

WBCSD SECTOR AND VALUE-CHAIN PROJECT BOARD CHARTER

Table of Contents

WBCSD SECTOR AND VALUE-CHAIN PROJECT BOARD CHARTER	1
A. Scope and definitions	2
1. Scope and definitions	2
2. Purpose of the Sector and Value Chain Projects	3
3. Composition of the Sector and Value Chain Projects	3
4. Funding model	3
5. Roles and Responsibilities of the Sector or Value Chain Project Boards	4
6. Sector or Value Chain project bodies	5
7. (Re) appointment, term and resignation	6
8. Sector or Value Chain Project Board meetings	6
9. Amendment	6
10. Governing law	6
ANNEX A. Decision-making chart	8

A.Scope and definitions

1. Scope and definitions

- 1.1 This Charter sets out the functions, powers, duties, and responsibilities of the Sector and Value Chain Project Boards.
- 1.2 Some Sector or Value Chain Projects have existing governance arrangements. This WBCSD Charter governs all project charters, excluding existing projects with existing governance arrangements, and clarifies the relationship between the Sector and Value Chain Projects and the Cluster Boards, Redefining Value Board and the ExCo of the WBCSD.
- 1.3 This Charter will apply to all new Sector and Value Chain Projects, and to any existing projects without existing governance arrangements. Any governance documents or arrangements, as now existing or as may be amended at any time in the future by their own terms, which exist prior to the creation of this Charter (5th November 2014) for Sector or Value Chain Projects shall govern in place of this Sector and Value Chain Project Board Charter.
- 1.4 In this Charter, the following terms mean the following:

Chairman	The Chairman of the ExCo
Co-Chair	Members that co-Chair the Cluster Boards and projects or Sector and Value Chain Boards
Council	The Annual General Meeting of Members
ExCo	The Executive Committee of the WBCSD
Liaison Delegates	Representatives appointed by each of the Council Members
Members	Members of the WBCSD
CEO	The Chief Executive Officer of the WBCSD
WBCSD	The World Business Council for Sustainable Development

- 1.5 The following Annex is attached to, and forms an integral part of, this Charter:

Annex A:	WBCSD decision chart
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2. Purpose of the Sector and Value Chain Projects

- 2.1 The Sector and Value Chain projects are voluntary and practical initiatives, rooted in independent research, with the aim to work out how critical sectors and value chains of WBCSD members can meet sustainability challenges. They provide platforms to address key strategic themes, ensuring that member activities are effectively channelled where the WBCSD can make the most difference.
- 2.2 Projects are of sectoral (i.e. industry focused) or value chain/cross-sectoral in nature. Projects may be of a fixed duration, or on an ongoing basis.
- 2.3 The ExCo must approve the creation of new Sector and Value Chain projects.

3. Composition of the Sector and Value Chain Projects

- 3.1 Each Sector or Value Chain project is led by a Board composed of 2-4 co-Chairs and up to 15 members, which act as its strategic board. The Board provides strategic guidance and direction to the work of projects and working groups.
- 3.2 Members of the Sector or Value Chain Board may be at Council Member or Liaison Delegate level, to be agreed by project members at establishment of the project.
- 3.3 Each Sector or Value Chain Project is assigned to a WBCSD **Project Director** with the role to drive the project forward by providing leadership, support and coordination. The Project Director reports to the WBCSD Chief Operating Officer. His/her main responsibilities are to :
 - a) deliver the objectives and goals of the Sector or Value Chain project
 - b) maximise the contribution of the Sector or Value Chain project to delivering the Action2020 Societal Must Haves
 - c) ensure all Sector and Value Chain Board companies are fully engaged and aligned with key decisions in an open way and ensure harmonisation with other projects;
 - d) co-ordinate with the WBCSD Cluster Directors and Redefining Value Director to facilitate co-ordination, collaboration and synergy between the work streams
 - e) regularly meet with the Sector or Value Chain Board and follow decisions taken by the latter as well as by the project co-Chairs;
 - f) coordinate and build consensus among stakeholders and bring any conflicts to the respective Sector or Value Chain Board and the CEO;
 - g) ensure integrity, transparency and timeliness in the conduct of projects;
 - h) ensure alignment with approved budgets and report on financial costs and budgets to the Sector or Value Chain Board on a regular basis;
 - i) regularly inform Members on the progress of projects;
 - j) manage external dialogue, communications and website content.
 - k) maximise member acquisition and engagement in the project

4. Funding model

- 4.1 Sector or Value Chain members pay the full WBCSD membership fee.
- 4.2 Sector or Value Chain members pay the full project membership as determined by the co-Chairs of each project. The membership fee can vary between the co-Chairs and members.
- 4.3 Direct costs and overheads of Sector or Value Chain projects are funded by their members through project fees.

