

Mallick and Duffy in *The Franchise Lawyer*: 'Implementing ESG for a More Sustainable Franchise Relationship'

October 5, 2023 Samuel Mallick

PRACTICES Franchise and Distribution, Franchise Litigation, International Franchise and Distribution, Environmental, Social and Governance

Haynes Boone Associate [Sam Mallick](#) and Smoothie King Director of Legal Affairs [Rachel Duffy](#) authored an article in *The Franchise Lawyer* discussing ESG within franchise relationships and considerations to help franchisors and franchisees embrace ESG initiatives successfully.

Read an excerpt below:

A franchise relationship presents unique challenges to the parties, but it also presents unique opportunities, including with environmental, social, and governance (“ESG”) matters. ESG typically encompasses company policies, standards, and even broader philosophy, taking into consideration the well-being of “stakeholders” rather than just the profits of shareholders. This article addresses ESG within franchise relationships and considerations to help franchisors and franchisees embrace ESG initiatives successfully.

For many decades, most companies have prioritized maximizing shareholder profit over competing priorities, often informed by a theory of corporate governance based on a fiduciary duty by the board of directors to the shareholders and the shareholders alone. More recently, however, many companies have implemented ESG to consider their impact on “stakeholders” beyond shareholders. Stakeholders include anyone whom the company’s actions impact—customers, employees, suppliers, communities, and others.

To read the full article in *The Franchise Lawyer*, [click here](#).