

# 2023 Annual ESG Preparedness Report

Global & USA

supported by



**Chapter  
Zero**

The Directors' Climate Forum



# Introduction

## The Evolution of Sustainability Governance

The Sustainability Board is an independent think tank dedicated to promoting sustainable leadership and corporate governance through insightful reports, expert discussions, intelligence, and community.

Since the inception of The Sustainability Board Report in 2019, now called The Sustainability Board Annual ESG Preparedness Report, **our focus has been to examine how Environmental, Social, and Governance (ESG) matters are integrated into oversight at board level.**

We evaluate whether the boards have formalised ESG oversight as part of their duties, established a sustainability committee or delegated ESG to another committee, and the materiality and quality of their oversight policy. Additionally, we screen for board diversity, committee composition, and individual directors' engagement on sustainability issues.

Our assessment methodology has remained largely unchanged since 2019, but it has been progressively refined with the help of an expert panel that includes non-executive directors, non-executive chairs, board effectiveness and advisory professionals, academics, leadership advisors, and legal counsels.

In this year's report, we yet again assess the quality of sustainability governance at the board level.

As with previous years, our sample includes the 100 largest public companies as per the 2023 Forbes 2000 list. This sample has an overweight on US, European and Chinese companies. A detailed geographical split can be found on page 22.

For this year's edition, we have expanded our coverage to also report on the 100 largest US companies. That is to recognise the significance of the American economy and the influence of US companies on corporate innovation and best practices.

The US sample contains the 100 largest public US companies as per the same index. That is 39 samples as included in global plus the next 61 largest US companies. The full list of companies is on page 22-23.

### **Nomenclature for this report**

**Sustainability:** Refers to practices, principles, and activities that support the well-being of all humans and life forms on Earth.

**ESG:** Represents a business' approach to addressing environmental and social challenges, as well as the governance structures in place to manage these issues.

# Foreword

# Leadership Foreword From Progress to Plateau: The Urgency of ESG Engagement

**Reflecting on our past reports, we have observed the evolution of boards embedding sustainability into the governance agenda.** Every year, we evaluate whether boards have formalised an ESG policy, established a sustainability committee or delegated ESG matters to another committee. We also look at the materiality and quality of their charters, and we analyse board diversity and individual ESG engagement of directors.

This year's findings illuminate both strides made and challenges ahead. There is significant growth in sustainability governance, increasing from 50% in 2019 to 88% in 2023. This means, more boards have adopted sustainability oversight as part of their current committees or dedicated a specialist committee to it. However, stagnation in ESG engagement levels among directors indicates a need for renewed focus on individual sustainable leadership capacity. We must understand this 'engagement ceiling' and advocate for continued dedication to upskilling and engagement.

Additionally, our data yet again underscores the pivotal role of women leading ESG engagement. Their consistent involvement outpaces their male peers, emphasising the need for more inclusive boardrooms. We do not assess diversity beyond gender but recommend that boards also consider directors of different ethnic and socioeconomic backgrounds. They often bring new ideas and experiences to the table.

Transparent governance is essential. We still see much misalignment of oversight scope and focus issues on Sustainability/ESG, corporate governance, annual, and proxy reports, when compared with committee charters.

Future editions of our report might consider a broader perspective still. The traditional E&S issues such as Climate Change and Diversity & Inclusion, need to be expanded by urgent factors, namely: Human Rights, AI & Emerging Technology, Nature & Biodiversity, and Geopolitics and Conflict. These considerations are playing into the sustainability of business too, but they are often excluded from E&S governance.

Sustainability should continue to be an intrinsic guide to strategic decisions, fostering resilient and future ready businesses. ESG should serve a structured approach to stakeholder engagement.

The improvement trend of ESG engagement in the last five years is starting to lose momentum. At this critical time of action and implementation, stagnation is the worst enemy. Let's remain steadfast in making sustainability integral to business and governance through engaged and knowledgeable boards.



**Frederik Otto**  
Executive Director  
The Sustainability Board



**Jeannette Lichner**  
Senior Advisor  
The Sustainability Board

# Guest Foreword From Aspiration to Action in a Narrowing Time Window

In an era where global climate challenges demand proactive corporate responses, the findings of the Annual ESG Preparedness Report are both timely and insightful. As an organisation whose purpose is to equip and inspire non-executive directors (NEDs) and chairs to lead on climate from the boardroom, Chapter Zero recognises the magnitude of our shared task.

Reflecting on the "Global Stocktake" from the UN, it's evident we're in a "rapidly narrowing window" to restrict global warming to 1.5 degrees.

The role of NEDs has never been more pivotal. The work of the Transition Planning Taskforce in the UK, which will have significant international implications, demonstrates that boards should not merely approve strategy framed by management, they should actively develop it. Whether it's through the formation of 'shadow boards' for fresh perspectives, discussing how to embed climate into business strategy as a business transformation opportunity, or strengthening the link between the non-executive board and the workforce, NEDs have the power to drive climate strategy from the boardroom.

However, while there is no lack of ambition, there are still many impediments to action. Board composition is important, with the need to attract climate competent NEDs. Often there is an overemphasis on climate as a matter of just regulation and compliance as opposed to a source of growth and innovation. Often there isn't CEO led strategy embedding the impacts of climate change.

The solutions are multifaceted: from tackling climate from the lens of purpose and culture, to understanding climate risk – be it physical risk, litigation risk, reputational risk and beyond – as a way to think about opportunity, to ensuring strategies adopt a multi-stakeholder, collaboration led approach.

