Leadership in ESG Integration

A study into UK board oversight, implementation and disclosure

Research report by *Board Agenda* and Mazars, in association with Henley Business School

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Executive summary

BOARD AGENDA ASKED chairs, chief executives, other C-suite executives and company secretaries about the extent to which their boards are focused on ESG. We aimed to gauge the maturity of their boards' thinking – and action – on ESG issues. To what extent is ESG a board priority, how is that translating into practical endeavour, and what are companies finding both rewarding and more challenging?

The big picture is encouraging. It is clear that boards recognise the imperative – they are determined to prioritise the ESG agenda, not least because they understand the materiality of many key ESG issues. Many have made significant progress, developing and publishing ESG policies, setting an ESG strategy, and operationalising their thinking across the organisation.

In this sense, the conversation has moved on. Boards are no longer talking about whether they should focus on ESG. Rather, the discussion is about how to address ESG priorities most effectively – and to ensure the entire organisation is aligned on such efforts.

That said, there is plenty more work to do. ESG, after all, is an evolving discipline. Many companies concede they are only just getting to grips with issues such as operationalisation, data collection, reporting and engagement.

ESG in numbers

- 78% of boards have published an ESG or sustainability policy, or something similar.
- 88% of boards are engaging on ESG issues because they recognise their materiality to the business.
- 52% of boards have come under pressure on ESG issues from customers; 46% have faced pressure from employees.
- 77% of boards say they review risk management processes to ensure material ESG factors are accounted for.
- 44% of boards have put in place executive compensation schemes that include ESG criteria.
- 57% of boards have a formal structure for ESG governance.
- 73% of boards have engaged with employees on ESG issues; 59% and 55% respectively have engaged with customers and shareholders.
- 65% of boards feel they have sufficient skills and understanding in relation to ESG.
- 39% of boards think they get adequate ESG data and information from management teams.
- 56% of boards agree they have gaps in their ESG disclosures.

Forewords

Chris Fuggle, partner and global head of sustainability, Mazars

BOARDS KNOW THAT environmental, social and governance issues matter. At Mazars, our experience of working with businesses up and down the UK is that directors are committed to ESG – they recognise the social and moral imperatives to engage with issues such as climate change; but they also understand that the embrace of purpose can be a crucial value driver.

This study therefore attempts to map the maturity of boards' approach to ESG. Our survey of more than 100 companies identifies the areas where boards have made significant progress – as well as highlighting potential focuses for further improvement.

The good news is that maturity is increasing. For example, almost 80% of companies have now published an ESG or sustainability policy. Engagement on ESG with a broad range of stakeholders is ongoing, with the majority of boards now in regular dialogue with investors, but also with groups such as employees and customers.

There is growing recognition of the materiality of ESG – almost nine in ten companies say this is one reason why they engage with stakeholders on ESG issues. Overall, companies have largely moved beyond the debate about the nature of ESG and how it is relevant to their organisation; now, they are thinking about how to properly embed ESG in strategy and to operationalise.

Key issues to resolve include expanding engagement even further – more conversations with investors, customers and employers, and increased reach out to groups such as suppliers and community groups. Putting ESG strategy into practice is also a challenge – for example, only half of companies have made changes to their supply chain practices in relation to ESG due diligence. Boards are also struggling with a lack of ESG data and have further work to do on reporting.

Nevertheless, the ESG narrative has changed. Once a conversation about what and where to start, today's ESG agenda is all about how to make a success of key initiatives. At Mazars, we look forward to working with clients to help them fulfil their ambitions.

Dr Filipe Morais, lecturer in governance and program director of MSc in Management for Future Leaders, Henley Business School

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WHILE ESG IS no panacea for restoring the role of business in society as a force for good, it is certainly a framework that can help businesses to eliminate risks to long-term value creation and, increasingly, as a way to reposition the business for sustainable growth.

As a framework, ESG needs not mean the same thing to everyone. Every business needs to identify what elements of this framework are deemed material to long-term value creation. It is for the board to articulate what ESG means for the firm they govern, and this is likely to be rather unique to that firm.

In my experience talking to board directors and executives in different jurisdictions, the variety of interpretations of what ESG means, is leading to tensions building up in the boardroom, as directors struggle to generate a rationale that satisfies the multiple views of ESG. Executives on the other hand, feel frustrated that boards are asking for trade-offs that look doable on paper, but face tremendous hurdles in practice. In many cases the response has been to ban ESG, or to say that “E” and “S” are oftentimes irreconcilable. These are good signals. It means boards and executives are having to think harder on how to create sustainable value, and for many, this will be an impossible task. This may be simply because their mindset remains stuck in the past.

Enlightened boards understand that the key value of ESG is to spark tension and debate in the boardroom that generates more balanced solutions to create sustainable, long-term sustainable value. Yes, it is significantly harder. But boards that fail to articulate a rationale, will also ultimately fail as a business.

ESG is becoming a de facto competitive requirement. Increasingly, ESG criteria are being

enshrined into tenders and contracts, and being pushed along global supply chains by global players who seek to comply with scope 3 emissions and other ESG criteria, increasingly demanded by institutional investors.

The survey results show that while progress continues, much remains to be done. Many boards continue to respond in a piecemeal approach, unable to articulate a genuine, plausible story for their firm that can be understood and shared by its stakeholder base. How boards can develop the right rationale for their business and navigate the inherent tensions in sustainability requires education and facilitation at the highest level.

At Henley Business School we are challenging director mindset to enable boards and executive teams to embrace the challenges of sustainability and long-term value creation, and we look forward to continue to contribute to a positive change in the role of business in society.

Introduction

Board directors cannot fail to have noticed the growing debate about environmental, social and governance (ESG) issues. The phrase has become ubiquitous in recent years: every business is under pressure to become an ESG-focused business.

However, pinning down what that means – and how it relates specifically to your business – is often difficult. ESG has become a catch-all term covering everything from your company's carbon footprint, to the way you pay your executives, or how well you look after your staff.

Moreover, while some parts of the ESG agenda will require you to make changes to your business to comply with new law, other aspects will be entirely voluntary.

