

The Sustainability Board Report

2019





"Unnerved by fundamental economic changes and the failure of government to provide lasting solutions, society is increasingly looking to companies, both public and private, to address pressing social and economic issues. These issues range from protecting the environment to retirement to gender and racial inequality, among others."¹

Larry Fink, Chairman and Chief Executive Officer
BlackRock (world's largest asset manager)

Foreword

I'm not an expert in sustainability and my professional experience is not within academia or research. In fact, I spent most of my career in business development and management working with some of the largest and most prestigious companies.

A few years ago I became fascinated with the term "Shared Value Creation" (doing well by doing good) as a definition for corporate sustainability. The narrative of doing business is clearly changing.

This is why I developed The Sustainability Board Report. I believe the real achievements of business are creating profits whereby contributing to the conservation of our environment and adding value to society and our communities. As Larry Fink wrote in his letter to CEOs, government is often not very helpful when it comes to solving systematic problems.

Some might argue that no matter how big a challenge, every person counts at making a difference despite their hierarchical status in an organisation. Whereby, I agree that every little helps. I like to think it is also universally agreed upon that large corporations and senior leaders have a certain power to fast track change.

Just think of the power of Facebook to spread information, the many big banks and their ability to finance change, or General Motors who are committed to making the future of cars electric. Being big can be a huge advantage. That's why this report will be focusing on the world's largest (public) companies.

So, who is holding the executive teams of these big companies to account? Sure, it is their shareholders, investors, clients and stakeholders to some extent, but the mandate in the first place lies with their board of directors.

And this is what this report is about: What is the state of boards when it comes to sustainability oversight? How comprehensive is their policy and how skilled are the directors?

The goal of The Sustainability Board Report is to showcase companies and individual directors, and to inspire organisations to learn from their peers and competitors. Perhaps, we can make the world a better place - through creating shared value with strong and committed corporate governance.

Lastly, I'd like to thank our guest contributors for their invaluable input to the report.

- Frederik Otto, Founder,
The Sustainability Board Report

Executive Summary

The Sustainability Board Report is a privately funded not-for-profit project developed by a group of individuals passionate about sustainability leadership. We believe that business has the ability to drive meaningful change.

The report's purpose is to showcase the importance of good corporate governance with a focus on identifying leading organisations that have made their board of directors supervise the sustainability efforts of their executive teams.

A recently (2019) published report¹ by Ceres and KKS Advisors has found that best practices for companies intending on establishing effective board governance are the creation of formal board mandates for sustainability, the recruitment of directors with sustainability expertise, and the linking of executive pay to sustainability performance.

Another report from 2014 by Lynne S. Paine of Harvard Business School, one of the world's experts on board functioning, focuses on sports good maker Nike's experience with a sustainability board committee. She suggests that "such a committee can be useful to many companies' boards in at least five ways:

As a source of knowledge and expertise, as a sounding board and constructive critic, as a driver of accountability, as a stimulus for innovation, and as a resource for the full board."²

Inspired by these findings this report focuses on details on board committees and the individuals behind it.

Driving sustainability best practice is also closely tied to diversity. The share of women on corporate boards plays a significant role in meaningful governance. Our report not only touches on the sustainability efforts of boards, but also on the level of female representation on board of directors.

Drawing on the Forbes Global 2000 list³, we have chosen to look at the first 100 of the world's 2000 largest publicly listed companies. We are showcasing the board of directors' dedication to sustainability efforts of those companies.

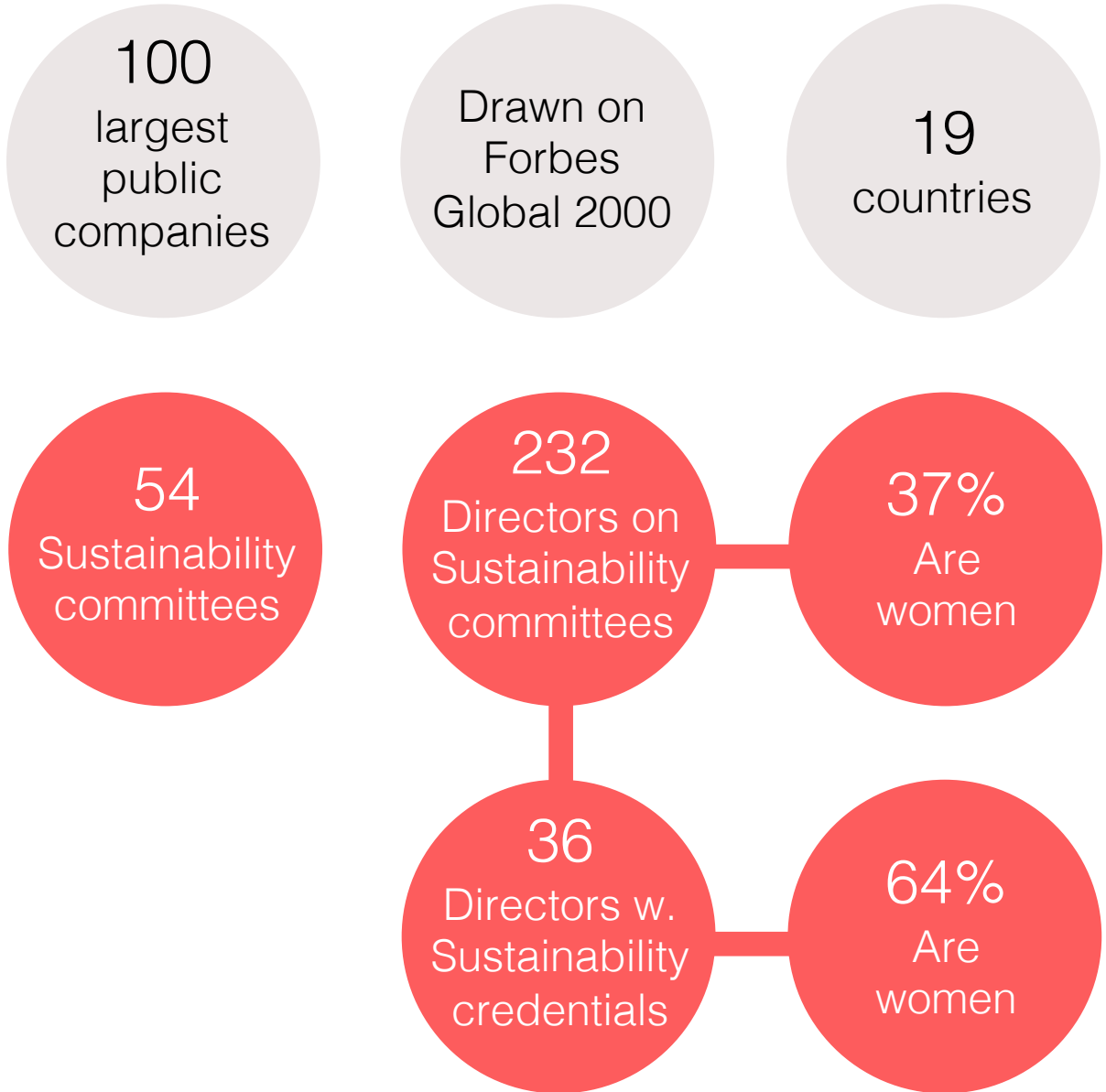
The aim of making this report available is to motivate companies to take a top-down leadership approach in order to create shared value. And that way, becoming a leader in a new era of capitalism.