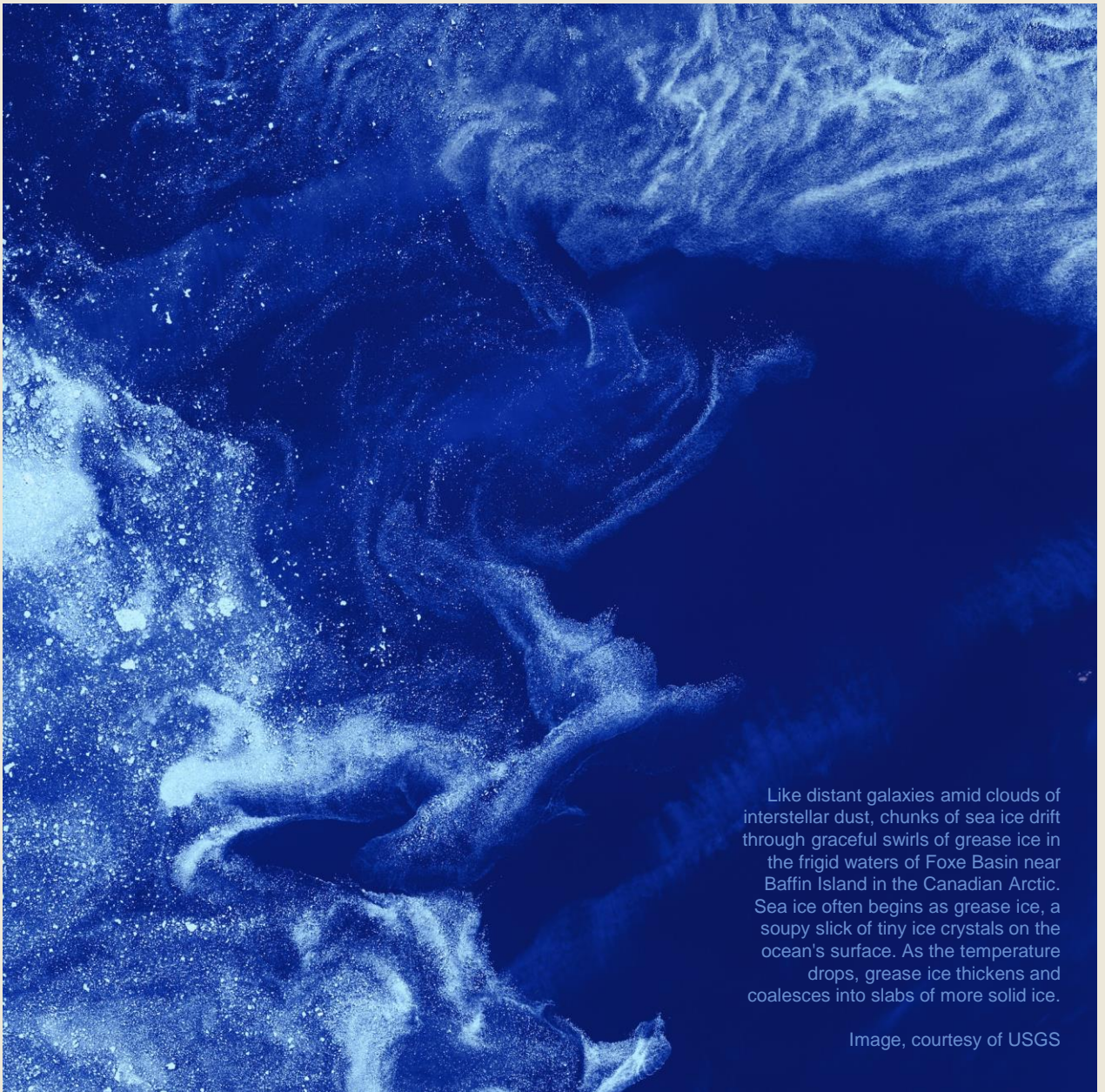
The Annual ESG Preparedness Report is a testament to the journey businesses are embarking on. As findings reveal, while significant progress has been made in sustainability governance, there's a pressing need to reinvigorate commitment, particularly amongst board directors. It reminds us that while context is crucial, the overarching goal remains unchanged: a just transition to a net zero economy.

In endorsing this report, I urge all readers to absorb its insights, reflect on our collective responsibility, and continue to champion sustainability at the heart of business and governance.

**Vicky Moffatt**  
CEO, Chapter Zero



# 2023 Findings at a Glance



Like distant galaxies amid clouds of interstellar dust, chunks of sea ice drift through graceful swirls of grease ice in the frigid waters of Foxe Basin near Baffin Island in the Canadian Arctic. Sea ice often begins as grease ice, a soupy slick of tiny ice crystals on the ocean's surface. As the temperature drops, grease ice thickens and coalesces into slabs of more solid ice.

Image, courtesy of USGS

## **Our 5 Key Findings**

- 1. Sustainability governance is increasing ‘on paper’**
- 2. ESG Engagement of directors stagnates**
- 3. Women remain at the forefront of sustainability governance**
- 4. Sustainable management experience remains the main driver for ESG engagement**
- 5. Most boards, and notably US boards, are embracing ESG in their board policy**

# 1. Sustainability Governance is increasing ‘On Paper’

Global

USA

88%

↗ up from 80%  
in 2022

of companies with relevant committees

95%

In 2019, just over half of the businesses had a board policy for ESG oversight. This number increased to 88% globally in 2023, and almost all US companies onboard except for five.

ESG oversight is primarily measured by the presence of a board committee that addresses environmental, social, and governance (ESG) issues in its charter. We also source some of this information from proxy reports, corporate governance guidelines, and annual reports. **It is important to note that we often see dramatic differences in disclosure between these documents.** That means that a somewhat comprehensive approach to governance stipulated in the sustainability report might not translate into the relevant committee charter, or other documents or vice versa.

32%

↗ up from 27%  
in 2022

of directors are members of a relevant committee

34%

**Further, we see a trend toward more participation of the whole board in relevant committees.** Statistically almost every 3<sup>rd</sup> director is specifically part of sustainability oversight, up from slightly above every 4<sup>th</sup> in 2022.



## 2. ESG Engagement of Directors stagnates

Global

USA

43%

41%

↳ down from 45%  
in 2022

of directors sitting on relevant committees are **ESG-engaged**

Another crucial metric is the ESG engagement of directors responsible for oversight. These directors either have memberships in relevant committees and display sustainability knowledge (ESG consciousness) or have the capability for effective action (ESG competence). **From 2019 to 2022, ESG engagement levels of directors rose dramatically from 16% to 45%. Yet, our current data shows a global decline to 43%, with the US at 41%.** This suggests a possible stagnation, and future studies will determine if we are approaching a concerning 'engagement ceiling' where fewer than half of directors engage in sustainability governance.

46%

43%

of relevant committee chairs are **ESG-engaged**

Additionally, this year we have assessed the ESG engagement of committee chairs for the first time. The findings indicate that their engagement levels are akin to the rest of the directors on relevant committees. **Globally, 46% of committee chairs are ESG engaged, compared to 43% in the US.** It's worth noting that one might expect directors chairing the committees responsible for ESG oversight to be particularly engaged.

### 3. Women remain at the Forefront of Sustainability Governance

Global

USA

Overall, female directors are

**64%**      **50%**

↗ up from 60%  
in 2022

more likely to be **ESG-engaged**

Our third major data point focuses on female board directors and their role in driving ESG engagement. **While the difference is decreasing, with women now 13% more likely than last year's 24% to be part of a relevant committee, they are still 64% more likely to be ESG engaged** than their male counterparts. This is a slight increase from 60% the previous year. In the US, the engagement level for women is 50%.

Female directors are

**13%**      **22%**

↘ down from 24%  
in 2022

more likely to be a member of a relevant committee

Women constitute 35% of all directors on pertinent committees globally and 39% in the US. These percentages are marginally above the global gender diversity average on boards, which is 32% globally and 34% for the US.

