

# Video Segment 1: Understanding the “S” in ESG

*“As the title suggests, ‘Humanizing ESG’  
the ‘S’ or Social Factor is really about people.” – Dr. Witold Henisz*

## NOTE-TAKING GUIDE

Each of the panelists brings a unique point of view to Wharton’s discussion on *Humanizing ESG*. It’s important to understand their roles as you explore the human side of ESG in the various video clips. Take note of the titles and organizations for each of the following, and include a few words to describe what you see as their **unique perspective** on *Humanizing ESG*:

**Erika James of Wharton:**

**Witold Henisz of Wharton:**

**Andrew Plepler of Bank of America:**

**John Streur of Calvert:**

What does the S in ESG stand for and who are the main groups it represents? As you're identifying them, list one issue related to the group that companies must consider.

1.

2.

3.

Explain Dr. Henisz's statement: **"The salience of these different groups is going to drive the allocation of resources at the corporate level."**

Often the ESG conversation gets lost in a sea of business jargon about policies, corporate boardrooms and government regulations. But as the “S” in ESG suggests, people are at the heart of the ESG movement -- how people of all kinds are impacted by the way a business operates. Think of a time when you filled one of these specific S roles. What was your relationship to the related business and what did you observe about how the company respected the “S” in ESG?

## THE LANGUAGE OF BUSINESS

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**Allocation of Resources:** How companies assign their resources (money, employees, time) to various uses, in this case, which social group makes the most sense for them to prioritize?

**Andrew Plepler:** Global head of ESG at Bank of America, a large financial institution.

**Climate Change:** The long-term shifts in temperatures and weather patterns that are increasingly caused by human activity, like the burning of fossil fuels that releases greenhouse gases into the atmosphere.

**Climate Crisis:** Many believe that the rising temperatures associated with climate change are deeply harming the environment, causing natural disasters and leading to social and economic crisis across the planet.

**Company Policies:** Guidelines set by a business that help both employers and employees understand the standards by which to operate and do their jobs. They might be defined in an Employee Handbook, for example.

**Customer:** A person who purchases goods or services from a business.

**Data Privacy:** The protection of personal data (in this case, customers) from people who should not have access to it.

**DEI:** Diversity, Equity and Inclusion, it is an important movement in business. At the most basic level, diversity is who is in the room (what differences are represented around the table?); inclusivity is who has influence in the

room (do all voices have the opportunity to contribute?); and equity is do we have fair practices for those in the room (for example, are men and women paid an equal wage?)

**Distribution of Wages** (see “wage inequality” in linked vocabulary above)

**Employees:** The people who work for and are paid by a company.

**Employee Training and Development:** A company’s programs that help build the skills and knowledge of its employees and give them information to do their jobs more effectively.

**Equity:** Fairness and justice in the pursuit of giving people what they need to survive and thrive.

**Erika H. James:** Dean of the Wharton School of the University of Pennsylvania, she is the first woman and African-American to lead Wharton in its history.

**ESG: Tackling the Climate Crisis:** The first discussion in a 2021 three-part series on ESG led by Wharton Dean Erika James, for which the Wharton Global Youth Program [created a mini-site](#) for high school students and educators to explore ESG and climate change.

**ESG: Redefining Corporate Governance:** The second discussion in a 2021 three-part series on ESG led by Wharton Dean Erik James, for which the Wharton Global Youth Program [created a mini-site](#) for high school students and educators to explore how boards can redefine corporate governance to maximize social impact while balancing the needs of all stakeholders.

**ESG: Humanizing ESG:** The third discussion in a 2021 three-part series on ESG led by Wharton Dean Erik James, for which the Wharton Global Youth Program created a mini-site for high school students and educators to explore how ESG relates to people.

**Free, Prior and Informed Consent:** A specific right that applies to indigenous people that allows them to give or withhold consent to a project that may affect them or their territories.

**Grievances:** Complaints or protests, often against unfair treatment.

**Human Rights:** The rights we have because we exist as human beings, such as the right to life, food, education, health and work.

**John Streur:** President and Chief Executive Officer of Calvert Research and Management, an investment management company that supports sustainable and responsible investing.

**Pay Inequity:** When one group in a company is compensated differently than another.

**Product Labeling:** The written information on a product’s packaging.

**Selling Practices:** How a company goes about selling its products and services.

**Social Challenges:** Challenges that are facing the people in society, such as the COVID-19 pandemic and the unrest fueled by racial inequality.

**Stakeholder:** A person with an interest or concern in a business, including owners, managers, board members, employees and investors.

**Tarnopol Lecture Series:** Honoring Michael L. Tarnopol (W'58), this Dean's lecture series features influencers and executives discussing critical issues facing society and business.

**The Wharton School:** Part of the University of Pennsylvania, Wharton is a world leader in business education and is the home base where the Wharton Global Youth Program operates.

**Witold Henisz:** A professor of management at The Wharton School.

**Wages:** The distribution of payment from an employer to an employee.

**Workforce:** All the workers employed by an organization.

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