¹ How Board Oversight Can Drive Climate and Sustainability Performance, by Veena Ramani, Ceres, and Bronagh Ward, KKS Advisors, onlinelibrary.wiley.com/doi/abs/10.1111/jacf.12349

² Sustainability in the Boardroom, Lessons from Nike's playbook by Lynn S. Paine. Published by Harvard Business Review, July-August 2014, Reprint R1407G

³ forbes.com/global2000/list/

Overview



Findings

We have generally found that every company in the report has some sort of sustainability reporting. Often vast sections on CSR (Corporate social responsibility) and corporate sustainability can be found on their websites. Regardless of how comprehensive these reports are, in most countries corporations are forced or at least expected to issue sustainability reporting. Often driven by stock exchanges and regulatory bodies.

Also materiality of those reports is often questionable, as is its supervision from the executive branch and/or board of directors.

The good news is that over half of all companies do in fact have a dedicated sustainability board committee. US firms are leading the pack with 71% of them featuring a sustainability, CSR or ESG (Environmental, Social and Governance) committee. There is however a clear trend for the need of Asian countries like China and Japan to catch-up. Only 22%, respectively 25% of their featured companies have a relevant board committee.

Although Europe is performing slightly above average, there is still some work to do. For example, Germany (6 companies), does not feature a single dedicated board committee, where Swiss companies (although only featuring 4 companies) are all showcasing comprehensive board policy on sustainability.

Russia (4 companies) features two large oil & gas firms that do not have any sustainability board commitment, although this is very material for extractive businesses. It's industry counterparts in the rest of the world are doing much better.

We have also found severe differences in the formulation and comprehensiveness of board committee charters. One can almost tell the dedication to sustainability by reading those charters or proxy statements.

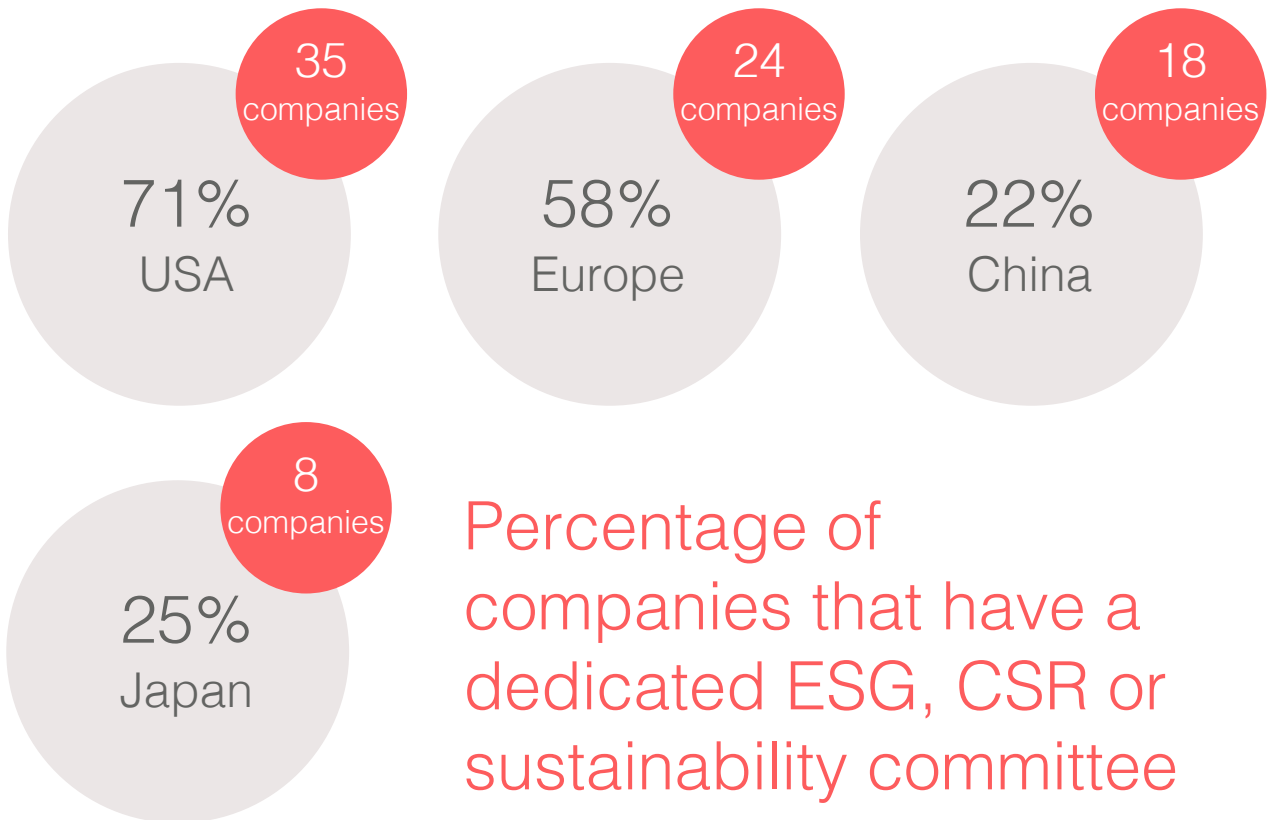
Although, we identified a fairly large number of directors (232) who all have a formal membership in a sustainability committee, we've found that only really 36 of them stand out as knowledgeable, determined or experienced in the sustainability or ESG topic.

Our final takeaway is the importance of female representation on relevant committees. Women have most of the relevant credentials representing 64% of relevant directors. They are clearly driving the discussion and ownership of sustainability policy. This number is even more impressive when considering that women only make up 37% of all identified directors.

Country Overview

The below depicts the percentage of companies that have a dedicated ESG, CSR or sustainability committee on board level.

On this page we're only showcasing countries with a minimum of 8 companies in the Forbes Global 2000 (First 100) list. Whereas all European countries are taken together, including the UK.



Percentage of companies that have a dedicated ESG, CSR or sustainability committee on board level.



Importance of “good” Corporate Governance

By Jeannette Lichner

Boards are busy places and the time required for non-executive and executive board directors to fulfil their governance, regulatory and social responsibilities is increasing. The sea change in expectations of boards, particularly regarding environmental and social issues, and the resultant pressure being brought to bear by external forces is accelerating.

