than 43,000 members employed by over 10,000 organizations spanning 85 countries, ACC connects its members to each other and to the people and resources necessary for personal and professional growth.

**John Page** is Senior Corporate Vice President, Chief Corporate Social Responsibility and Legal Officer of Golden State Foods Corp. (GSF). John has over 25 years of practicing as an attorney, both as outside and in-house counsel, and has litigated and tried numerous cases, including successfully arguing before the U.S. Court of Appeals for the Second Circuit. John is also admitted to practice before the U.S. Supreme Court. Joining GSF in 2004, John is responsible for all legal, governance and compliance matters for the company. Additionally, John provides executive leadership for GSF's corporate social responsibility (CSR) efforts, which include environmental initiatives, diversity efforts, and community involvement.