**35%**      **39%**

↘ down from 37% in  
2022

of directors on relevant committees are women

**32%**      **34%**

Unchanged

of all directors are women

## 4. Sustainable Management experience remains the main driver for ESG engagement

The engagement of directors with ESG criteria is evaluated using a checklist, which assesses them based on three distinct criteria (see page 26). A director is considered ESG-engaged if they meet at least one of these criteria.

**85% of directors worldwide and 88% in the US qualify as ESG-engaged due to their corporate experience in sustainability strategy.** This engagement largely stems from their roles as either a **current or retired CEO**.

We also look at whether the director is a member of a relevant non-profit organisation dedicated to industry specific sustainability issues.

The share of directors who satisfy this criterion has declined from 58% in 2022 to 53% in 2023 and is at 47% in the US.

**The criterion with the least representation is formal certifications or credentials, with only 7% of directors meeting it.** Not much progress has been made over the last 3 years in this area (also see page 20). Within this category, we also include lecturers, professors, and other faculty members who teach sustainability topics. **Interestingly, these educators outnumber the individuals who possess formal certifications or credentials in the field.**

### ESG Engagement Drivers:

#### Business Experience

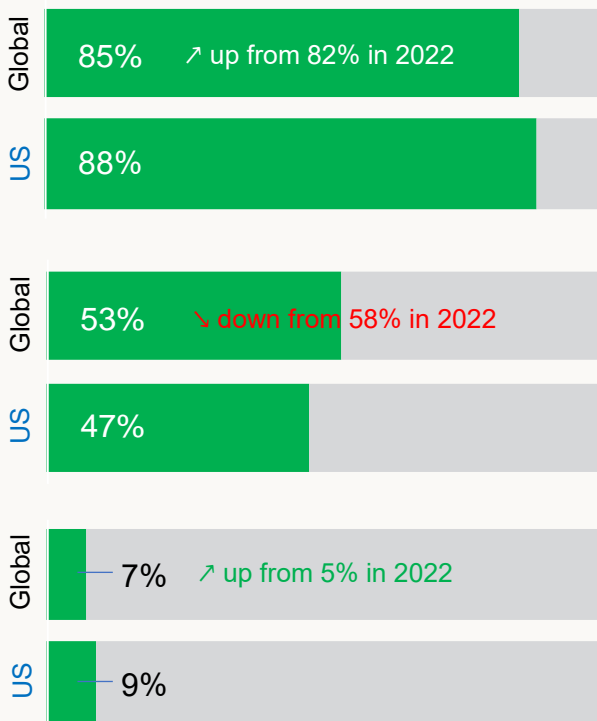
Executive or board experience actively involved in sustainability strategy or governance

#### Non-Business Experience

Board member of a business material non-profit organisation, foundation, or charity, or fellowship of an international campaign body

#### Education & Thought Leaders

Formal ESG/sustainability certification/accreditation or published paper, research, book, or report in the area, or teaching capacity

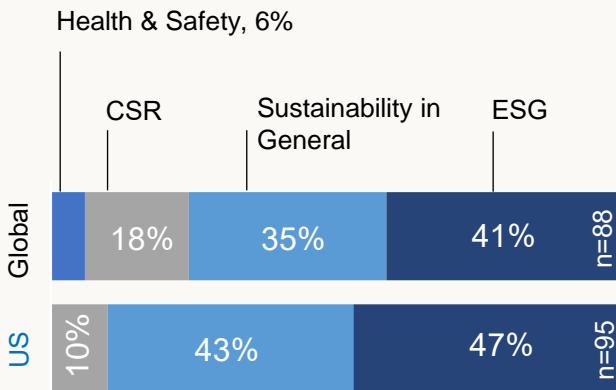


# 5. Most Boards, and notably US Boards, are embracing ESG in their Committee Charters

We assess the presence of board ESG policy through the presence of a relevant board committee that stipulates ESG issues in its committee charter, proxy, corporate governance, or annual report.

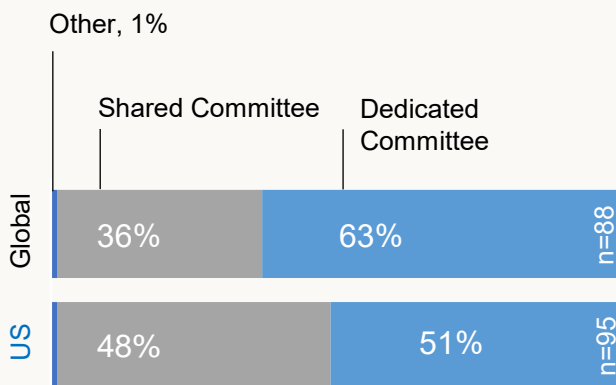
So long as sustainability oversight is clearly stipulated in their policies these are referred to as 'relevant committees'.

We then screen the policy (mostly committee charters) for narrative. There are four options: Health & Safety: Primarily focused on technical labour safety. CSR (Corporate Social Responsibility): Mainly focuses on employee well-being in a corporate setting. Sustainability in General: Does not exclusively detail ESG factors. ESG (Environmental, Social, Governance): Abbreviated or fully spelled out.



## Narrative of Relevant Committee's Charter

There is a rise in stipulating ESG specifically in committee charters increasing from 34% to 41% globally. Interestingly, **almost half of all US boards in our sample have an ESG narrative in their relevant committee charters, despite the current political pushback on the practice.**



## Committees tasked with Sustainability Oversight

**In the US, 51% of committees were specifically dedicated to sustainability oversight in 2023. Globally, the figure is higher at 63%, but lower compared to 2022 at 69%.** Shared committees are represented by 36% in 2023 globally compared to 29% in 2022. In contrast, in the US, these committees accounted for a significantly higher 48%.

# Recommendations



Namib-Naukluft National Park is an ecological preserve in Namibia's vast Namib Desert. Coastal winds create the tallest sand dunes in the world here, with some dunes reaching 980 feet (300 meters) in height.

Image, courtesy of USGS

# Our 3-Step Recommendations

The implementation of a solid sustainability strategy, informed by the principles of ESG (environmental, social and governance) is a leading concern with most boards.

**Boards need to be able to *identify, assess and monitor* all that the strategy will impact, considering a short- and long-term perspective.**

We recommend the following approach to structure an informed and cogent approach to sustainability governance:

## Step 1: Identify

It is important to understand what the material sustainability issues are and who is tasked with oversight.

As mentioned in the foreword, in addition to climate and social issues, we have seen concerns emerge about Human Rights, AI & Emerging Technology, Nature & Biodiversity, and Geopolitics and Conflict and we expect this trend to endure and evolve with constantly changing macro factors.

The next step is identifying the knowledge level of the ESG engaged directors, and the entire board including its chair.

Although we have found women are driving the sustainability agenda, they are still underrepresented on most boards, typically by over 50%.