This is evidenced by the UK Financial Reporting Councils ESG requirements as set out in the 2018 Corporate Governance Code and in its Governance Code the FRC requires investment firms to demonstrate how ESG factors are taken into consideration by them when making their investment decisions. In the US, 181 CEOs, representing many global firms have signed up to ‘taking the interests of all stakeholders and the environment into account’ in setting their long-term strategies and in decision making regarding the shorter term execution towards those strategies. Nine thousand companies have signed the UN Global Compact, promising to ‘uphold their social responsibility in human rights, labour standards and environmental protection’.

The ‘younger’ generation’s desire to work for firms that have a societal purpose and respect the environment is also driving these issues further up the agenda as firms face a war for talent.

So what are boards actually doing to deliver on this changing agenda? The willingness to take action varies across geographies and industries. Focusing on the UK, organisations subject to the 2018 Corporate Governance Code will need to declare their corporate purpose and their commitment to ESG in their annual reports. The Code technically applies to large, FTSE listed firms but, where they go others will follow. These disclosures will require Audit Committees as well as the Board to align their statements with corporate reality. The Stewardship code will hold investment firms accountable in the same way, thereby bringing focus on the matters into their boardrooms.

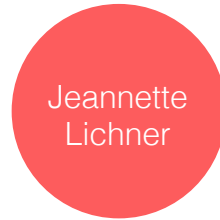
There is much discussion about establishing ESG or CSR Board committees, suggesting they would increase focus and therefore accelerate boardroom change. I am ambivalent on this as a Board’s committee structure is dependent on many factors including the size of the Board and hence its ability to populate committees. ➤

What I believe is critical is establishing executive committees which focus on these issues, and that their voices are heard at the Board. This means the Chair needs to put these issues high on the regular board agenda so that they get sufficient attention.

A board could follow similar practices to those suggested by the FRC for getting the employee voice into the boardroom, for example designating one non-executive director as the lead for ESG.

I am not suggesting that boards have historically only focused on optimising short-term financial results. Many firms have invested significant resources, financial and staff time, to socially responsible ventures, but the pressure from employees, investors and customers to do more, with a more strategic perspective is going to increase exponentially.

Boards must step up to drive this. I believe that, in light of the huge momentum around organisational purpose and the environment, boards would do well to have their organisations be leaders rather than followers.



Jeannette is a Non-executive director on several corporate boards and charities, a corporate governance advisor and an executive coach.

Jeannette spent the first 30 years of her career in a variety of functional roles and firms within the financial services industry, and in consulting firms where she advised clients on governance, regulatory and risk issues. Her governance engagements focused on business strategy, risk management, board effectiveness, and advising boards on specific issues.

Jeannette is a frequent speaker and publisher of articles on a range of topics including board governance and is a tutor on the Cambridge Institute of Sustainability Leadership's High Impact Leadership course.

How diverse boards can create a better world

By Karoline Vinsrygg and Cynthia Soledad of Egon Zehnder

Pressure from investors and customers has moved sustainability higher on the boardroom agenda, and companies have become more conscientious and strategic in how they address environmental, social and governance (ESG) matters. However, there is one key area many organizations are overlooking as they concentrate on ESG—the link between diversity and inclusion (D&I) and sustainability. We believe that a focus on D&I can lead to more sustainable business practices and contribute to a better world.

Linking D&I and sustainability begins with having the right leadership in the boardroom. As sustainability has become a mainstream governance concern, boards have largely responded by creating ESG-specific committees to oversee risks and opportunities. But they do not always review their board composition in relation to sustainability oversight. The issues encompassed by sustainability are so broad and unpredictable—environmental risks, human rights issues, resource management and more—that it is critical boards have different perspectives around the table. A commitment to D&I will help boards to bridge hierarchies within the organization, connect with different generations and communities and develop new business solutions.

A commitment to D&I and sustainability often requires a shift in leadership models. Hierarchical leaders who are not open to ideas and feedback from employees at all levels of the organization will not be able to create businesses that can thrive over the long term without a shift in culture, processes and mindsets. We employ a transformational leadership model that uses five dimensions of transformation, including “Anchoring in Society,” where leaders connect the company’s business purpose to a long-term commitment to create social value and align the company’s outputs with that purpose. It also calls on companies to focus on “Building Next-Level Leadership,” energizing and developing a new generation to take on leadership roles.

To anchor our own firm in society, we are exploring becoming a B Corp. Our Firm’s B Corp journey has already led to several ideas for ways we can continually improve our practices. We are not only advising other companies to examine their D&I and sustainability practices, but we are doing so along with them. Our combined efforts can bring that vision of a better world one step closer.



Karoline
Vinsrygg

Karoline Vinsrygg leads Egon Zehnder's Board Practice in the UK. She advises boards and CEOs of industrial and b2b services companies on their talent and succession agendas. In addition to advising publicly listed companies, she has deep experience partnering with private equity clients.

Karoline co-leads the firm's Global Diversity & Inclusion Council. Prior to joining Egon Zehnder, Karoline was Chief of Strategy and Organization and a member of the Executive Board of Aker Yards (later STX Europe) – the largest shipbuilding group in Europe. Karoline gained transactional experience from Akers Yards as well as Citigroup while based in New York and London.



Cynthia
Soledad

Cynthia Soledad, based in Chicago, co-leads Egon Zehnder's Diversity and Inclusion Practice and is an active member of the firm's Consumer and Chief Marketing Officers practices. She is a respected provider of executive search and management appraisal services across all consumer goods and services, while drawing on deep experience in consumer durables, packaged goods, and retail.

Throughout her career, Cynthia has been engaged in developing leadership and promoting employee diversity and inclusion, for example by leading the Whirlpool Women's Network and P&G's Asians in Marketing and CMK group.

How materiality focused is your sustainability strategy?

By Tias van Moorsel of Steward Redqueen

Many companies struggle to truly integrate sustainability, formulate ambitious visions, transcend the 'ratings game' and resist short-term thinking. That is, because many directors and board members lack the internal drive to put sustainability on the agenda. The topic is either too complex or doesn't have a clear business case.

However, society is changing, client demands are changing, employees want 'to do good' and communities are becoming more vocal about company (in)actions and their sustainability agenda. Luckily, companies and their board of directors (slowly) start to realise that. A perfect example is the statement made in August 2019 by the Business Roundtable – an association of chief executive officers of America's leading companies – about the purpose of a corporation. 181 CEOs committed to lead their companies for the benefit of all stakeholders – customers, employees, suppliers, communities and shareholders.

By considering all stakeholders and looking at the market through a sustainability lens it provides new business opportunities.

Either way, value is being created (e.g. meeting changing requirements of clients, attracting and retaining talent and/or having access to cheaper capital) or companies obtain a 'social license to operate' (e.g. by aligning with increasing regulatory demands, meeting community needs and/or by recognizing the cost of inaction).

