

MARCH 25, 2024 | ROUNDTABLE

The Rise of Human Capital Issues in 2024

On March 25, Joele Frank and the Paul, Weiss ESG and Law Institute hosted a senior level roundtable discussion on “The Rise of Human Capital Issues in 2024: Legal, Governance and Investor Perspectives” in person at Paul, Weiss’s New York office.

The program featured insights from senior communications, legal, compliance and ESG professionals who shared their expertise on how to assess, align and communicate human capital and DEI strategies, goals and metrics with the organization’s business objectives and values considering the increasingly complex landscape.

Throughout the session, the group discussed the importance of getting under the hood of their human capital and DEI efforts, assessing the current state of the company’s policies and programs, and identifying what is material and relevant to the company and its stakeholders. They also emphasized the value of employee engagement as a key performance indicator (KPI) to measure the effectiveness and quality of human capital and DEI initiatives, and shared best practices for organizing focus groups and employee surveys to gather feedback, identify gaps and opportunities for improvement.

The group also explored the challenges and opportunities of communicating their human capital and DEI efforts and achievements to various internal and external audiences, including employees, customers, business partners, investors, regulators and the media. They highlighted the importance of regular and consistent communication and engagement with employees, noting that they act as a “vessel to the outside world.” Employees are the main ambassadors of the company’s culture and reputation and should be educated and empowered to share the company’s values and goals.

The participants also discussed the legal and regulatory landscape, and how to monitor and respond to potential challenges and changes, such as the Supreme Court’s decision on affirmative action and the SEC’s plans to propose a human capital disclosure rule. They spoke about the

What to do now

1

Audit policies, programs, disclosures and statements for consistency, and look for opportunities to refresh in light of the current environment

2

Identify human capital, DEI and ESG key performance indicators (KPIs) to measure the effectiveness and quality of these human capital management programs

3

Actively engage internal and external stakeholders to identify their expectations and align programs with the company’s values and goals, while accounting for emerging risks

value of looking at well-established frameworks for inspiration, such as the Task Force on Climate-Related Financial Disclosures (TCFD), while also looking to incoming frameworks, such as the International Sustainability Standards Board (ISSB) which includes emphasis on human capital management. Both serve as guides for preparing and prioritizing governance, strategy, risk mitigation and metrics.

Finally, the participants shared their insights and best practices on how to proactively and effectively engage with institutional investors and proxy advisors. These stakeholders are increasingly scrutinizing human capital issues and seeking more transparency and accountability from companies, an emerging trend this proxy season.

[Joele Frank, Wilkinson Brimmer Katcher](#) is a leading strategic communications firm recognized for our intellect, integrity and intensity. We provide strategic counsel and tactical support to Boards of Directors and C-Suite executives across a range of disciplines, including: investor relations, corporate communications, M&A, shareholder activism defense and engagement, crisis communications (e.g. litigation and cybersecurity), ESG, bankruptcy and restructuring and private equity.

The [ESG and Law Institute](#) cultivates and expands discussion on the intersection of ESG and the law, and provides a centralized forum of solutions-oriented ESG [thought leadership](#) and intelligence for boards, executives, institutional investors and the legal community.

The Paul, Weiss [Sustainability & ESG Advisory Practice](#) provides clients with the critical support they need to build and strengthen their ESG programs, strategy and governance. Our multi-disciplinary team brings together preeminent attorneys with dedicated program managers, sustainability experts, data scientists and researchers to offer tailored, holistic solutions that mitigate legal risk and promote long-term success. We help our clients define their current ESG status, identify ESG gaps and opportunities and provide road maps for improvement.