Therefore, by increasing female representation on the board and within leadership teams, businesses can naturally enhance their commitment to sustainability.

After identifying key sustainability concerns and accountability, the board's next step is to assess the potential impacts of these issues, both from a short- and long-term perspective.

## Step 2: Assess

Board directors should acquire a deeper understanding of sustainability related issues and technological innovations, and thus increase their ESG engagement. This is particularly urgent for committee chairs. Directors may need to upskill and keep abreast of new developments in a wide area of issues affecting sustainable business. That is the common environmental & social concerns as well as emerging topics as mentioned above.

Scenario planning is a useful exercise to imagine plausible futures within these areas.

## Step 3: Monitor

Boards might want to seek a 'reality check' by identifying the business' position in key areas previously identified and assessed.

# Our 3-Step Recommendations

These include material sustainability issues and assurance of the governance structure's soundness.

It is advisable to mandate an independent third party to provide an assessment of the current oversight processes and overall ESG preparedness.

This snapshot could be used as a starting point to build the implementation plan and its monitoring framework.

## Tactics

### KPIs

To monitor the implementation or operationalisation of a business' sustainability commitments, boards should employ quantitative and qualitative key performance indicators (KPIs). These can be designed to help identify any gaps or discrepancies in the business' efforts to implement the board's strategy. Qualitative KPIs should, further, be designed to capture the necessary evolution of the organisation's culture, as this will underpin all transformation.

### Frequency of monitoring

Boards might want to closely and more frequently monitor the strategy and its implementation. This will detect hurdles and hidden obstacles in the organisation's actions early on, such as red flags in client engagement, or dubious products.

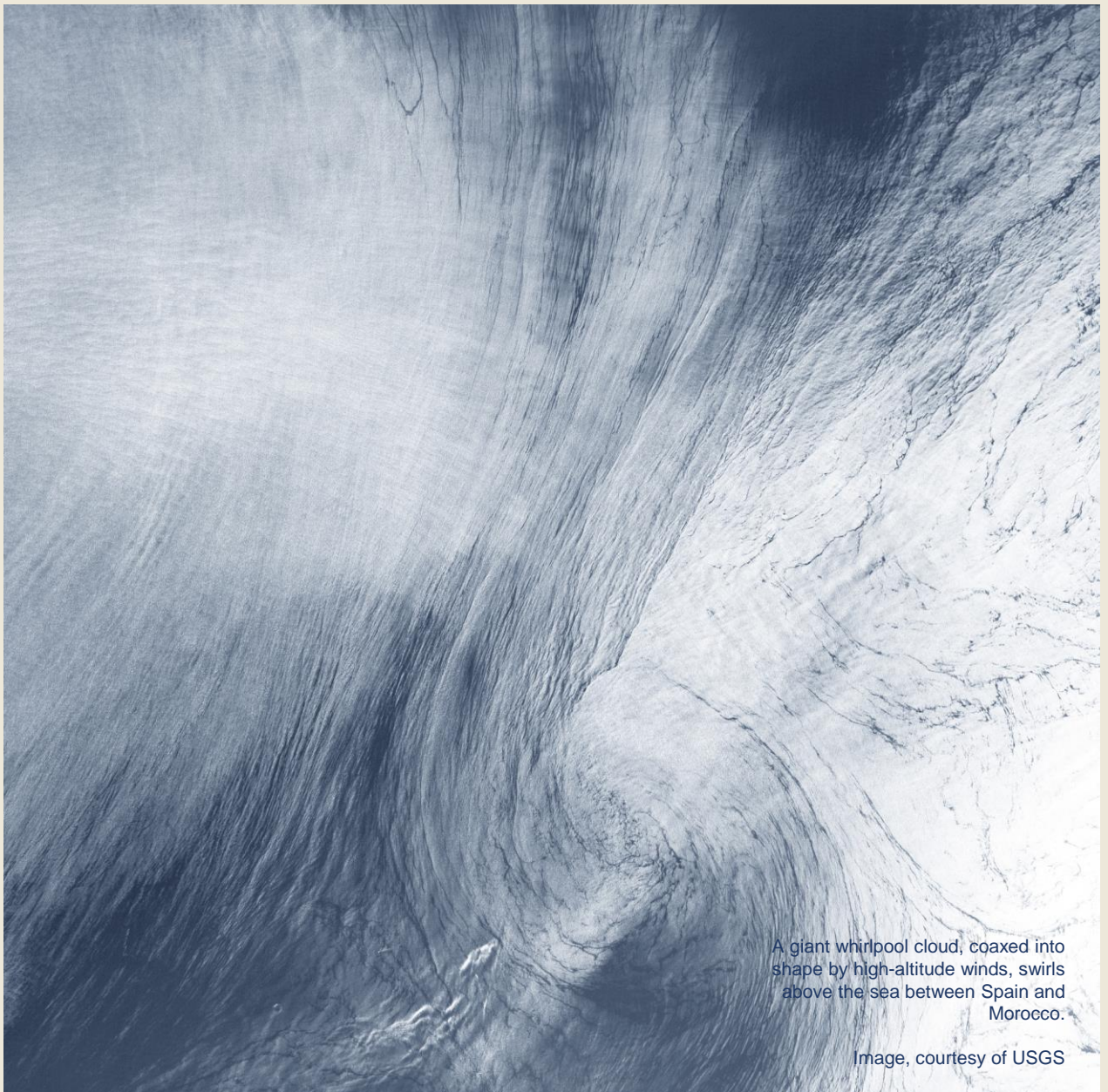
Most boards still only meet four times a year. Considering the urgency and impact of the sustainability challenge—meeting frequency might need to be increased.

It might also be necessary to give directors access to 'aides' sitting in different divisions of the business, and to external educational and other resources.

*These recommendations are based on Otto & Hadj (2023), originally written for Board Agenda.*

<https://www.boardreport.org/post/3-steps-to-accelerate-sustainability>

# Extended Data & Historical Comparison



A giant whirlpool cloud, coaxed into shape by high-altitude winds, swirls above the sea between Spain and Morocco.