The business case for sustainability has become more apparent within the private sector; companies start to realize that sustainability can contribute to stronger economic performance, albeit on the long run. This applies to listed companies discussed in this report, but certainly not only to them. In order to capture the long-term value creation of its sustainability agenda, companies need to understand stakeholder interests and balance these accordingly. Customers have different interests than employees or shareholders, and communities look differently at companies than suppliers do. Therefore, in order to navigate in this challenging context, it is important for a company to have a strong vision on what it aims to contribute to both the economy and society. ➤

But what should a company focus on? Certain topics are more material than others.

Some organisations have worked to identify, on a sectoral basis, which issues are likely to be material.

One example is the Materiality Map developed by the SASB (Sustainability Accounting Standards Board). This map identifies at a high level, issues which are material for 11 different business sectors; showcasing that environmental challenges such as GHG emissions, water and waste are more material for companies working in the extractive sector vis-à-vis the financial sector, or that social capital is more material for the healthcare sector in comparison to the renewable energy industry.

Many companies are now using materiality assessments and other stakeholder engagement activities to uncover what matters most to their business. This not only provides strategic business insights and helps companies focus on their reporting initiatives, but also showcases to stakeholders that they matter.

For real change it is important that the leadership of a company -both the executive team and the board of directors- take responsibility and put the question 'what do we stand for as an organisation' at the heart of the companies' culture. Sustainability starts at the top!



Tias is the Managing Director of Steward Redqueen's office in Singapore, a specialized consultancy that works across the globe advising organizations on impact and sustainability. Tias is a development economist with a strong track record in sustainability management and in impact modelling, measurement and reporting.

He has been involved in strategy and research projects for development finance institutions, commercial banks, impact investors, multinationals and non-profits in developing and emerging markets. Tias is the author of various publications on impact measurement and development economics.



Methodology

All data relating to board of directors composition, board committees and charters have been collected between July and September 2019. All information has been taken from the companies' own corporate websites. Since all organisations are publicly listed the publishing of their board composition as well as board committees and committee charters is a legal obligation.

We have found some information to be more comprehensive than others. We were also using data from Bloomberg and Reuters if bios of directors or other information was only very brief on corporate websites. Should any other resource have been used in order to gather certain data these have been marked with footnotes and further sources are provided.

All data have been sent to the companies' IR, PR or Corporate Secretary departments- Dependent on what contact details have been made publicly available.

All companies were asked to review and respectively validate the data and flag any errors or amendments with justification. A timeline of 2 weeks was given to respond.

All bios of directors on sustainability board committees were carefully evaluated. Some profiles were deemed as "ESG, CSR and/or sustainability credentials" which plays an important role in this report.

We have been taking a straight forward approach to deciding whether a director is to be considered to have those credentials and any experience that contributes directly or indirectly to shared value creation (e.g. membership in a philanthropic foundation, or fellowship of the WEF or UN, or any experience within the sustainability topic would be considered sufficient).

We have however not marked the directors we considered to be very suitable on a sustainability committee, in order to not discredit other board members whose specialisation might lie in a different area.

If a company does not have a dedicated sustainability board committee the biographies of the board were not further evaluated.

Featured Company

Enel (Italy)



Enel is a multinational energy company and one of the world's leading integrated electricity and gas operators.

Enel has almost 73 million end users around the world, and has the biggest customer base among their European competitors.

Enel is part of the United Nations Global Compact Board with a commitment to make a tangible contribution to six of the UN's 17 Sustainable Development Goals (SDGs).

They are namely: access to affordable and clean energy, and quality education, the promotion of industry, innovation and infrastructure, contributing to decent work and economic growth in the communities in which the group operates, the creation of sustainable cities and communities, and climate action, with a view to achieving carbon neutrality by 2050.

The integration of environmental protection and biodiversity into business strategies is a key factor in Enel's business plan.¹

Enel has strong board charters for both the (1) Corporate Governance and Sustainability Committee and (2) Control and Risk Committee. Maria Patrizia Grieco who has been identified by us having outstanding sustainability engagement is also chairman of the board.

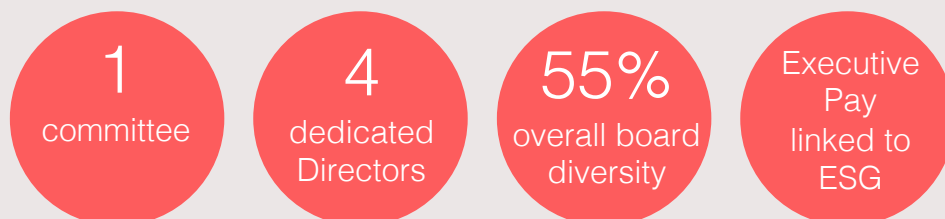
The company has linked parts of their executive compensation to ESG performance as part of the long term incentive plan- LTI (56% weight), where CO2 emissions of Enel Group weigh 10%. Overall weight on compensation is ca. 5%².

¹ enel.com/aboutus/vision

² Page 6, enel.com/content/dam/enel-com/investors/shareholdersmeeting/2018/documentation-and-reports/remuneration-report_2018.pdf

Featured Company

General Motors (USA)



General Motors (GM), is an iconic American corporation that was the world's largest motor vehicle manufacturer for much of the 20th and early 21st centuries. It operates manufacturing and assembly plants and distribution centres throughout the United States, Canada, and many other countries. The company's major products include automobiles and trucks, automotive components, and engines, and it is also engaged in financial services.

General Motors now is committed to an all-electric future and states on their website: "Our future depends on responsible stewardship of the earth, and we continually seek creative and innovative solutions for the environment. Our policies and technologies promote a cleaner planet from supply chain to manufacturing to the vehicles we put on the road."¹

General Motors forward thinking approach is underlined by an above average diversity of their executive team (CEO and CFO are both women) as well as board of directors (6 out of 11 directors are women).

The CEO and Chairman Mary T. Bara, is a member of The Business Council and an At-Large board member of the Business Roundtable, where she also serves on the Social Issues Committee.²

In addition to the comprehensively worded Governance and Corporate Responsibility committee charter, GM also has a Risk and Cybersecurity committee that looks after ESG.³

General Motor's executive officer's ESG efforts are linked to their compensation and considered as part of overall performance (but not specifically quantified).⁴

¹ gm.com/our-company/about-gm.html

² gm.com/our-company/leadership/corporate-officers.html

³ Details of the Risk and Cybersecurity committee were submitted to us by GM via email

⁴ Page 57 of GM 2019 Proxy Statement, investor.gm.com/static-files/a8386298-bafd-44d5-85e4-f8754eea4ecf

Featured Company

Nestlé (Switzerland)



Nestlé is a multinational packaged food company, that manufactures and markets a wide range of food products. The Company's product line includes milk, chocolate, confectionery, bottled water, coffee, creamer, food seasoning and pet foods.