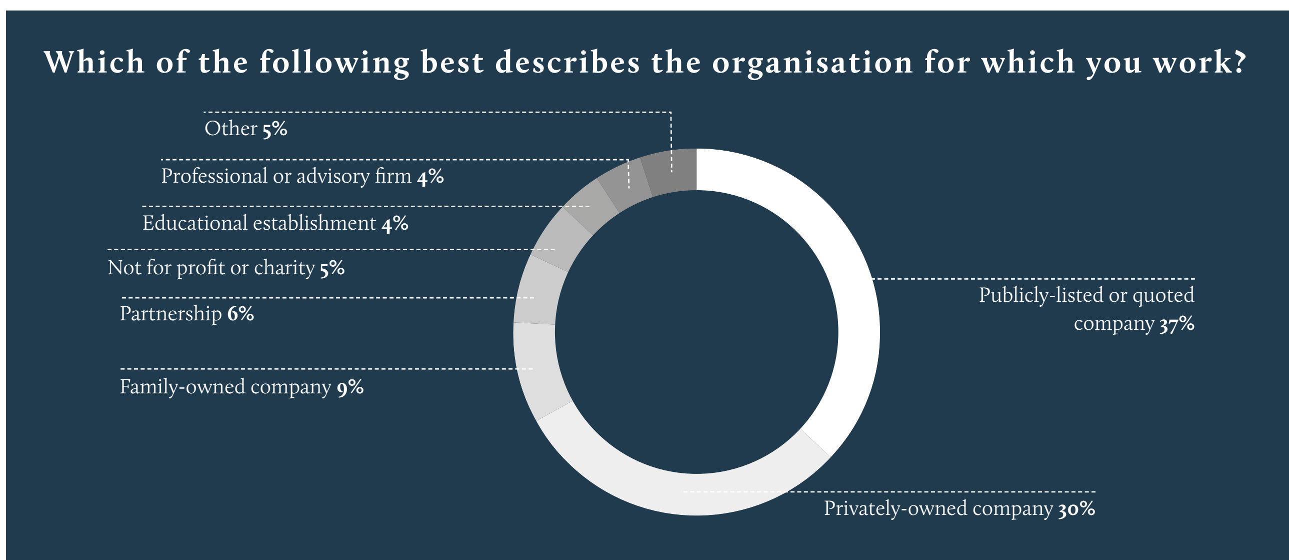
This study therefore attempts to help boards pick a path through the ESG maze. Based on research conducted with a broad range of businesses, it considers how organisations can make an explicit link between purpose and corporate strategy – in other words, how they can make ESG real for them. It also looks at how boards are building governance and oversight structures to put theory into practice, and how monitoring and reporting are evolving.

The reality is that there is no single template that will ensure every business gets ESG right. But making the effort to develop an approach to ESG that suits your business will pay dividends – not least in terms of business performance, according to a growing body of evidence. We hope this study will help you to move forward positively.

Methodology

The *Leadership in ESG Integration 2023* survey was undertaken between December 2022 and February 2023 among 139 senior business leaders, including board chairs, chief executive officers, chief financial officers, chief operating officers, chief risk officers, chief sustainability offers, executive and non-executive directors, and company secretaries.

All the respondents were based in the UK. They represented a broad spread of industry sectors and worked in organisations ranging in size, up to those with annual turnover of more than £1bn. The following shows the type of businesses represented by those who completed the survey*:



* Figures throughout this survey may not total 100% due to rounding

Section one:
Linking purpose to corporate strategy

Traditionally, many companies have managed issues now considered as falling within the ESG domain on a standalone basis. They've been handled by specific functions – a corporate and social responsibility team, for example – or addressed through one-off initiatives. Increasingly, however, ESG activity is a strand of work that is embedded throughout the business. Many companies have come to regard purpose as a key element of corporate strategy.

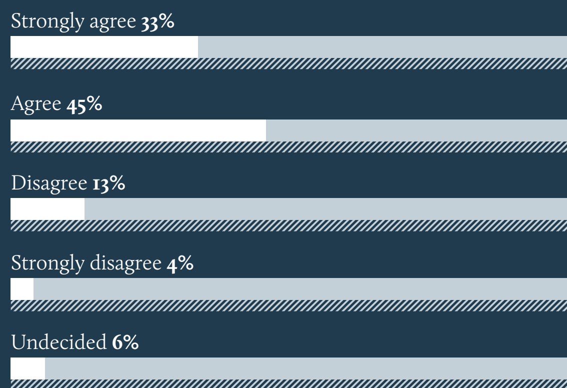
Certainly, the vast majority of UK companies now recognise the need to set out their stall on ESG – to provide a public account of how they will approach sustainability issues and other concerns. In this research, more than three-quarters of respondents (78%) have published an ESG or sustainability policy; just 17% have not so far taken this step (Figure 1). "We see ESG having a much more significant impact on our board discussions and functions in the next 12 months," says one respondent that has recently taken this step.

Legislation and regulation in the UK do not currently require companies to publish an ESG policy, though many organisations are subject to mandatory reporting requirements on key ESG concerns. Nevertheless, developing and publishing a policy provides an opportunity to make a clear statement of intent – and to articulate the company's values. This will be important to a broad range of stakeholders.

In practice, there are multiple factors driving companies' increased engagement on ESG issues. But while some elements of this work are no doubt related to regulatory imperatives and stakeholder pressure, there is also growing recognition of the materiality of ESG issues. Almost nine in ten companies (88%) say their board is engaging for this reason (Figure 2).

FIG 1: POSITIVE DISCLOSURE

Our board has published an ESG or sustainability policy, or something similar



"The challenge is to differentiate between 'woke' ESG issues and those that genuinely connect to our business," concedes one respondent. "But without anticipating ESG issues, planning and forecasting is hazardous."

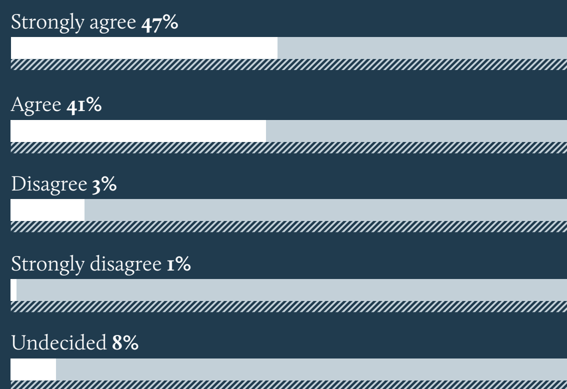
One part of the story is the increasing risk posed by failure to focus on ESG issues at a strategic level. Companies are in danger of being damaged by the impacts of climate change, for example, or vulnerable to reputational loss in the event of poor practice being exposed. Concern about "stranded assets" – getting stuck in an area of business no longer considered socially and economically relevant or productive – is very real.