- 4.4 The ExCo and the CEO determine annually the allocation of WBCSD central funds to Sector or Value Chain projects.
- 4.5 Business Solutions that are developed from within Sector/Value Chain projects, which are already member funded, do not require separate funding. However, if members of sector/value chain projects wish to participate in other business solutions, they would be required to contribute Business Solution funding alongside the other member companies.
- 4.6 Any Sector/Value Chain projects in existence before the introduction of this model (i.e. before 5th November 2014) will keep their pre-existing funding model.

5. Roles and Responsibilities of the Sector or Value Chain Project Boards

Sector or Value Chain Project Boards

5.1 The main responsibilities of the Sector or Value Chain Boards are to:

- a) provide strategic guidance and direction, set priorities and advance Sector or Value Chain project activities through the Working Groups and WBCSD head office;
- b) lead the Sector or Value Chain projects and assume all decision-making with respect to Sector or Value Chain related issues;
- c) further engage members on the key topics of the work program;
- d) respond rapidly to emerging changes in the sustainability and policy landscape;
- e) ensure that the WBCSD is the leading business voice on the Sector or Value Chain topic and is working to the highest standards possible;
- f) review core Sector or Value Chain project outputs, control quality of deliverables and evaluate progress;
- g) communicate through the WBCSD head office and advocate core Sector or Value Chain messages and specific policy options that leverage and scale-up the WBCSD business solutions;
- h) present Sector or Value Chain positions at WBCSD and partner events where possible;
- i) encourage collaboration and reinforcement by linking Sector or Value Chain outputs to other business and sustainable development activities;
- j) build partnerships for co-management, co-development and scale up of business solutions on the ground.

Sector or Value Chain Project Co-Chairs

5.2 A Co-Chair is first a Board Member, but with extended leadership responsibilities in the Sector or Value Chain project he/she oversees. The roles and responsibilities of the **Co-Chairs** of each Sector or Value Chain Board are to:

- a) lead together with other Co-Chairs their respective Sector or Value Chain project and fulfil the project objectives as agreed with the ExCo;
- b) ensure the project has the necessary resources to carry out its work and that budget commitments are met;
- c) provide leadership, direction and co-ordination of work streams and Assurance Groups;
- d) as a spokesperson be visible on project communications (both externally and internally) and outreach (logo, presence, representations);
- e) communicate regularly with the WBCSD Project Director, associations, consultants and stakeholders from across business perspectives;
- f) participate at the working group meetings during their term as Co-Chair;
- g) take all necessary decisions in common with other Co-Chairs;

- h) ensure that the project output meets WBCSD quality standards and is approved by the ExCo;
- i) sign-off and approve the publication of project outputs that build on previous policy directions;
- j) sign-off on major reports of policy nature produced by the Sector or Value Chain for further publication approval by the CEO.

Sector or Value Chain Project Board members

5.3 The roles and responsibilities of each Sector or Value Chain project Board member is to:

- a) adhere to all decisions already made in the project;
- b) lead and actively participate in outputs and activities;
- c) be at the forefront of change as a leading proactive contributor to the vision and objectives of the projects;
- d) participate actively in the project work, meetings and events. When they occur at their premises or in their vicinity, the Sector or Value Chain project Board member hosts the events and covers some common costs such as venue and meals;
- e) be visible on project communications and outreach (logo, presence, representations, etc.);
- f) only use the WBCSD logo and project template when speaking on behalf of the WBCSD or project;
- g) host outreach meetings and provide support to these events;

6. Sector or Value Chain project bodies

Assurance Groups

6.1 Sector or Value Chain project Boards may set up Assurance Groups:- groups of key experts, external to the WBCSD, which shall act as independent advisor and ensure project integrity, quality, independence and accountability.

