



SUSTAINABILITY GOVERNANCE

Outline



- Global View
- Terminology
- Business Case for Sustainability
- Board Responsibility
- Safaricom Sustainability Governance
- Unilever Sustainability Governance
- Sustainability Standards
- Assurance Standards
- Your role?

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Global Survey 2014



- Over 3,800 senior managers found that:
- **65% of the companies identified sustainability as a management agenda item.**
- **22% of executives and managers** believe that their own boards are actually providing substantial oversight on sustainability issues.
- **27% of companies researched** identified corporate governance as a material issue

Society Expectations



“Society is demanding that companies, both public and private, **serve a social purpose**. Without a sense of purpose, no company, either public or private, can achieve its **full potential**. To prosper over time, every company must not only deliver financial performance, but also show how it makes a **positive contribution to society**”

Larry Fink, CEO BlackRock
Annual letter to CEOs, 2018

Bank of England



To provide the board and relevant subcommittees with management information on their **exposure to the financial risks from climate change** and the **mitigating actions** the firm proposes to take. The management information should enable the board to discuss, challenge and **take decisions** relating to the firm's management of the financial risks from climate change.

Bank of England Prudential Regulation Authority

Sustainability & Governance



Sustainability governance

Part of the overall governance structure in which an organization defines its management responsibility and oversight for sustainability activities and performance.

Sustainability

A business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.

Integrated governance

The system by which companies are directed and controlled, in which sustainability issues are integrated in a way that ensures value creation for the company and beneficial results for all stakeholders in the long term.

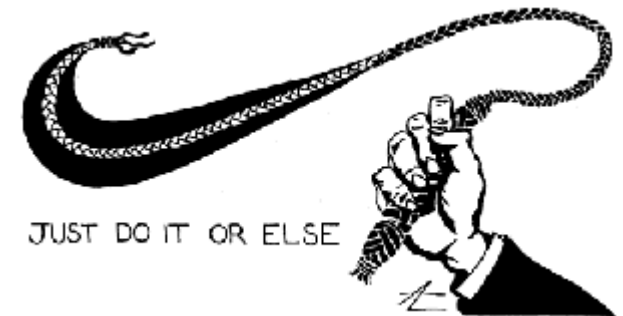
Governance

The set of relationships between the company's management, board, shareholders and other stakeholders that provide the structure through which the company is directed and controlled.

Sources: UNEP FI (2014)

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Case Studies



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Board Responsibility



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Strategy & Culture

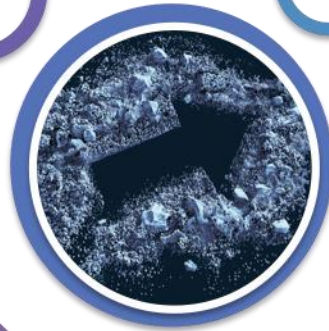


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Oversight & CEO Relations



Board
committee's



CEO Mandate



Compensation

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Risk Management & Major Decisions



Opportunity
capture



ERM Integration

Decisions



Board Composition & Competency



Recruitment & composition



Director Education



Evaluation



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Disclosure & Shareholder Relations



Disclosure Topics

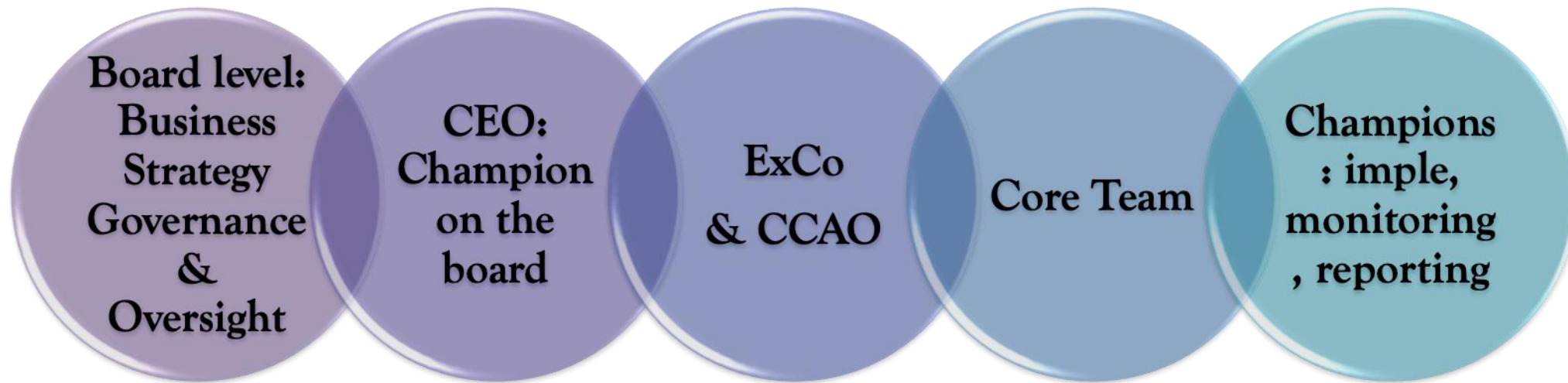


Information
Control &
Quality



Shareholder
Dialogue

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Sustainability Team



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Sustainability Stds.



- Global Reporting Initiative (GRI Sustainability Reporting Standards)
- The Organisation for Economic Co-operation and Development (OECD Guidelines for Multinational Enterprises)
- UN Global Compact (Communication on Progress)
- International Organization for Standardization (ISO 26000 Guidance on social responsibility)
- The International Integrated Reporting Council (IIRC International Framework)
- Greenhouse Gas (GHG) Protocol
- AccountAbility
- Carbon Disclosure Project (CDP)
- Dow Jones Sustainability Indexes (DJSI)

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Assurance Stds.



- **ISAE 3000:** standard for assurance of non-financial information and it is issued by the International Federation of Accountants (IFAC).
- **AA1000: AccountAbility Principles** (AA1000AP, 2018) on which The AA1000 Assurance Standard (AA1000AS, with 2018 Addendum are based on.

Your Role



Do you see your role?

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Questions?



THANK YOU