More positively, there is also a growing recognition that it is possible to do well by doing good – that ESG represents a positive opportunity for increased growth and enhanced margins. Sustainability reduces costs and can boost operating profits by up to 60%, according to a study by McKinsey & Company. Research from New York University suggests a clear link between improved financial performance and better ESG, with the impact increasing over time.

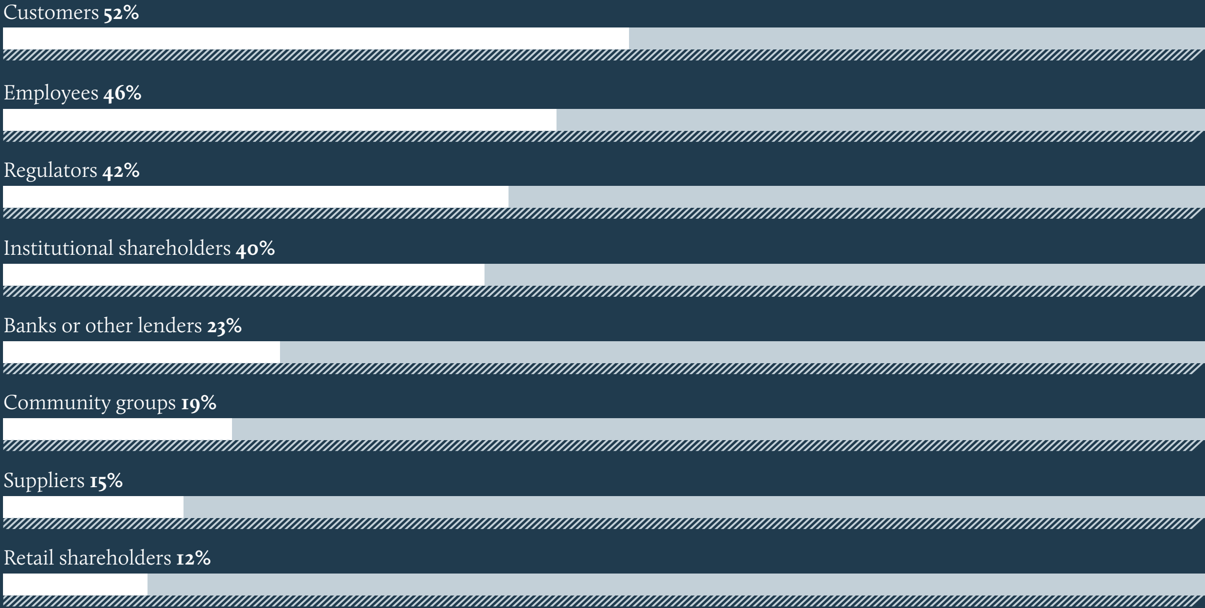
This is one reason why so many companies are coming under pressure from stakeholders to improve their performance on key ESG issues. Three-quarters of businesses in this research (75%) say they have experienced such pressure. It's not simply that stakeholders want businesses to behave better; they also see this as integral to improved performance.

FIG 2: ALL EYES ON THE BOTTOM LINE

Our board is engaging with ESG issues because it believes these issues are increasingly material to the business

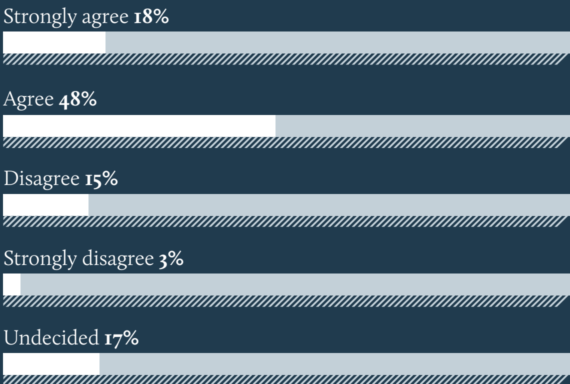


Certainly, investors are scrutinising companies through this lens. In our research, 40% of companies say they have faced pressure on ESG from their institutional investors; a further 23% point to pressure from debt providers (Figure 3). One recent study by Gartner found 85% of investors considered ESG factors when making investments,



while 91% of banks monitor ESG performance of investments. BlackRock, the largest asset manager in the world, continues to argue that being sustainable will lead to long-term, sustainable profits.

Our research underlines the point. More than half of companies (52%) have seen pressure from customers on ESG – so not engaging has the potential to put sales at risk. Almost as many (46%) have come under pressure from employees – so falling short on engagement may lead to issues with recruitment and retention, just as talent shortages are biting many companies.



Then there is the potential for regulatory confrontation, with all the downside risk that creates for businesses. In this context, 42% of companies have seen regulators apply ESG-related pressure.

Against this backdrop, companies are determined to work with their stakeholders. Two-thirds (66%) say that ESG feeds into their board's policies on stakeholder engagement (Figure 4).

However, it will be important to ensure this engagement is broad-based. While traditional engagement exercises have typically focused on the company's largest institutional investors, the importance of ESG to such a wide range of stakeholder groups means companies must cast the net wider.

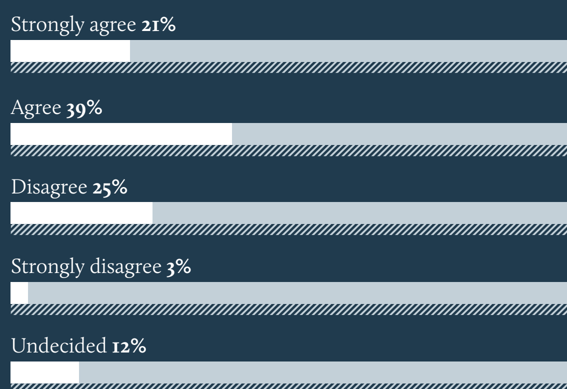
This will include working with employers, suppliers and the broader community, as well as with investors large and small. Broad-based engagement will provide the business with the widest possible view of all stakeholders' views.