Image, courtesy of USGS



# 2023 Total Sample Drill-Down

Global

USA

**1,256**

**1,209**

down from 1,260

Total # of directors of surveyed companies

Global

USA

**403**

**412**

down from 404

# of female directors

**88**

**95**

↗ up from 80

# of relevant committees

**396**

**416**

↗ up from 339

Total # of directors on relevant committees

**137**

**162**

↗ up from 125

# of female directors on relevant committees

**259**

**254**

↗ up from 214

# of male directors on relevant committees

**169**

**171**

↗ up from 151

# of ESG engaged directors on relevant committees

**73**

**76**

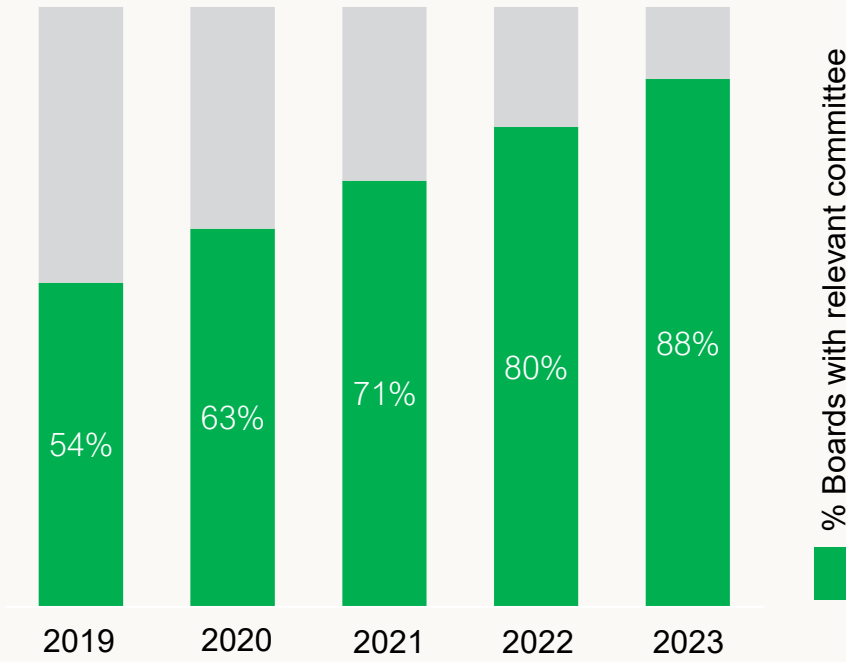
↗ up from 63

# of ESG engaged female directors on relevant committees

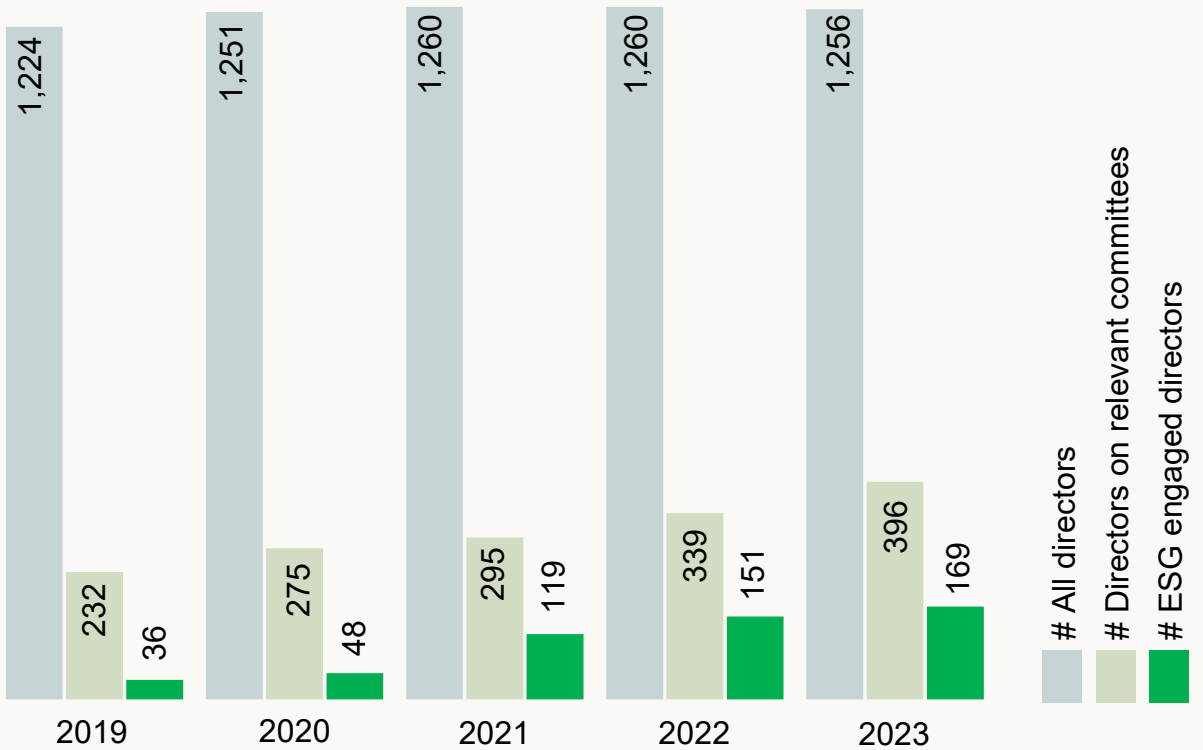
↗ vs 2022

# 2023 Global Historic Comparison

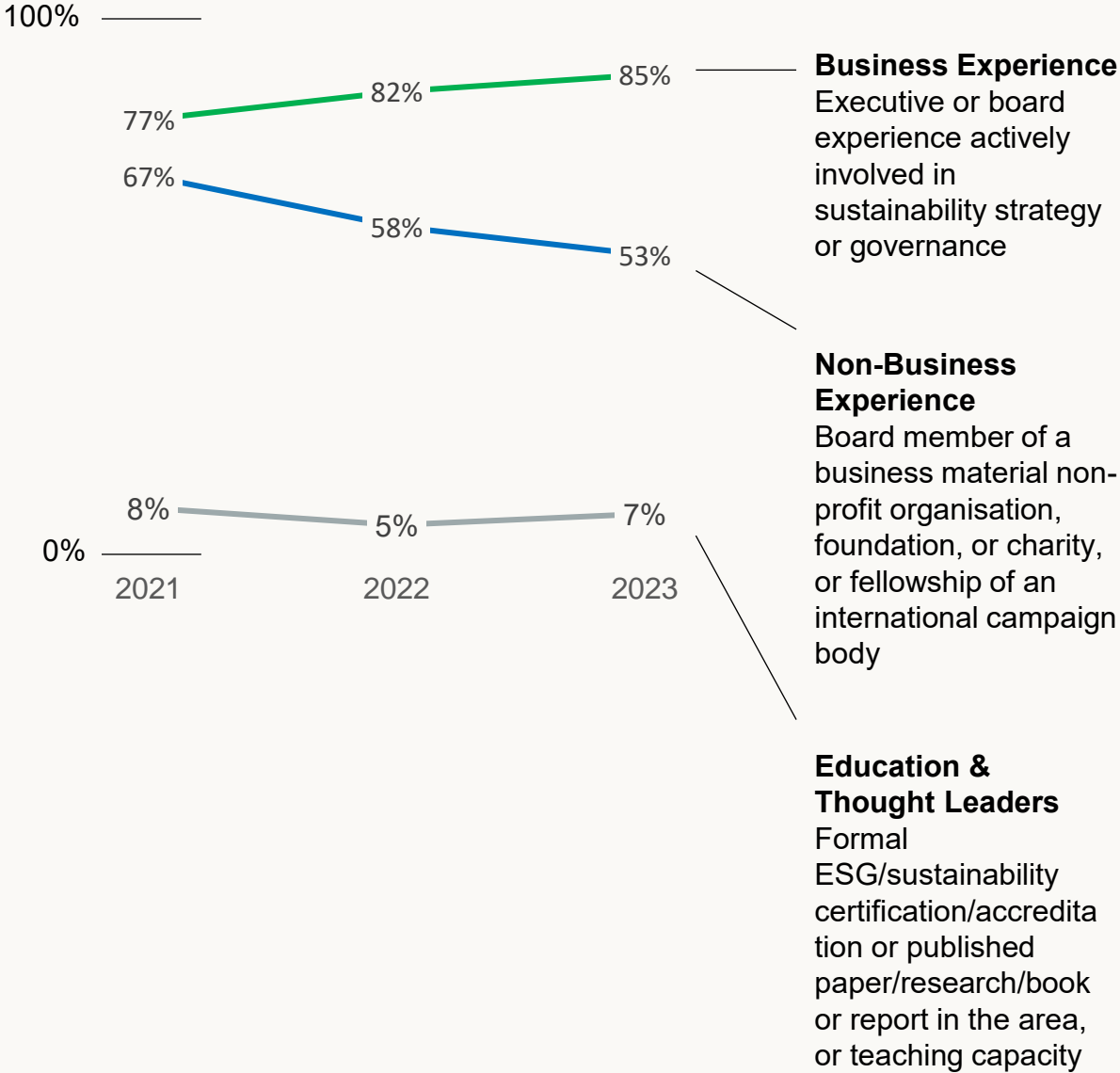
## Relevant Committees



## ESG Engagement of Directors

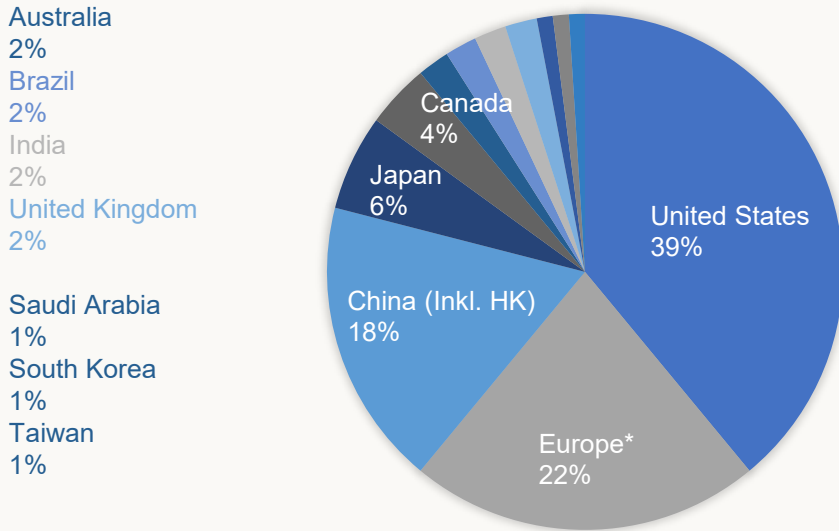


# Global ESG Engagement Drivers 2021-2023



# Geographical Scope 2023

## Global



\* A detailed list of companies and countries, can be found on the next pages

## USA



United States  
100%

# List of assessed companies

## Global

R	Company	Country	SASB Industry
1	JPMorgan Chase	United States	Financials
2	Saudi Arabian Oil Company	Saudi Arabia	Extractives & Minerals Processing
3	ICBC	China	Financials
4	China Construction Bank	China	Financials
5	Agricultural Bank of China	China	Financials
6	Bank of America	United States	Financials
7	Alphabet	United States	Technology & Communications
8	ExxonMobil	United States	Extractives & Minerals Processing