Nestlé acknowledges that they're touching the lives of billions of people every day: the farmers who grow their ingredients, their consumers, and the communities where they live and work.¹

Part of their strategy reads: "At Nestlé, we believe the best way to guarantee long-term sustainable value creation is through a balanced pursuit of growth, profitability and capital efficiency. Growth is the primary driver of value creation.

At the same time, we pursue efficiency and profitable growth because we recognize that our competitiveness is what ensures our sustainability. We are disciplined in our capital allocation and committed to increasing shareholder returns, while investing for the long-term and Creating Shared Value."²

Nestlé has an interesting combination of Nomination and Sustainability Committee. It evaluates board composition, structure and succession planning. The committee also reviews all aspects of environmental and social sustainability policies.

Additionally, part of Nestlé's short term incentive plan- STIP, executive compensation (50% of 150% in 2018) is linked to ESG efforts.³

¹ nestle.com/aboutus/globalpresence

² nestle.com/aboutus/strategy

³ Nestlé Compensation Report 2018, nestle.com/sites/default/files/asset-

library/documents/library/documents/corporate_governance/compensation-report-2018-en.pdf

Featured Company

Santander (Spain)



Santander, is a Spanish multinational commercial bank and financial services company based in Madrid and Santander in Spain.

Additionally, Santander maintains a presence in all global financial centres as the 16th-largest banking institution in the world.¹ Although known for its European banking operations, it has extended operations across North and South America, and more recently in Asia. Santander is Spain's largest bank.

Santander was recognised as the most sustainable bank in the world in the 2019 Dow Jones Sustainability Index.²

The bank has also become one of the founding signatories of the Principles for Responsible Banking, committing to strategically align its business with the Sustainable Development Goals and the Paris Agreement on Climate Change.³

Santander has a generally impressive board with a good share of diversity.

We were particularly impressed with the sustainability credentials of Ms Ana Botín-Sanz de Sautuola y O'Shea who is Santander's Executive Chairman (see feature on page 23).

¹ spglobal.com/marketintelligence/en/news-insights/trending/t-38wta5twjgrrqccf4_ca2

² santander.com/csgs/Satellite/CFWCSancomQP01/en_GB/Corporate/Press-room/Santander-News/2019/09/14/Santander-recognised-as-the-most-sustainable-bank-in-the-world-in-the-2019-Dow-Jones-Sustainability-Index.html

³ santander.com/csgs/Satellite/CFWCSancomQP01/en_GB/Corporate.html

Featured Company

China Construction Bank (China)



China Construction Bank Corporation, headquartered in Beijing, is a leading joint stock large-scale commercial bank in China. At the end of 2018, the Bank's market capitalisation reached US\$207,179 million, ranking fifth among all listed banks in the world. The Group ranks second among global banks in terms of Tier 1 capital.

Adhering to the “customer-centric, market-oriented” business philosophy, the Bank is committed to developing itself into a bank with top value creation capability. The bank strives to achieve the balance between short-term and long-term benefits, and between business goals and social responsibilities, so as to maximise the value for customers, shareholders, society and its associates.¹

Although, there are companies in our report with more solid sustainability credentials on board level, we have deliberately chosen to feature China Construction Bank. They are a pioneer in the matter for Chinese companies. The bank is one of the few large Chinese companies to feature a dedicated sustainability committee and a fair level of diversity on their board (quite a few Chinese companies do not feature a single woman on their board of directors).

Also, China Construction Bank was the only Chinese company to respond to our request to validate our findings.

¹ ccb.com/en/investorv3/corporateoverview/overview.html

Featured Directors



On the
board of
PepsiCo

Mr Darren Walker

Mr Walker is president of the Ford Foundation, an international social justice philanthropy with a \$13 billion endowment.

Before joining Ford, Darren was vice president at the Rockefeller Foundation, overseeing global and domestic programs including the Rebuild New Orleans initiative after Hurricane Katrina.

Mr. Walker currently serves on the board of Directors of PepsiCo as well as several non-profit organisations, including Friends of the High Line and Carnegie Hall, and as Vice President of Foundation for Art and Preservation in Embassies. He also currently chairs the U.S. Impact Investing Alliance Advisory Board and is a member of the Council on Foreign Relations and the American Academy of Arts and Sciences.¹



On the
board of
Enel

Ms Anna Chiara Svelto

Being involved for a long time on governance issues, Ms Svelto attended as speaker at many conferences and is currently member of the “Ethic and Systemic Risk Committee” of ICGN (International Corporate Governance Network). Moreover, she has been holding over time positions of rising importance within the board of directors of listed companies.

She is currently an independent member of the board of directors of Enel and some of the related advisory committees of Techedge, having held similar tasks at ASTM (from April 2016 until May 2019) and Banca Intermobiliare di Investimenti e Gestioni (from April until July 2019).²

¹ pepsico.com/about/leadership

² enel.com/investors/a/2016/08/anna-chiara-svelto

Featured Directors



On the
board of
Nestlé

Ms Ann M. Veneman

Ann M. Veneman, JD, has a distinguished career in public service, most recently serving as the executive director of the United Nations Children’s Fund (UNICEF) from 2005 to 2010. Her leadership and vision have been recognized both nationally and internationally. In 2009, she was named to the Forbes magazine “100 Most Powerful Women” list (ranking 46th) and has been the recipient of numerous awards and honors. (...)

Ms Veneman is a frequent speaker on a range of topics, including poverty, empowering women and girls, food security and nutrition, and global health. Ann M. Veneman currently serves on the boards of directors for Alexion and Nestlé.¹



Chairman of
Santander

Ms Ana Botín- Sanz de Sautuola y O'Shea

Ms Botín-Sanz de Sautuola y O'Shea is the Executive Chairman of Santander.

Her commitment to sustainable and inclusive growth is reflected in her philanthropic activities. She is the founder and Chair of CyD Foundation, which supports and promotes the contribution made by Spanish universities to economic and social development in the country, and Empieza por Educar Foundation, the Spanish subsidiary of the international NGO Teach for All which trains talented young graduates to be teachers.

She is also a board member of the Coca-Cola Company and a member of the Massachusetts Institute of Technology (MIT) CEO Advisory Board.²

¹ eomega.org/workshops/teachers/ann-m-veneman

² santander.com/csgs/Satellite/CFWCSancomQP01/en_GB/Corporate/Shareholders-and-Investors/Mrs-Ana-Botin-Sanz-de-Sautuola-y-OShea.html

Featured Directors



On the
board of
Axa &
Airbus

Mr Jean-Pierre Clamadieu

Mr Clamadieu is the Chairman of the Board of Engie, CEO and Board member of Solvay, he was appointed Chairman of the Board of Directors of Engie in May 2018 and has been CEO and board member of Solvay since 2012.