Changing with the times

As attitudes towards key ESG issues change – and as ESG considerations become more central – many businesses are thinking again about what they stand for. It is not that companies are abandoning the pursuit of profit. Rather, boards and leaders recognise not only that their organisations have broader responsibilities, but also that embracing these duties can drive profitability. Research from McKinsey reveals that just 7% of CEOs now believe that companies should "mainly focus on making profits and not be distracted by social goals".

FIG 5: MISSION ACCOMPLISHED… FOR NOW

Our board has fundamentally reviewed its company mission or purpose specifically due to ESG concerns in the last five years



However, this shift necessitates reflection, both internally and in collaboration with key stakeholders. Business yet to define their purpose in these broader terms must think about how they will do so; those that have already moved in this direction must be prepared to undertake regular reviews of whether their mission and purpose remain relevant and appropriate.

The good news is companies recognise these imperatives. In our research, more than half of respondents (60%) have recently reviewed their mission or purpose in light of ESG concerns (Figure 5). That figure looks set to rise in the years ahead.

"We have framed our strategy around sustainability," says one respondent. "We consider sustainability to be very important to our future growth strategy."

Alongside the strategic debate about how the company embraces ESG, there is also a need to extend this conversation into the operational realm. What are the potential impacts – for good or bad – of ESG issues on the business on a day-to-day basis?

In particular, more than three-quarters of respondents (77%) to this research have built ESG into their risk management processes (Figure 6). Boards are attempting to assess and account for the materiality of ESG risks.

There is scope to go further here. Some businesses are considering material assessments that focus exclusively on ESG risks that could impact the organisation's financial value. Others are taking a broader look, sometimes described

FIG 6: RISK IN FOCUS

Our board reviews risk management processes to ensure material ESG factors are accounted for

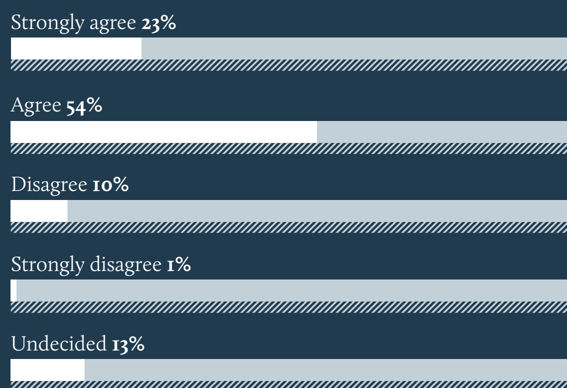


FIG 7: ONE STEP BEYOND

Our board has overseen changes to the organisation's supply chain as a result of ESG due diligence

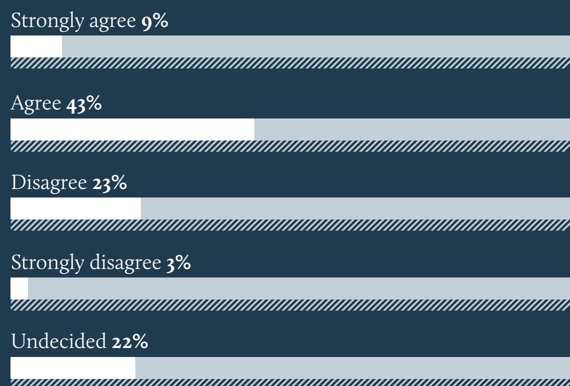
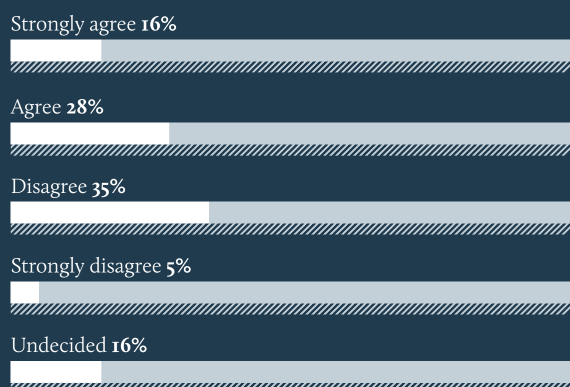


FIG 8: HOLDING LEADERS TO ACCOUNT

Our board has approved executive compensation that includes ESG criteria



as a "double materiality" assessment, examining ESG issues in terms of both the financial impact and how the company's activities could affect the environment and society at large.

Indeed, for many businesses, the ESG conversation is now extending well beyond the confines of their own organisations. Companies are increasingly facing pressure to consider the ESG footprint of their entire supply chain – to assess the greenhouse gas emissions made by companies from which they source, for example, or to assure themselves that suppliers have ethical labour practices.

This work has uncovered additional ESG risk for many companies. More than half (52%) say they have made changes to their supply chains following issues identified in ESG due diligence work (Figure 7). In this sense, the supply chain can be a powerful lever for driving positive change.

However, it is not enough for companies to hold their suppliers to account; they must also be prepared to be demanding of their own people. That only 44% of companies currently include ESG criteria in their executive compensation plans might be regarded as disappointing (Figure 8).

In time, this proportion is likely to increase; research shows that the very largest UK companies are more likely to include ESG criteria in remuneration plans for executives. There is scope to incorporate more longstanding measures – metrics around health and safety and employee engagement, for example – with more recent concerns, such as diversity and inclusion. And increasingly, stakeholders will expect to see companies set executives more demanding targets on progress towards decarbonisation.

Section two:
Implementing an ESG oversight and governance framework

Given their significant public commitment to ESG, from policy setting and publication to engagement with key stakeholders, companies must now back words with actions. That means operationalising ESG strategy throughout the organisation. Such work may be less visible externally, but it is how companies will deliver on the pledges they are making.

Governance is an important part of this process. And as businesses focus on how to embed ESG in everything they do, rather than considering it as a standalone activity, they need new structures that support a holistic approach with executive level sponsorship. An ESG centre of excellence, say, or a sustainability function, may do important work, but progress is likely to be more rapid and wide-ranging when ESG responsibilities and reporting lines sit at board and executive committee level.