9	Microsoft	United States	Technology & Communications
10	Apple	United States	Technology & Communications
11	Shell	Netherlands	Extractives & Minerals Processing
12	Bank of China	China	Financials
13	Toyota Motor	Japan	Transportation
14	Samsung Electronics	South Korea	Technology & Communications
15	UnitedHealth Group	United States	Health Care
16	Ping An Insurance Group	China	Financials
17	Wells Fargo	United States	Financials
18	Chevron	United States	Extractives & Minerals Processing
18	PetroChina	China	Extractives & Minerals Processing
20	HSBC Holdings	United Kingdom	Financials
21	TotalEnergies	France	Extractives & Minerals Processing
21	Verizon Communications	United States	Technology & Communications
23	Walmart	United States	Food & Beverage
24	Citigroup	United States	Financials
25	China Mobile	Hong Kong	Technology & Communications
26	China Merchants Bank	China	Financials
27	Postal Savings Bank Of China (PSBC)	China	Financials
28	BP	United Kingdom	Extractives & Minerals Processing
29	Volkswagen Group	Germany	Transportation
30	Morgan Stanley	United States	Financials
31	Meta Platforms	United States	Technology & Communications
32	Sinopec	China	Extractives & Minerals Processing
33	BNP Paribas	France	Financials
33	Goldman Sachs Group	United States	Financials
35	Tencent Holdings	China	Technology & Communications
36	Amazon	United States	Technology & Communications
37	Allianz	Germany	Financials
38	RBC	Canada	Financials
39	Pfizer	United States	Health Care
40	Johnson & Johnson	United States	Health Care
41	Deutsche Telekom	Germany	Technology & Communications
42	Mercedes-Benz Group (Daimler)	Germany	Transportation
43	TD Bank Group	Canada	Financials

