

PURPOSE AND BUSINESS MODEL

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 in two parts, the first set of 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. This is followed by a set of questions that the board may ask management to ensure ESG considerations are properly embedded in operations and decision-making.

Questions for the board

- What is our corporate purpose? How is that purpose aligned to, and driving our business model and strategic objectives?
- When did the company last update its corporate purpose?
- Does our purpose effectively address environmental, social, governance and broader stakeholder issues?
- Does our purpose provide the context for our sustainable development agenda?
- What is the purpose of our peer organizations? And how does our purpose differ?
- How does our purpose support our strategic resilience and decision-making? Does our purpose influence board and corporate decision-making?
- How does the board encourage a purpose-driven culture? Is our purpose embedded in our mission and values?
- Will the corporate strategy help us achieve our purpose priorities?
- What is the board doing to challenge management to make sure the organization's purpose and business model are still relevant?

Questions for management

- Is our purpose embedded throughout the organization?
- Is it part of employee on-boarding and the employee experience?
- Are our employees equipped to execute our purpose?
- Is our purpose operationalized through performance management and reward structures?
- How does management ensure operational decisions are aligned with our purpose?