In this context, the fact that 57% of boards have a formal structure for ESG governance is welcome (Figure 9). Against that, however, almost a third (30%) have not yet put such a framework in place and many are finding the going tough. One respondent complains: “The board knows ESG is a priority, but is unsure

FIG 9: LEADERSHIP FROM THE TOP

Our board has a formal structure for ESG governance

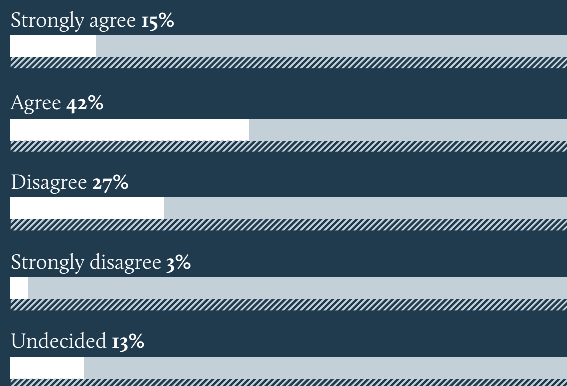
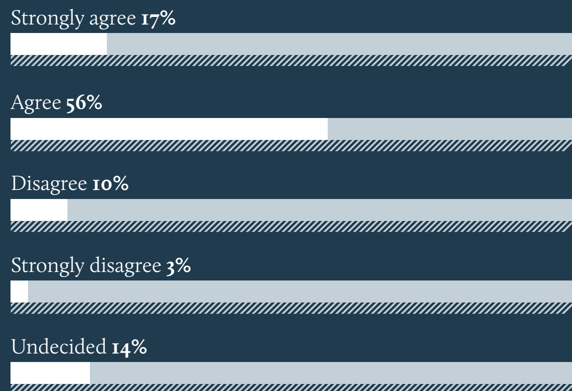


FIG 10: TALK THE TALK TO WALK THE WALK

ESG issues are routinely discussed at board meetings and given sufficient time



of how to tackle it – our CEO is leading the charge, but we do not have a comprehensive ESG framework."

Similarly, it is important that boards are given the time to discuss key ESG issues facing the business – and that such discussions become a routine part of board meetings. Almost three-quarters of respondents to this survey (73%) feel their businesses are in a good position in this regard (Figure 10).

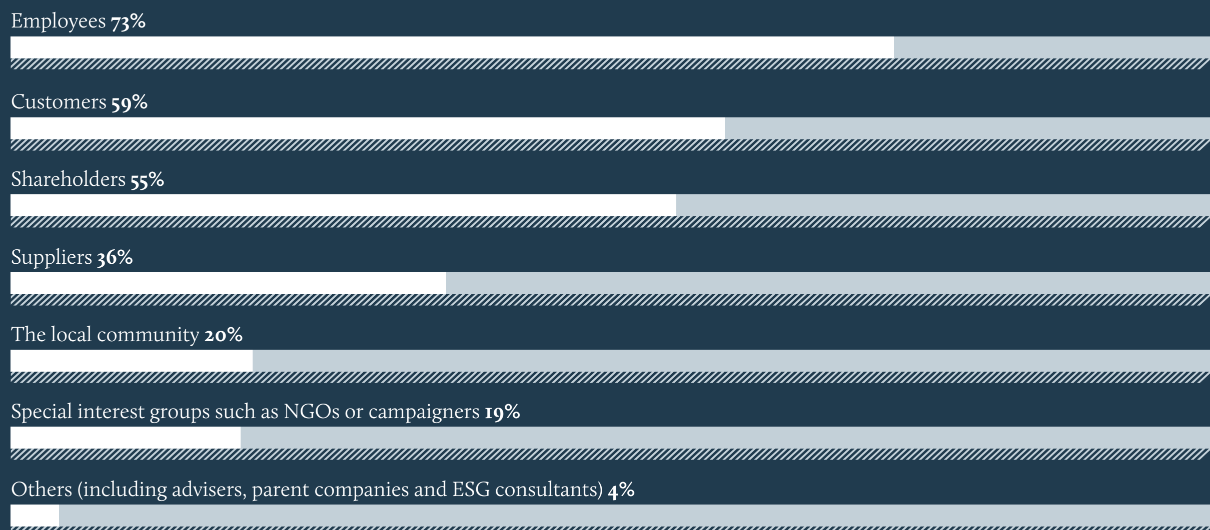
This is encouraging. Boards enjoy a unique vantage point. Their responsibility begins with defining and articulating the company's purpose, and assessing whether that purpose is reflected in its strategy. But that work has to be ongoing and consistent: ESG throws up evolving challenges. And with its risk management hat on, the board must be confident across new threats and concerns.

Equally, the board is in a position to drive ESG throughout the organisation. By allocating oversight, but maintaining overall responsibility through clear reporting lines, the board can move the entire business in the right direction.

This is not to suggest there is only one way for boards to play this role. Some companies, for example, have opted to operate through structures such as sustainability committees, that take on the lion's share of ESG work. Others believe ESG should be a whole-board focus.

FIG 11: BOARDS REACH OUT

Which of the following groups has the board made efforts to engage and consult with on ESG issues?



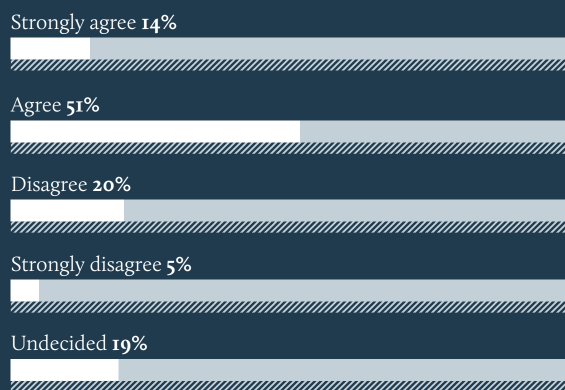
Moreover, boards do not operate in isolation. Their views and priorities must be informed, in part at least, by engagement. In this sense, ESG is an exercise in listening as much as it is about setting direction.

Boards are making progress in this regard. Almost three-quarters of respondents to this research (73%) say their boards have made efforts to engage with employees, while 59% say the same of customers (Figure 11). In other areas, there is room for improvement: just 20% of boards engage with the local communities they serve.