R	Company	Country	SASB Industry
44	Taiwan Semiconductor	Taiwan	Technology & Communications
45	Reliance Industries	India	Infrastructure
46	BMW Group	Germany	Transportation
47	LVMH Moet Hennessy Louis Vuitton	France	Consumer Goods
48	AXA Group	France	Financials
49	Santander	Spain	Financials
50	Nestle	Switzerland	Food & Beverage
51	Comcast	United States	Technology & Communications
52	Equinor	Norway	Extractives & Minerals Processing
53	Bank of Communications	China	Financials
54	Alibaba Group	China	Technology & Communications
55	Procter & Gamble	United States	Consumer Goods
56	Nippon Telegraph & Tel	Japan	Technology & Communications
57	Sony	Japan	Services
58	Petrobras	Brazil	Extractives & Minerals Processing
59	Glencore International	Switzerland	Extractives & Minerals Processing
60	Industrial Bank	China	Financials
61	Stellantis	Netherlands	Transportation
62	China Life Insurance	China	Financials
63	American Express	United States	Financials
64	General Electric	United States	Infrastructure
65	CVS Health	United States	Consumer Goods
66	China State Construction Engineering	China	Infrastructure
67	The Home Depot	United States	Consumer Goods
68	Cigna	United States	Financials
69	Tesla	United States	Transportation
70	General Motors	United States	Transportation
71	CITIC	Hong Kong	Financials
72	Anheuser-Busch InBev	Belgium	Food & Beverage
73	Merck & Co.	United States	Health Care
74	AbbVie	United States	Health Care
75	Mitsubishi	Japan	Resource Transformation
76	Roche Holding	Switzerland	Health Care
77	State Bank of India	India	Financials
78	Elevance Health	United States	Health Care
79	Raytheon Technologies	United States	Resource Transformation
80	Oracle	United States	Technology & Communications
81	Eni	Italy	Extractives & Minerals Processing
82	PepsiCo	United States	Food & Beverage
83	ConocoPhillips	United States	Extractives & Minerals Processing
84	Bank of Montreal	Canada	Financials
85	CNOOC	Hong Kong	Extractives & Minerals Processing
85	Sumitomo Mitsui Financial	Japan	Financials
87	Walt Disney	United States	Services
88	Bank of Nova Scotia	Canada	Financials
89	Sanofi	France	Health Care
90	BHP Group	Australia	Extractives & Minerals Processing

## Additional US Sample

R	Company	Country	SASB Industry
91	Mitsubishi UFJ Financial	Japan	Financials
92	UBS	Switzerland	Financials
93	Cisco Systems	United States	Technology & Communications
94	Novartis	Switzerland	Health Care
95	United Parcel Service	United States	Transportation
96	Coca-Cola	United States	Food & Beverage
97	Siemens	Germany	Resource Transformation
98	Itaú Unibanco Holding	Brazil	Financials
99	Costco Wholesale	United States	Consumer Goods
100	Commonwealth Bank	Australia	Financials

R	Company	Country	SASB Industry
107	Deere & Company	United States	Resource Transformation
111	Bristol Myers Squibb	United States	Health Care
117	Marathon Petroleum	United States	Extractives & Minerals Processing
118	Thermo Fisher Scientific	United States	Health Care
119	Caterpillar	United States	Resource Transformation
119	Charles Schwab	United States	Financials
122	Visa	United States	Technology & Communications
123	American International Group (AIG)	United States	Financials
124	Ford Motor Company	United States	Transportation
132	US Bancorp	United States	Financials
134	Broadcom	United States	Technology & Communications
135	NextEra Energy	United States	Infrastructure
136	Phillips 66	United States	Extractives & Minerals Processing
138	Charter Communications	United States	Technology & Communications
142	Abbott Laboratories	United States	Health Care
145	Danaher	United States	Health Care
148	Capital One	United States	Financials
149	PNC Financial Services	United States	Financials
155	Truist Financial	United States	Financials
157	Amgen	United States	Health Care
159	Lockheed Martin	United States	Resource Transformation
161	Lowe's	United States	Consumer Goods
165	Valero Energy	United States	Extractives & Minerals Processing
166	Philip Morris International	United States	Food & Beverage
167	FedEx	United States	Transportation
167	MetLife	United States	Financials
167	Occidental Petroleum	United States	Extractives & Minerals Processing
175	IBM	United States	Technology & Communications
179	Southern Company	United States	Infrastructure
180	Qualcomm	United States	Technology & Communications
184	HCA Healthcare	United States	Health Care
185	Duke Energy	United States	Infrastructure
186	Honeywell International	United States	Resource Transformation
189	McKesson	United States	Health Care
192	Mondelez International	United States	Food & Beverage
194	Union Pacific	United States	Transportation
201	Eli Lilly	United States	Health Care
201	Humana	United States	Financials
203	Target	United States	Consumer Goods
204	Archer Daniels Midland	United States	Food & Beverage
210	Nike	United States	Consumer Goods
212	Gilead Sciences	United States	Health Care
215	BlackRock	United States	
217	McDonald's	United States	Food & Beverage
222	Travelers	United States	Financials
223	Netflix	United States	Services
225	Dell Technologies	United States	Technology & Communications

R= Forbes 2000 Rank

# Methodology



The eastern side of Russia's Kamchatka Peninsula juts into the Pacific Ocean west of Alaska. In this winter image, a volcanic terrain is hidden under snow-covered peaks and valley glaciers feed blue ice into coastal waters.

Image, courtesy of USGS

# Methodology

## Board ESG Policy Assessment

All data were collected in September and October 2023 and taken from the assessed companies' websites. Since all businesses are publicly listed, the publishing of their corporate governance policy is a legal obligation.

The proxy used for ESG preparedness at board level is the presence of a relevant board committee that stipulates ESG issues in its committee charter, or proxy report, corporate governance guidelines, or annual report.

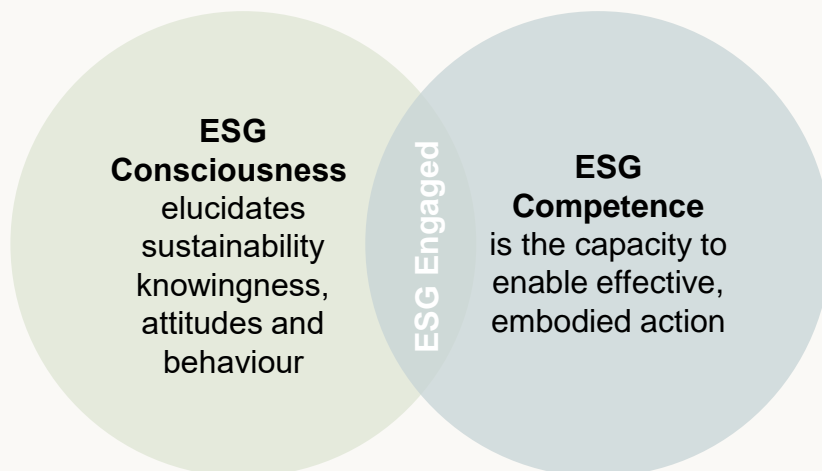
Terminology for 'sustainability committee' varies. Some committees are named 'ESG' or 'CSR' committee.

Some sustainability responsibilities are part of shared or common committees such as Corporate Governance, Nomination, Risk, Audit, or Public Policy/Affairs committees.

So long as sustainability oversight is clearly stipulated in their policies (mostly committee charters), these are referred to as 'relevant committees'. Businesses that do not disclose any sustainability policy or do not detail which individual directors have oversight responsibility do not qualify for the directors ESG engagement assessment. Directors must be assigned to a relevant committee to qualify.

## ESG Engagement

Our report includes two measures of ESG engagement, being those who are considered ESG conscious - awareness and knowledge of issues and those who are ESG competent - having the capacity to act on issues.