6.2 The responsibilities of the Assurance Group are to:

- a) act as a strategic advisor and reviewer, and critique study quality, relevance and balance. It shall be charged with validating that projects maintain a high level of integrity, independence and accountability.
- b) provide feedback to project outputs, assess progress and provide recommendations to address gaps and challenges

6.3 The Sector or Value Chain project Board and WBCSD head office shall identify, invite and appoint external stakeholders to be part of the Assurance Group. The Assurance Group shall be composed of at least four (4) members, from diverse geographies and sectors pertinent to the project.

6.4 The group shall not have a veto function over the work or the content but rather a consulting function, especially in cases of disputes. The Assurance Group will aim to reach a conclusion on the basis of consensus. When necessary to resolve an issue and consensus cannot be achieved, a vote may be taken and decided by simple majority of those present at a duly convened meeting of the Assurance Group. It shall always be given an opportunity to state a reserve or minority conclusion.

6.5 The Assurance Group has the right to comment on and endorse the work and the final report of the project. The Sector or Value Chain Board should strive to incorporate the recommendations of the Assurance Group into its project outputs and activities.

- 6.6 The Sector or Value Chain project shall define the meeting frequency of the group throughout the lifetime of the project.
- 6.7 Assurance Group members individually or with other assurance Group members have the right to publicly express their opinion, including any dissenting opinion on the project and its activities, products and outputs as long as this is shared with the co-Chairs and the CEO prior to release.
- 6.8 The assurance Group may express its views in any appropriate form to the CEO of the WBCSD or the Project co-Chairs about the overall performance of the Project.

7. *(Re) appointment, term and resignation*

- 7.1 The co-Chairs are nominated by the project members, proposed for appointment by the CEO, to be approved by the ExCo. Co-Chairs shall be appointed with a two (2) year term of office. Co-Chairs shall be nominated on the basis of the following criteria:
- a) hold the position of Council Member for their company;
 - b) demonstrate expertise and leadership in the Sector or Value Chain project area.
- 7.2 Sector or Value Chain Board members are selected by the Sector or Value Chain Board co-Chairs and appointed by the CEO.
- 7.3 Sector or Value Chain Board members' tenure is for two (2) calendar years plus the year in which they are appointed. Members can be reappointed. At least one of the Sector or Value Chain Board members should also be a member of the ExCo to ensure proper flow of communication.
- 7.4 The number of co-Chairs, their term, and their appointment may be modified in a Sector or Value-Chain Project with approval of the ExCo.
- 7.5 To fill vacancies between ExCo meetings, the ExCo Chairman can approve new members based on these nominations.
- 7.6 Sector or Value Chain Board membership is a personal appointment and not a company position. When there is a change of Member in a company, the position is not inherited by the new Members;

8. *Sector or Value Chain Project Board meetings*

- 8.1 Sector or Value Chain Boards meet around Liaison Delegates' and Council Meetings. Other opportunities to meet include work stream meetings. Board member participation in Sector and Value Chain project working group meetings is voluntary, Minutes of the meeting are prepared by a WBCSD head office staff.

9. *Amendment*

- 9.1 This charter may be amended by a resolution of the ExCo to that effect.

10. *Governing law*

- 10.1 This Charter shall be governed by and construed in accordance with the laws of Switzerland.

- 10.2 This Charter is based on the ExCo Charter which is incorporated herein by reference. In the event of inconsistency between this present Sector or Value Chain Board Charter and the ExCo Charter, the latter shall prevail.
- 10.3 This Charter is published on the WBCSD website www.wbcd.org.

ANNEX A. Decision-making chart

WBCSD

Decision making chart

(Based on selected items from the Articles of Association and the ExCo Charter)

Consulted	Those whose opinions are sought and with whom there is a two-way communication
Informed	Those who are kept up to date with the progress of the task of deliverable and with whom there is a one way process
Prepare	Those that have delegated or statutory responsibility
Propose	Those that have a right to make a proposal
Approve	Those that can Approve a decision or output
Nominate	Those that can select (with respect to a position)
Appoint	Those that can elect (with respect to a position)
Blank	Cells that are left blank mean that the founding document does not allocate a formal role in the decision process to the entity in question