One important determinant of success will be the ability of the board to discharge these responsibilities. Almost two-thirds of companies (65%) say their board has the necessary skills and knowledge when it comes to ESG – though a significant minority (25%) lack this confidence (Figure 12).

FIG 12: DO BOARDS KNOW WHAT THEY'RE DOING?

Our board has sufficient competencies, skills and understanding with regards to ESG



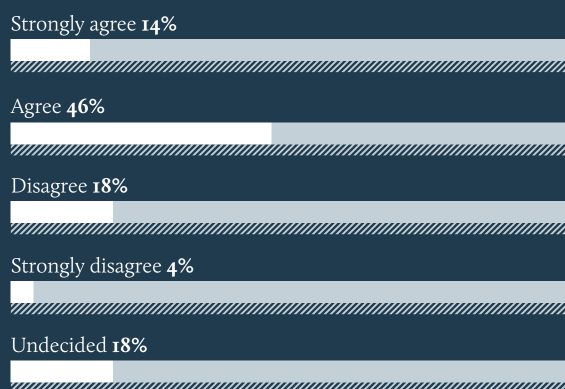
For those organisations that fall into the latter category, improving the board's competencies should be a clear priority. Many organisations now offer training on ESG and ESG governance that is tailored to the needs of board members. Upskilling the board can drive significant benefits. "There is so much more awareness building and training to be done with directors," says one respondent. "We feel the term 'ESG' is actually unhelpful for directors – sustainability is better as it is features in regulators' narratives."

Naturally, it is important that boards feel well-equipped to discuss issues no matter which sphere of ESG they fall into. However, many directors are particularly determined to improve their understanding of environmental issues, particularly as new regulation in this area around performance and disclosure outpaces change in the social and governance realms.

Right now, 60% of companies think their boards have a good grasp of what it will take to achieve decarbonisation goals (Figure 13). But given that eight in ten large UK companies have ambitions to reach net zero ahead of the Government's 2050 target for reaching that point; boards must be ready to drive progress towards it. While studies show many companies feel overwhelmed by the challenge; the boards of these businesses now need to acquire the competencies necessary to confront such anxiety.

FIG 13:

Our board understands the actions needed for the organisation to achieve net zero



Equally, boards don't have to drive the ESG agenda in isolation. More than three-quarters of respondents to this research (82%) say their

FIG 14:
Our board has access to specialist external advice on ESG issues where this is deemed necessary

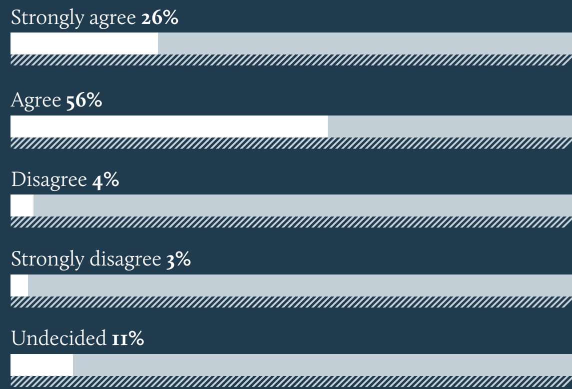
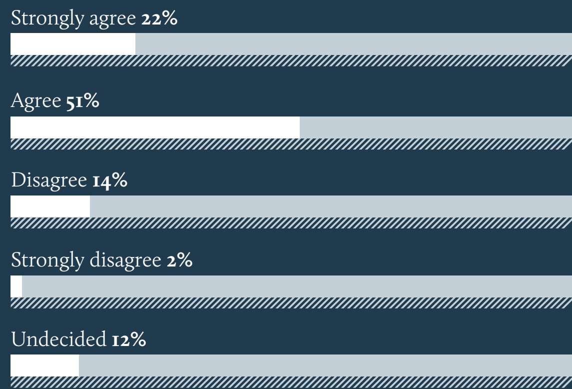


FIG 15: PROFITS WITH PURPOSE
Our board has made efforts to link ESG strategy to the business's commercial goals



boards are able to access specialist external advice on ESG when it is needed (Figure 14).

Such support can prove invaluable, both in terms of plugging competency gaps with the company itself, and in boosting the knowledge and skills of the board as it works with advisers. "We are ramping up engagement in the next 12 to 24 months at all levels, enabled by significant recruitment efforts of specialists who can help us plot our path ahead," says one respondent.

Ultimately, the board conversation around ESG should link back to the company's strategic goals. As we noted in the first section of this study, the vast majority of businesses now believe improving ESG performance will drive economic benefits for the organisation. In which case, an approach that recognises the interplay between these two goals is important.

For the most part, boards get it. Almost three-quarters of respondents to this research (73%) say their board has tried to link ESG strategy to the company's commercial goals (Figure 15). As one respondent says: "Aspects of ESG overlap with many other business activities and fully integrating these is the way to manage oversight and to drive continuous improvements."

The bottom line here is that leading companies now regard ESG issues as a business imperative and boards are responding accordingly. They are working to manage risk and exploit opportunities, paving the way for long-term success and value creation in the process. By contrast, those further behind still see ESG as a tick-box exercise, or a "nice-to-have" nod to philanthropy; the boards of such businesses are far less likely to take responsibility.

Section three:
Reporting and disclosure

While ESG is a relatively new field in many regards, some of the requirements around reporting and disclosure have been around for much longer – several date from the 2006 Companies Act, for example. Moreover, this is also the area where regulation and legislation are moving most quickly, with growing numbers of companies subject to an expanding range of requirements; many of these measures are climate related, but there are also important duties to report and disclose information in areas ranging from diversity and inclusion to operational resilience.

In the face of this rapid evolution of regulation – and the demand from key stakeholders for better information in many areas of ESG, even where disclosure is not mandatory – companies are struggling to keep up. In this research, 30% of respondents disagree with the idea that their monitoring and reporting is of a high standard; a further 33% aren't sure this is the case (Figure 16).

This should be a board-level concern. High-quality monitoring and reporting structures are an integral element of good ESG governance; without such a framework in place, boards cannot be confident of meeting the expectations of their key stakeholders, or of delivering on the commitments they have made. They also risk confrontation with stakeholders attempting to hold them to account; they may even face accusations of greenwashing, particularly if claims of good ESG practice are undermined by data or information that comes to light later on.