# Methodology

Directors' ESG engagement was assessed against a checklist:

## 1. Business Experience

Executive or board experience actively involved in sustainability strategy or governance

## 2. Non-Business Experience

Board member of a business material (under SASB) non-profit organisation, foundation, charity, or fellowship of an international campaign body

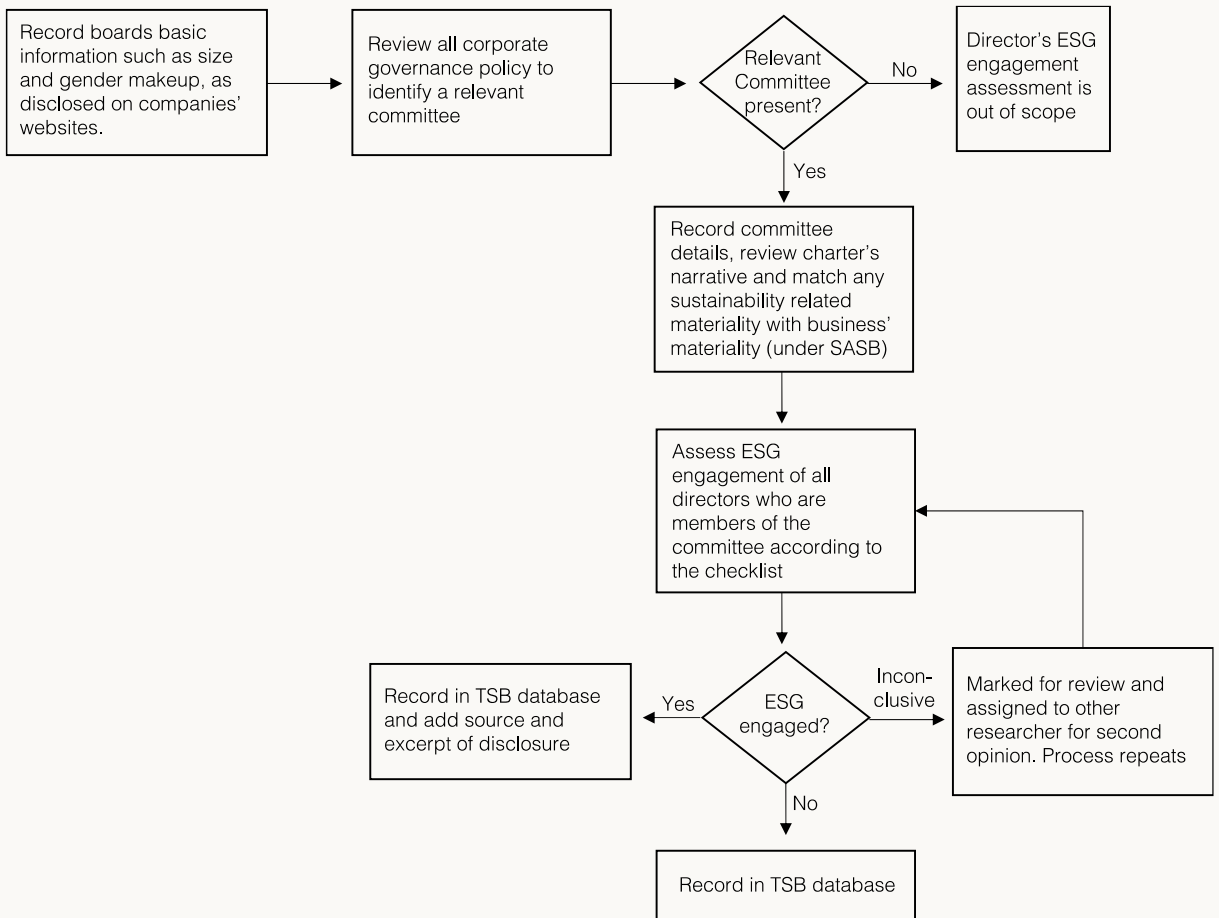
## 3. Education & Thought Leaders

Formal ESG/sustainability certification/accreditation or published paper/research/book or report in the area, or teaching capacity

## Examples

1. Published interviews with individuals expressing details about their approach to ESG/sustainability, or e.g. published speeches or strategy
2. WEF (most common), UN Global Compact, CECP, WBCSD, think tanks with sustainability focus such as Aspen Institute, Salzburg Global Seminar, etc.
3. GCB.D, Diligent Climate Certificate, Recognised forum publication, author of a relevant book

# Assessment Sequence and Process



# About & Acknowledgements



Geometric shapes lie across the emptiness of the Sahara Desert in southern Egypt. Each point is a center pivot irrigation field a little less than 1 kilometer (0.6 mile) across. With no surface water in this region, wells pump underground water to rotating sprinklers from the huge Nubian Sandstone aquifer, which lies underneath the desert.

Image courtesy of USGS

## About The Sustainability Board

Born out of a non-profit initiative, **The Sustainability Board** is an independent think tank that aims to advance sustainable practices in leadership and governance.

We do this through publishing insightful reports, facilitating expert discussions, and offering custom intelligence, usually in the form of benchmarks.

We host a community of current and aspiring Non-Executive Directors and Chairs, CEOs and Presidents, as well as Academics and Experts- all committed to sustainable leadership.

The Sustainability Board also offers a new membership system- the **Sustainable Leadership Preparedness Programme (SLPP)**.

The corporate membership focuses on benchmarking the member business' sustainability strategy and governance. The individual membership is tailored to equip executives and board directors with essential sustainable leadership skills and capacity.

One of the key benefits for both programmes is our in-house developed executive education course, the Sustainable Leadership Preparedness Certificate (SLPC).

Learn more under [www.sustainability-board.org](http://www.sustainability-board.org)

## About Chapter Zero

Chapter Zero is for non-executive directors and chairs who are integrating climate action into business strategy.

Together with our network of expert partners we provide the most relevant information, stimulating events and practical toolkits to enable our members to become effective climate leaders.

Our community supports each other through knowledge, challenge and inspiration.

# Acknowledgements

We thank following individuals for their time commitment and input that went into creating this report:

**Jeannette Lichner**

**Vicky Moffatt**

**The team of Chapter Zero**

**Adélaïde Levassor**

**Helena Gudjonsdottir**

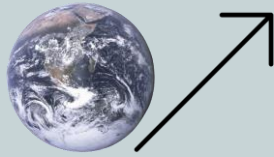
**Steven Matchett**

For all enquiries, please contact us via email.

**[contact@sustainability-board.org](mailto:contact@sustainability-board.org)**

Copyright © 2023 by  
The Sustainability Board Ltd

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other non-commercial uses.



[sustainability-board.org](https://sustainability-board.org)

**The  
Sustainability  
Board**™