Mr Clamadieu is member of the Board of Directors of Axa and Airbus. He is as well member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD). He has been President of the European Chemical Industry Council (CEFIC) between 2014 and 2016 and member of the Board of Directors of the International Chemical Industry Council (ICCA). Mr Clamadieu was Chairman of the Sustainable Development Commission of MEDEF between 2007 and 2014.¹



On the
board of
JP Morgan

Ms Mellody Hobson

Ms Hobson has served as the President of Ariel Investments, LLC, an investment management firm, since 2000.

Ms. Hobson is the Vice Chair of Starbucks Corporation and a Director at JPMorgan Chase. She served as a director of The Estée Lauder Companies Inc. from 2005 to 2018, as a director of DreamWorks from 2004 to 2016 and as a director of Groupon Inc. from 2011 until 2014.

Ms. Hobson works with a number of civic, non-profit and professional organizations, acting as a Director of the Chicago Public Education Fund; Chair of After School Matters, Chair of the Economic Club of Chicago; a member of the Executive Committee of the Investment Company Institute's Board of Governors; Board member of the George Lucas Education Foundation; Vice Chair of World Business Chicago, and many other organizations.²

¹ weforum.org/people/jean-pierre-clamadieu

² jpmorganchase.com/corporate/About-JPMC/ab-board-bio-mellodyhobson.htm



Report

Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
1	ICBC	China	14	2	14%	none	
2	JPMorgan Chase	United States	11	2	18%	Public Responsibility Committee	Todd A. Combs Melody Hobson* Timothy P. Flynn
3	China Construction Bank**	China	14	2	14%	Social Responsibilities & Related Party Transactions Committee	Mr. Carl Walter Mr. Murray Horn Mr. Kenneth Patrick Chung Mr. Zhang Gengsheng
4	Agricultural Bank of China	China	14	2	14%	none	
5	Bank of America	United States	16	5	31%	Corporate Governance Committee Charter	Sharon L. Allen Susan S. Bies Frank P. Bramble, Sr. Thomas J. May Lionel L. Nowell, III Thomas D. Woods Maria T. Zuber
6	Apple	United States	8	2	25%	none	
7	Ping An Insurance Group	China	15	1	7%	none	
8	Bank of China	China	12	2	17%	none	
9	Royal Dutch Shell	Netherlands	13	6	46%	Corporate and Social Responsibility Committee	Sir Nigel Sheinwald GCMG Catherine J. Hughes Linda G. Stuntz

* Featured on page 24

** Featured on page 21

Report

Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
10	Wells Fargo	United States	13	4	31%	Corporate Responsibility Committee	Celeste A. Clark Wayne M. Hewett Ronald L. Sargent Suzanne M. Vautrinot
11	ExxonMobil	United States	10	3	30%	Public Issues and Contributions Committee Charter	Susan K. Avery Angela F. Braly Steven A. Kandarian Steven S Reinemund
12	AT&T	United States	12	4	33%	The Public Policy and Corporate Reputation Committee	Samuel A. Di Piazza, Jr. Glenn H. Hutchins William E. Kennard Laura D'Andrea Tyson Debra Lee
13	Samsung Electronics	South Korea	11	2	18%	Governance Committee	Jae-Wan Bahk Sun-Uk Kim Byung-Gook Park Jeong Kim Curie Ahn Han-Jo Kim
14	Citigroup	United States	15	6	40%	none	
15	Toyota Motor	Japan	9	1	11%	none	
16	Microsoft	United States	14	4	29%	Regulatory and Public Policy Committee	Helmut Panke Sandra E. Peterson Penny Pritzker* John W. Stanton John W. Thompson

Report

Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
17	Alphabet	United States	10	2	20%	none	
18	Volkswagen Group	Germany	20	6	30%	none	
19	Chevron	United States	11	4	36%	Public Policy Committee	Wanda M. Austin Alice P. Gast Enrique Hernandez, Jr. Debra Reed-Klages
20	Verizon Communications ¹	United States	10	3	30%	Corporate Governance and Policy Committee	Shellye L. Archambeau Melanie L. Healey Rodney E. Slater Kathryn A. Tesija
21	HSBC Holdings	United Kingdom	14	5	36%	None identified by TSBR (see remarks)	
22	PetroChina	China	12	1	8%	Health, Safety and Environment Committee	
23	Allianz	Germany	12	4	33%	none	
24	BP	United Kingdom	12	5	42%	Safety, ethics and environment assurance committee (SEEAC)	Nils Andersen Dame Ann Dowling Melody Meyer Sir John Sawers

¹ Data submitted by Verizon

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
25	Total	France	12	6	50%	Strategy & CSR Committee	Patrick Pouyanné Patrick Artus Patricia Barbizet Anne-Marie Idrac Jean Lemierre Christine Renaud
26	Berkshire Hathaway	United States	15	3	20%	none	
27	China Mobile	Hong Kong	7	0	0%	none	
28	Amazon	United States	10	5	50%	none	
29	Walmart	United States	12	3	25%	Nominating and Governance Committee	Tom Horton Carla A. Harris Steven S Reinemund
30	Santander**	Spain	15	5	33%	Responsible Banking, Sustainability and Culture committee	Ramiro Mato García-Ansorena Ana Botín-Sanz de Sautuola y O'Shea* Homaira Akbari Ignacio Benjumea Cabeza de Vaca Álvaro Antonio Cardoso de Souza Sol Daurella Comadrán Esther Giménez-Salinas i Colomer Belén Romana García
31	China Merchants Bank	China	10	2	20%	none	

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
32	UnitedHealth Group	United States	11	3	27%	Public Policy Strategies and Responsibility	Gail R. Wilensky Valerie Montgomery Rice John H. Noseworthy, M.D.
33	Comcast	United States	10	2	20%	none	
34	BNP Paribas	France	12	6	50%	The Corporate Governance, Ethics, Nominations and CSR Committee	Pierre-André de Chalendar Monique Cohen Marion Guillou Daniela Schwarzer
35	Sinopec	China	11	0	0%	Social Responsibility Management Committee	Dai Houliang Tang Min Fan Gang
36	Softbank	Japan	12	0	0%	none	
37	Daimler	Germany	20	6	30%	None identified by TSBR (see comments from company)	
38	Johnson & Johnson	United States	12	4	33%	Science, Technology & Sustainability Committee	Mary C. Beckerle Mark B. McClellan A. Eugene Washington Jennifer A. Doudna
39	Bank of Communications	China	18	2	11%	None identified by TSBR (see remarks)	
40	Gazprom	Russia	11	0	0%	none	