Equally, it is vital that companies do not lose sight of what is important. One respondent warns: "Too many boards seem focused on disclosure and monitoring rather than the actions that will move the needle and actually make a difference."

Indeed, boards themselves are often frustrated with the reporting they receive – and on which they must base their ESG discussions. Almost a third (32%) of respondents worry their board is not receiving adequate ESG data with a further 30% concerned that this may not be happening (Figure 17).

FIG 16: STRUGGLING WITH DISCLOSURE

Our organisation's ESG monitoring and reporting is already of a high standard and is continuously improved

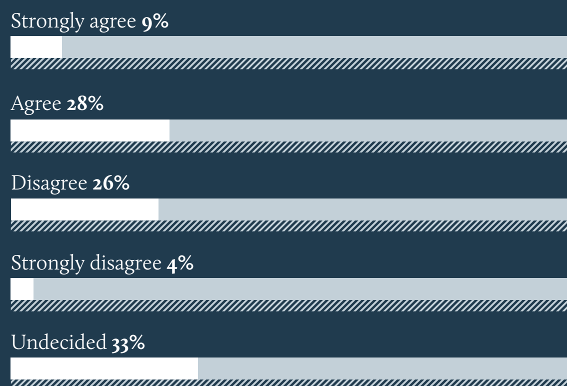


FIG 17: BOARDS ARE PARTIALLY SIGHTED

Our board is receiving adequate ESG data and information from management and internal sources to fulfil its ESG responsibilities

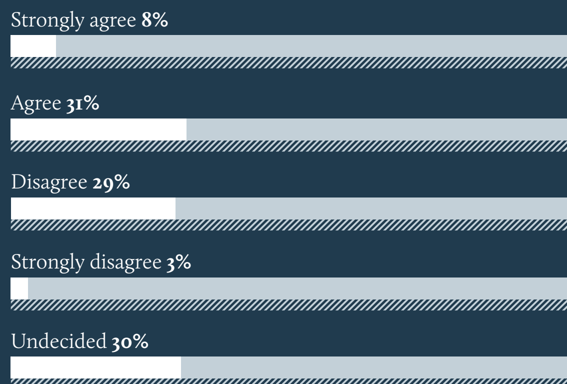


FIG 18: PAINTING AN INCOMPLETE PICTURE

Our board has information gaps in its ESG disclosures

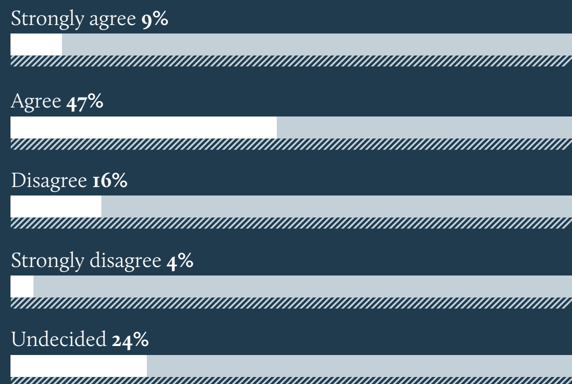
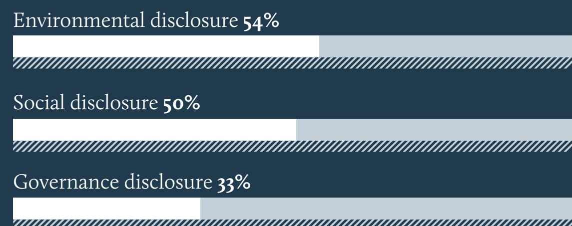


FIG 19: WHERE THE GAPS LIE

If there are gaps in your board's ESG disclosure, where do you perceive these to be?



The danger here is that lacking a transparent view of the business, boards will make ill-informed judgements about ESG risk and opportunity. They may overlook a vulnerability where data is lacking, only to find the business exposed at a later date.

Inevitably, boards presiding over incomplete or inaccurate ESG data monitoring systems will struggle to make thorough and detailed ESG disclosures. More than half of businesses (56%) worry there are currently gaps in the disclosures their boards are making (Figure 18). They are most likely to be concerned about omissions of environmental and social data, with governance disclosures regarded as less problematic (Figure 19).

Resolving these problems must now be a priority for boards. Regulatory requirements will provide an imperative to improve monitoring and reporting in some areas, but leaving these aside, boards need a better read-out of what is going on in their organisations. It may be necessary to access third-party advice on how to strengthen systems.

Businesses attempting to develop robust monitoring and reporting on ESG have significant flexibility about their approach. However, there are a number of recognised frameworks and standards to which they may align; these not only offer examples of good practice and a means to communicate in consistent terms that stakeholders recognise, but also provide a structure to work towards.

Frameworks provide principles-based guidance to help boards identify ESG topics as they consider how to structure and prepare ESG disclosures. Standards provide specific and detailed information requirements that assist in determining which specific metrics or indicators to disclose for each topic.

