



ESG – Businesspeople, Lawyers, Executives and Investors Working Together and Creating Better and More Sustainable Business

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Also the theme is not necessarily new, especially in 2020 the concept known as ESG has become of relevance in the World's economic scenario as the "favorite of the market." ESG is the international acronym for Environmental, Social and Corporate Governance. Lawyers, businesspeople, executives and investors make daily use of the "super abbreviation," impacting on mentalities, styles, products, projects, services, installations, means of contracting, documents, internal politics, contracts, partnerships, etc.

It is not only a new business strategy but also relates to the fundamental question of survival. Especially in a World evermore connected and integrated where "one knows everything." The global capital market and the large investment firms already act as if and demonstrate that "the path is this one" – sending an important message to the businesspeople and proving that the tendency is "here to stay."

Brazil needs to reactivate its economy and strengthen its companies and for this it needs to work together in the structuring of projects that attract long term investments – undertakings with the new corporate bases. Executives and businesspeople, with lawyers at their side, perceive evermore that the best projects attract the principal markets, which are concerned with sustainability and the "correct" way of conducting business.

Themes such as diversity, respect for human rights, effective inclusion, fight against corruption, and others, are obligatory topics for all companies and the corporate lawyer part of the team assisting in decision making will be increasingly demanded.

There is much to commemorate in terms of the evolution of society in general and of the concept of company sustainability, the famous “doing the right thing,” seeking sustainable revenue and income.

There is a lot to do.

The Corporate World has never be so united with respect to a business concept so profound and that needs union between all, highlighting relative to the lawyer that act so forcefully in the assisting the modeling of transactions for their clients, aiding in identifying opportunities, bettering processes and reducing risks.

If all now “run’ to disclose their adhesion to the concept the “masks” of those that have not been actually reassessing projects and processes shall promptly fall and sustainability will no longer be reached.

ESG is not a fad (and cannot be) as what is most profound relative to modernity is the concept of entrepreneurship that is preoccupied with everything, with people, with the planet and with wellbeing in general.

A “considerably free translation” is that of a new concept, a new mentality with respect to doing business and to running companies – based on the tripod of the environment, effective social responsibility and profound corporate governance.

The “great difference” relative to previous initiatives lies in the integration of these undertakings in the company business model, penetrating all areas, projects, actions, operations, contracts, installations, products, services, etc.

The question is not to create an area to treat ESG matters within companies, but to integrate the concept in all that they do.

Businesspeople, lawyers, executives and investors shall work together evermore closely towards investments and results (earnings) being greater and more sustainable (in all aspects).

Corporate Law as a whole is endeavoring to better understand the legal details that need to be implemented in companies so that all of its areas, such as labor, environmental, corporate, infrastructure, real property, commercial, public and administrative law, contracts and all others are integrated into and support the whole “business.”

All of the areas of the law will work together in a permanent and coordinated way so that all the stakeholders (one of the pillars of good corporate governance) are attended to, via the use, for example, of clean and renewable sources of energy, reduction of carbon emissions, sustainable use of natural resources, reduction and recycling of residuals, reduction of packaging, care for people (all), respect for diversity and inclusion as well as for human rights (internally and externally).

Points of effective attention to Compliance, Corporate Governance, contracts that are better structured and with clauses that guarantee, in all scenarios and aspects, that ESG will be respected and valued, shall dominate Board, Directorship and Management meetings.

All production and commercial chains will be reassessed, and the companies that incorporate the idea will require that their partners, suppliers, clients, etc., also adapt.

In countries such as Brazil, where the “government” is enormous but cannot attend to everything it is the private initiative that will need to gap fill and assist in attending to more and more people, the environment, the sustainable management of rivers and forests, the more precarious communities, the production chains (through better contracts and Compliance Programs and respect for corporate governance, for example) of the communities, and of society in general, amongst other concerns.

Companies need to have earnings and results but also that these are effectively sustainable, be it in industry, in commerce or in service, and even in the celebrated digital economy, which equally needs to occupy itself with respect for the principles that presently attract the best and largest investments – worldwide.

Startups are already being formed based on the concept of and investment in ESG, such that the conception of the product and of the service already considers the principal pillars of a concept intending to change and better the business world, with the growing support and assistance of corporate lawyers effectively committed to and prepared for this challenge.

More than following the law, companies need experienced and well-prepared professionals, with sensibility and knowledge that will actually assist in determining the best solution for each project.

The dispute for money and for contracts, as well as for the best opportunities, will increasingly include projects effectively inclusive and sustainable; and only corporate lawyers that are well prepared and educated will be able to assist companies in earning more – with more care and responsibility, less risk and in way that is more sustainable.

The concept of “legal assurance” is being expanded to consider respect for the bases of ESG as well, which shall soon also be required in the “courts.”

In this comprehensive way, the “win-win” proposed will please everyone, from the businesspeople to their consumers, from investors to employees in general, from the authorities (that will impose less fines) to the environment, etc.

In contrast to the other legal and corporate battles fought out on opposite sides, the effective and profound application of this new concept (and its embedded “mentality”) in corporate projects involves a great union, with a larger objective, more inclusive and more sustainable.

At Almeida Advogados we are prepared and increasingly more integrated and coordinated with the demands of the market, attentive and sensitive to the current market and ready to collaborate with companies and their projects in a global way – in all areas of corporate law, not only in Brazil but also worldwide.

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