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
41	RBC	Canada	13	5	38%	Governance Committee	Jacynthe Côté Andrew Chisholm Toos Daruvala Jeffery Yabuki
42	Nestle**	Switzerland	14	4	29%	Nomination and Sustainability Committee	Paul Bulcke Henri de Castries Ann M. Veneman* Eva Cheng
43	Mitsubishi UFJ Financial	Japan	16	3	19%	none	
44	Intel	United States	10	2	20%	Corporate Governance & Nominating Committee	Aneel Bhusri Omar Ishrak Risa Lavizzo-Mourey Frank D. Yeary
45	Goldman Sachs Group	United States	11	4	36%	Public Responsibilities Committee	Drew G. Faust Ellen J. Kullman Lakshmi N. Mittal Adebayo O. Ogunlesi
46	TD Bank Group	Canada	14	5	36%	Corporate Governance Committee	Brian M. Levitt William E. Bennett Karen E. Maidment Alan N. MacGibbon
47	Sberbank	Russia	14	4	29%	none	

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
48	Morgan Stanley	United States	13	4	31%	Nominating and Governance Committee Charter	Rayford Wilkins, Jr. Elizabeth Corley Robert H. Herz
49	Boeing	United States	13	4	31%	none	
50	Petrobras	Brazil	10	3	30%	Health, Safety and the Environment Committee	Clarissa de Araújo Lins
51	Nippon Telegraph & Tel	Japan	20	4	20%	none	
52	Rosneft	Russia	11	0	0%	none	
53	Procter & Gamble	United States	11	4	36%	Governance & Public Responsibility Committee	Francis S. Blake Angela F. Braly W. James McNerney, Jr. Nelson Peltz Patricia A. Woertz
54	Pfizer	United States	12	2	17%	Corporate Governance Committee	W. Don Cornwell Joseph J. Echevarria Helen H. Hobbs Dan R. Littman
55	Industrial Bank	China	14	0	0%	none	

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
56	General Motors*	United States	11	6	55%	Governance and Corporate Responsibility	Jane L. Mendill Patricia F. Russo Theodore M. Solso Carol M. Stephenson
57	BMW Group	Germany	20	7	35%	None identified by TSBR (see comments from company)	
58	Itaú Unibanco Holding	Brazil	11	1	9%	Nomination and Corporate Governance Committee	Pedro Moreira Salles Alfredo Egydio Setubal Ana Lúcia de Mattos Barretto Villela Fabio Colletti Barbosa Marco Ambrogio Crespi Bonomi
59	Alibaba	China	11	1	9%	none	
60	IBM	United States	12	4	33%	Directors and corporate governance committee	Michelle J. Howard Shirley Ann Jackson Sidney Taurel
61	Novartis	Switzerland	12	3	25%	Governance, Nomination and Corporate Responsibilities Committee	Andreas von Planta Ann Fudge Charles L. Sawyers Enrico Vanni William T. Winters
62	Postal Savings Bank Of China (PSBC)	China	14	2	14%	Social Responsibility and Consumer Rights Protection Committee	Yao Hong Tang Jian Chin Hung David Ding Xiangming Bi Zhonghua

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
63	Facebook	United States	8	3	38%	none	
64	Siemens	Germany	20	7	35%	none	
65	Shanghai Pudong Development	China	17	0	0%	none	
66	Japan Post Holdings	Japan	15	3	20%		
67	Sumitomo Mitsui Financial	Japan	14	1	7%	Risk Committee	Shozo Yamazaki Masaharu Kohno Jun Ohta Hirohide Yamaguchi Nobuyuki Kinoshita
68	Banco Bradesco	Brazil	8	1	13%	Sustainability and Diversity Committee	Luiz Carlos Trabuco Cappi Carlos Alberto Rodrigues Guilherme Milton Matsumoto Alexandre da Silva Glüher Josué Augusto Pancini Maurício Machado de Minas
69	Anheuser-Busch InBev	Belgium	15	3	20%	none	
70	Walt Disney	United States	9	4	44%	none	

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
71	Reliance Industries	India	14	2	14%	<ol style="list-style-type: none"> Corporate Social Responsibility and Governance Committee Health, Safety and Environment (HS&E) Committee 	Yogendra P Trivedi (1) Nikhil R. Meswani (1) Raghunath A. Mashelkar (1&2) Shumeet Banerji (1) Hital R. Meswani (2) P.M.S. Prasad (2) Pawan Kumar Kapil (2) Arundhati Bhattacharya (2)
72	CITIC	Hong Kong	14	2	14%	none	
73	Sony	Japan	13	4	31%	none	
74	Cisco Systems	United States	10	2	20%	Nomination and Governance Committee	Michael D. Capellas Mark Garrett Roderick C. McGeary
75	Tencent Holdings	China	8	0	0%	none	
76	Honda Motor	Japan	13	2	15%	Audit and Supervisory Committee	Masahiro Yoshida Hideo Takaura Kunihiko Sakai Masafumi Suzuki Mayumi Tamura

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
77	Enel**	Italy	9	3	33%	<ol style="list-style-type: none"> Corporate Governance and Sustainability Committee Control and Risk Committee 	Patrizia Grieco (1) Alfredo Antoniozzi (1) Angelo Taraborrelli (1+2) Paola Girdinio (2) Alberto Pera (2) Anna Chiara Svelto* (2)
78	United Technologies	United States	13	4	31%	Committee On Governance And Public Policy Charter	Brian C. Rogers Lloyd J. Austin III Jean-Pierre Garnier Marshall O. Larsen Harold W. McGraw III Margaret (Meghan) L. O'Sullivan
79	Commonwealth Bank	Australia	10	5	50%	None identified by TSBR (see comments from company)	
80	China State Construction Engineering	China	6	0	0%	none	
81	<i>DowDuPont (dissolved)</i>	<i>United States</i>					
82	Equinor	Norway	11	4	36%	Safety, Sustainability and Ethics committee	Anne Drinkwater Jeroen van der Veer Bjørn Tore Godal Jonathan Lewis Stig Læg Reid Per Martin Labråten

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
83	American Express	United States	11	2	18%	Nominating, Governance and Public Responsibility Committee	Peter Chernin Theodore J. Leonsis Daniel L. Vasella Ronald A. Williams
84	MetLife	United States	12	4	33%	Governance and Corporate Responsibility	Cheryl W. Gris�e Carlos M. Gutierrez R. Glenn Hubbard James M. Kilts Denise M. Morrison
85	AXA Group	France	15	8	53%	Compensation & Governance Committee	Jean-Pierre Clamadieu* Bettina Cramm Patricia Barbizet Rachel Duan Andr�e Fran�ois-Poncet
86	PepsiCo	United States	13	3	23%	Public Policy and Sustainability Committee	Dina Dublon Shona L. Brown David C. Page Darren Walker**
87	Bank of Nova Scotia	Canada	13	5	38%	Corporate Governance Committee	Nora A. Aufreiter Scott B. Bonham Michael D. Penner Aaron W. Regent Indira V. Samarasekera
88	Roche Holding	Switzerland	12	3	25%	Corporate Governance and Sustainability Committee	Andr�e Hoffmann Dr Andreas Oer Anita Hauser Dr Claudia Suessmuth Dyckerhoff