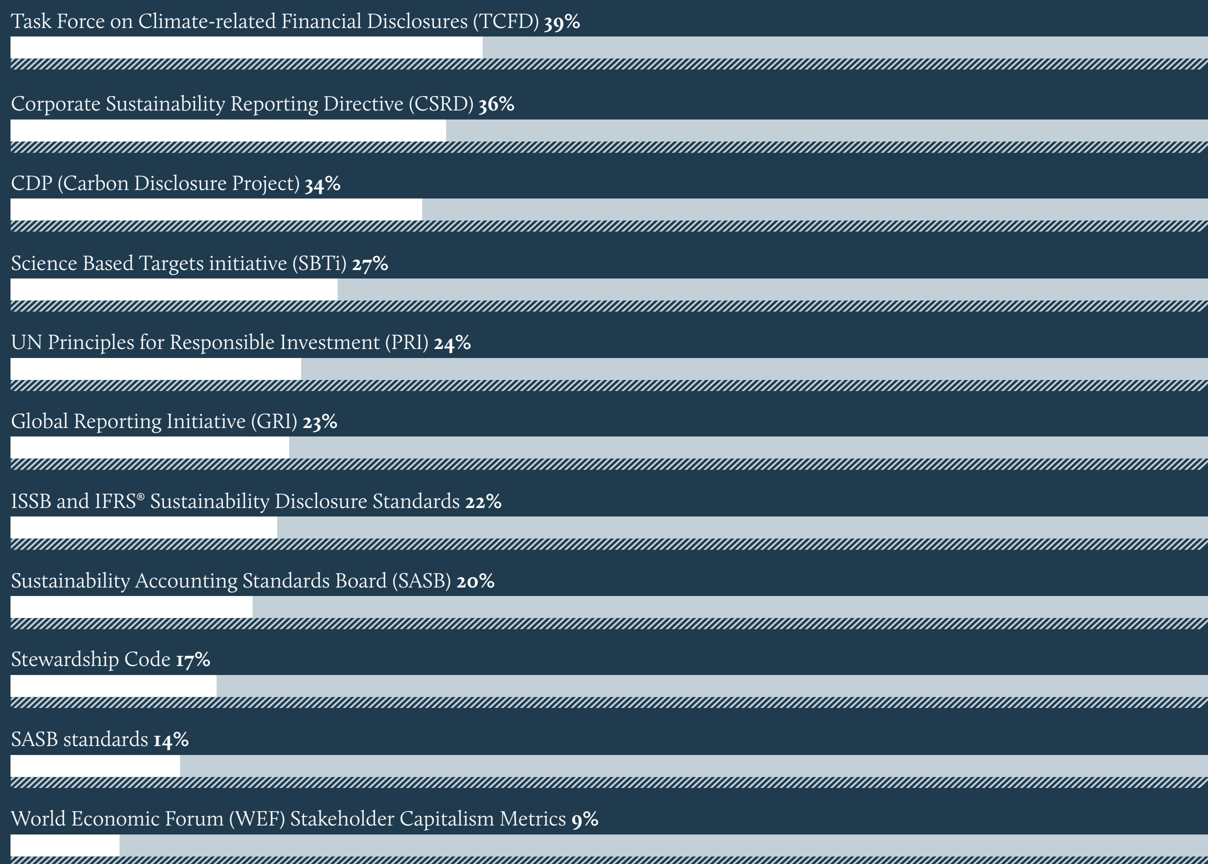
Companies responding to this research make use of both options. The most commonly used framework, cited by 39% of respondents (Figure 20), is the Task Force on Climate-related Financial Disclosures, which sets out principles-based recommendations for managing and reporting on climate risks. Commonly used standards include the Science Based Targets initiative (cited by 27%) and the Global Reporting Initiative (23%).

In practice, different companies may find different standards and frameworks more or less appropriate, depending on the nature of their business. Some will work with a number of these tools. Each one can help provide discipline and structure to reporting work.

The key is to find an approach that works and then to get on with it. One respondent warns: "There are now so many 'quasi' standards and reporting initiatives that a business could spend a lot of time on this rather than actually running the business and putting ESG into practice."

FIG 20: MEETING THE STANDARD

Which of the following frameworks and standards has your board signed up to or intends to sign up to within the next 12 months?



Finally, one question increasingly debated by boards is whether they need independent assurance of their ESG reporting and monitoring – from an internal audit function, perhaps, or even an independent third party.

Currently, only a quarter of companies (26%) are using an independent auditor to assess the reporting work they are doing on ESG (Figure 21). However, the reassurance such a service can provide – both internally and to the business's stakeholders – may prove increasingly valuable. It could certainly help rebut accusations of greenwashing, for example.

"We are moving towards implementing an external auditor for ESG," says one respondent, pointing to the advantages of such an approach. Hiring such a firm – either a traditional auditor that offers ESG services or a specialist in the field – is not mandatory, but appears to be increasing in popularity.

FIG 21: OUTSIDE ASSISTANCE

Does your board employ an independent auditor to assess the business's ESG activities?

Conclusion

The pressure to implement an integrated approach to ESG across your business will only continue to increase. Boards that do not confront this reality can expect to face scrutiny from a broad range of stakeholders, including the regulatory authorities. But there are positive reasons to engage – above all, a considered ESG strategy that is well-implemented provides a means with which to confront business risk and to grasp opportunity.

Key questions for boards

1. Has your company developed a clear ESG policy that board members and other senior leaders understand and are able to articulate?
2. Is your ESG strategy explicitly linked to the corporate strategy of your organisation? Is the strategy reviewed regularly as market imperatives change?
3. Has your board discussed the key risks posed by ESG issues – and the opportunities that might be open to your company?
4. Is your board engaging with a broad range of stakeholders on ESG issues? Are key groups of stakeholders happy with this engagement?
5. Has your remuneration committee discussed – and implemented – changes to executive reward schemes to incorporate more ESG metrics?
6. Has your board developed a formal structure for ESG governance structure? If so, are directors and senior leaders happy with the way this structure is functioning?
7. How much time is the board devoting to ESG discussions? Do all directors feel able to contribute? Do board members need additional support and training?
8. Does your board understand its mandatory monitoring and reporting requirements on ESG? Are these being met satisfactorily?
9. What additional monitoring and reporting on ESG is necessary and desirable for your business?
10. Should your business appoint an external auditor to provide assurance of your ESG reporting and disclosures?

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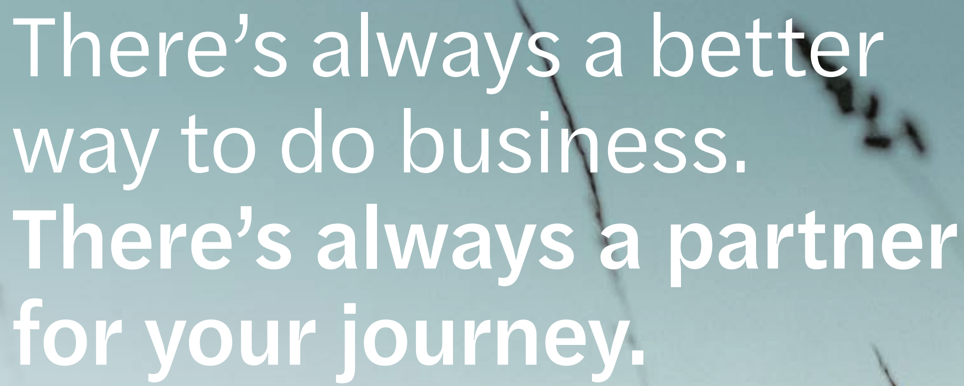

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