
Spotlight On: ESG and Board Diversity

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NASDAQ [announced](#) today it has requested the Securities and Exchange Commission (SEC) approve a rule change that would require its listed companies to publicly disclose the diversity composition of their directors and to have at least two directors that self-identify as diverse, including one female, within a specified number of years after listing. Failure to meet the requirement would not result in delisting but would require public explanation. The rule request, the first for a national stock exchange, is now with the SEC, who will solicit public comments before it decides how to proceed. This can take at least several weeks or months, especially given the upcoming retirement of SEC Chairman Jay Clayton at the end of this year.

In addition to NASDAQ's announcement, the unprecedented events of 2020, including the COVID-19 pandemic, the racial justice movement, extreme climate-related conditions, and the economic slowdown, have significantly impacted the ways in which companies are addressing environmental, social, and governance (ESG) issues. Helene Banks, Cahill partner and co-lead of the Firm's M&A and Corporate Governance practice, has written and spoken on this topic extensively over the last year and a half. Please see below for highlights.

- Helene spoke on the "Maintaining Credibility with an Increased Focus on Social Issues" panel during the Corporate Governance 2020: Balancing ESG, Sustainability and Growth conference, held by The Deal on November 16-19. The focus of this panel's discussion was how businesses are setting the standard, creating accountability and installing a regular cadence of updates and actions, particularly in regard to the social aspects of their ESG efforts. To watch the video playback, please [click here](#).
- In a Q&A for Practical Law, "Addressing ESG Issues After the Events of 2020," Helene explains how companies are incorporating ESG factors into their corporate strategies, policies, and operations in response to recent events, and provided guidance for companies seeking to enhance their ESG programs. To read the article, please [click here](#).
- In a previous Q&A in Practical Law's The Journal - Transactions & Business, Helene explained "The Fundamentals of ESG" and its impact on companies, and provides guidance on effectively incorporating ESG factors into corporate strategies and operations. To read this article, please [click here](#).
- Helene also wrote an article for Practical Law entitled "Board Diversity: Steering the Ship Under the Watchful Eyes of Shareholders, Lawmakers, and Regulators." The article discusses the pressures to improve diversity on boards from a variety of sources, including shareholders, proxy advisory services, legislators and regulators. This article explores these pressures and provides guidance on how effective boards can take this opportunity to consider and improve their approach to board diversity. To read this article, please [click here](#).

Attorney

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