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Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
89	ING Group	Netherlands	9	3	33%	None identified by TSBR (see comments from company)	
90	Lloyds Banking Group	United Kingdom	12	3	25%	Responsible Business Committee	Sara Weller Lord Blackwell Anita Frew Lord Lupton CBE Amanda Mackenzie, OBE Stuart Sinclair
91	Eni	Italy	9	3	33%	The Sustainability and Scenarios Committee	Pietro A Guindani Karina A. Litvack Fabrizio Pagani Domenico Livio Trombone
92	Oracle	United States	15	4	27%	none	
93	China Citic Bank	China	11	3	27%	none	
94	China Evergrande Group	China	9	2	22%	none	
95	UBS	Switzerland	12	4	33%	Corporate Culture and Responsibility Committee	Axel A. Weber Jeremy Anderson William C. Dudley Beatrice Weder di Mauro
96	AIRBUS	Netherlands	12	3	25%	None identified by TSBR (see remarks)	

Report

Forbes Rank	Company	Country	Board Size	# of women on Board	Female Ratio	Relevant ESG/Sustainability Committee	ESG/Sustainability Committee Members
97	Lukoil	Russia	11	2	18%	Strategy, Investment and Sustainability Committee	Sergei Shatalov Toby Gati Ravil Maganov Leonid Fedun
98	Prudential Financial	United States	12	3	25%	Corporate Governance and Business Ethics Committee	Gilbert F. Casellas Peter R. Lighte Sandra Pianalto
99	BASF	Germany	12	4	33%	None identified by TSBR (see remarks)	
100	SAIC Motor	China	7	0	0%	none	

Remarks

HSBC Holdings, United Kingdom:

Extract from Audit committee: "(..) review disclosure that describes the work of the Committee and areas of special interest (including the Environmental, Social and Governance Update) (...)"¹

¹ <https://www.hsbc.com/our-approach/corporate-governance>

Bank of Communications, China:

No information on board committees on website.

Airbus, Netherlands:

Airbus has an "Ethics and Compliance Committee". It does not stipulate specific supervision of sustainability or ESG.²

² <https://www.airbus.com/company/corporate-governance/board-and-board-committees.html#Board>

BASF, Germany:

The corporate governance report mentions sustainability a few times. There is no dedicated board committee.³

³ <https://www.basf.com/global/en/investors/basf-at-a-glance/corporate-governance/supervisory-board.html>

Comments submitted by the respective companies

Commonwealth Bank, Australia:

The CEO has established a Non Financial Risk Committee (NFRC) at Group Executive level, with reporting through to the Board Risk Committee, to improve the identification, prioritisation and management of non-financial risks. The NFRC also focuses on risks such as climate change and cyber risk that can ultimately have financial impacts. (2019 Annual Report page 5)

The full Board directly oversees the management of the Bank's climate-related risks, opportunities and strategies. The Executive Leadership Team continues to be responsible for:

- Directing the development and implementation of ESG policies, including climate
- Overseeing progress, performance and reporting on climate
- Leading external engagement and advocacy and helping customers and clients on climate-related matters. (2019 Annual Report page 57)

The Board is responsible for overseeing adherence to the Group's Environmental and Social Policy and monitoring progress towards targets, while our People are responsible for meeting the requirements of the E&S Policy. Our senior leaders are responsible for promoting and championing the environmental and social considerations outlined in the E&S Policy through their business decisions and interactions. (2019 Group Environmental and Social Framework).

Comments submitted by the respective companies

ING Group, Netherlands:

The overarching principles governing our approach to sustainability are set out in our global Sustainability Direction. Our global head of Sustainability reports directly to Management Board Banking member Isabel Fernandez. Specific responsibilities are delegated, via the Global Sustainability department, to business units and subject-matter experts who help develop ING's policies, programmes and targets in response to sustainability-related risks and opportunities, in line with our global Sustainability Direction. Progress on identified priorities is communicated regularly to the Management Board Banking and to external stakeholders through ING's Quarterly Reports. The responsibility for our various sustainability targets lies either with the MBB member responsible for that specific area, or with the MBB as a whole.

For example, responsibility for our ambition to double our climate finance portfolio by 2022 from 2017 lies with the MBB member in charge of Wholesale Banking who has overall responsibility for meeting this ambition. It is being implemented across the organisation through KPIs for deal teams. We also have the ambition to reduce our exposure to coal to close to zero by 2025. Our MBB as a whole is responsible for ensuring that this target is translated to policy and adhered to within our risk processes. The Board's responsibility for social and environmental risks and opportunities is formalised in our Executive Board Charter (www.ing/18ar029).

Furthermore, in order to have board-level oversight of strategic climate-related risk and opportunity management, in 2018, ING established the Climate Change Committee (CCC). This executive committee is chaired by ING's CRO and co-chaired by the board member responsible for Wholesale Banking. The CCC governs ING's climate-related risk and opportunity management, strategy and target-setting for the Group.

Comments submitted by the respective companies

BMW Group, Germany:

Sustainability Board, Consisting of all Board Members, Chairman: Chairman of the Board of Management - for further information please see Sustainable Value Report 2018

Daimler, Germany:

Regarding relevant sustainability, ESG or CSR committees we can add:
The Chairman of the Supervisory Board of Daimler AG meets annually with the members of the Advisory Board for Integrity and Corporate Responsibility (<https://www.daimler.com/sustainability/responsible-conduct/the-advisory-board-for-integrity.html>). The whole Supervisory Board meets with the Advisory Board every two years.

Contact & Founder's Bio



Frederik is the founder of The Sustainability Board Report. He is an expert in international business development and management, having run his first multi-million franchise at the age of 22.

Since 2012 he has been working in talent and HR consulting. Besides running this project, he is managing the advisory and outsourcing practice in Asia Pacific for the world's largest provider of workforce solutions, focusing on Financial Services clients.

Frederik has lived in 4 countries and worked in numerous markets, most notably Europe and Asia.

Among other credentials Frederik earned the "Sustainable Business Strategy" certificate from Harvard Business School in 2018 as well as successfully completed the "High Impact Leadership" programme from The University of Cambridge Institute for Sustainability Leadership (CISL) in 2019.

Frederik lives in Singapore with his wife.

For all enquiries regarding this report, or if you would like to get in touch with one of the contributors, please reach out to Frederik directly via email.

The spirit of this project is to create an open dialogue with business leaders and their communities.

frederik@boardreport.org

Revised edition January 2021.

In an earlier report version the Forbes Global 2000 list was mistakenly referred to as "Fortune 2000". We have corrected the error in this version.

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