Governance document	Ref	Members										WBCSD CEO
		Council	ExCo Chairman	ExCo	ExCo Nomination Committee	Cluster Board Co-Chairs	Cluster Board members	Business Solutions Co-Chairs	Business Solutions Members	Sector/Value Chain Co-Chairs	Sector/Value Chain Members	
I. Appointments												
Council												
Council Members invitation	Articles of Association	4.1			Approve							Propose
ExCo												
ExCo Chairman	ExCo Charter	5.2			Appoint							Nominate
ExCo Vice-chairmen	ExCo Charter	5.2		Nominate	Appoint							
ExCo members	ExCo Charter	3.1 a)	Appoint		Nominate	Propose						
WBCSD												
WBCSD CEO	ExCo Charter	11.1			Appoint							
WBCSD SMT	ExCo Charter	11.4 a)			Consulted							Appoint
WBCSD staff	ExCo Charter	11.4 a)										Appoint
Priority Clusters												
Cluster Board Co-chairs	ExCo Charter	3.1 c)			Appoint		Nominate					
Cluster Board Members	N/A	N/A				Appoint						Nominate
Business Solutions												
Business Solution Co-Chairs						Appoint		Nominate				
Business Solution Members												Appoint
Sector/Value Chain Projects												
Sector/Value Chain Project Co-chairs	ExCo Charter	3.1 c)			Appoint							Nominate
Sector/Value Chain Project Members	ExCo Charter	N/A							Appoint	Nominate		Nominate
Redefining Value												
Redefining Value Board Members					Appoint							Propose
Committees												
Honorary Committee	ExCo Charter	14.4	Appoint		Nominate	Propose						
Advisory Boards members	ExCo Charter	11.4 b)	Informed		Consulted							Appoint
Assurance group members	N/A	N/A							Appoint	Nominate		Informed
II. WBCSD Strategy												
Mission statement	ExCo Charter	3.1 e)	Approve		Propose							Prepare
Strategy	ExCo Charter	3.1 f)	Approve		Propose							Prepare
Strategic partnerships	ExCo Charter	8.5e)	Informed		Approve		Informed	Informed		Informed	Informed	Propose
WBCSD performance report	ExCo Charter	3.1 i)	Informed		Approve							Prepare
III. Membership												
Membership conditions	ExCo Charter	3.1 j)	Approve		Propose							Prepare
Membership fees	ExCo Charter	3.1 l)	Approve		Propose							Prepare
Membership pool monitoring	ExCo Charter	11.4 j)										Prepare
IV. WBCSD activities												
New work programs and objectives at WBCSD level	ExCo Charter	3.1 o)			Approve							Prepare
New Business Solutions within Clusters	N/A	N/A			Informed	Approve	Propose					Informed
Sector/Value Chain Project workplans	N/A	N/A							Approve	Propose	Approve	Prepare
Monitor Sector/Value Chain project delivery and impact	N/A	N/A								Approve		Prepare
V. Financial planning and reporting												
Annual budget	ExCo Charter	3.1 m)	Approve		Propose							Prepare
Sector/Value Chain Project budgets	ExCo Charter	11.4 r)	Approve		Approve							Prepare
External audit	ExCo Charter	11.4 s)	Approve		Consulted							Prepare
Annual report and accounts	ExCo Charter	11.4 t)	Informed		Approve							Prepare
VI. Publications and communication												
Publications												
Major publications and positions (of a policy nature) involving more than one cluster	ExCo Charter	3.1 q)			Approve		Approve		Prepare		Prepare	Approve
Major publications and positions (of a policy nature) involving just one cluster	Cluster Board Chart	n/a			Consulted		Approve		Prepare		Prepare	Approve
Major publications (of a policy nature) by Sector/Value Chain projects (i.e., reports/facts and trends)	ExCo Charter	n/a			Consulted		Consulted			Approve	Prepare	Approve
Organisational publications (i.e., the Annual Review) or specific issue briefs that fall outside the subject domain of a specific Cluster	ExCo Charter	3.1 r)			Approve						Prepare	Prepare
Routine WBCSD publications (i.e. articles/book chapters for outside publications, case studies, workshop, educational materials)	ExCo Charter	11.4 y)										Approve
Confidentiality requirements and exclusivity rights	ExCo Charter	3.1 s)			Approve							Propose
Communication												
Media relations and reputational risks	ExCo Charter	12 bb)			Approve							Approve
Crisis management	ExCo Charter	12 cc)			Approve							Approve
VII. Structure & organisation												
Governance												
Establish board committees	ExCo Charter	2.1			Approve							Propose
Complaints and whistleblowing process	ExCo Charter	9.1			Approve							Approve
	ExCo Charter	12			Approve							Propose