

ENGAGEMENT WITH MANAGEMENT

As part of WBCSD's governance and internal oversight project we have collated a series of questions for both board directors and for management designed to be used as prompts for discussion. The questions are intended to be used to help organizations further integrate environmental and social issues into existing governance arrangements and decision-making.

Environmental, social and governance (ESG) in this context refers to all sustainability and non-financial considerations, including but not limited to: climate change, human rights, supply chain management, anti-corruption, ethics and compliance, water, biodiversity as well as impact on stakeholders (shareholders, employees,

customers, suppliers, regulators, civil society and local communities). The questions are intended for the board to ask itself or to consider in boardroom discussions, these cover activities and oversight responsibilities carried out by the board.

Questions for the board

- Does management have a mandate to consider ESG-related matters in their existing responsibilities?
- To what extent is organizational ESG performance considered in executive performance and compensation structures?
- Does the board have explicit oversight of ESG-related matters, and does this fall to a separate sub-committee or a specific individual on the board?
- Does the board regularly discuss ESG-related matters at board meetings as well as with management? How can the board make those discussions more robust and productive?
- Are material ESG matters considered by the board when undertaking site visits, where appropriate? Does the board an effective process for prioritizing ESG -related matters in our corporate strategy?