

TSB

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**The  
Sustainability  
Board**

**Live Short Webinar**

**The Board Skills Matrix of the Future:  
Accounting for Sustainability Engagement**



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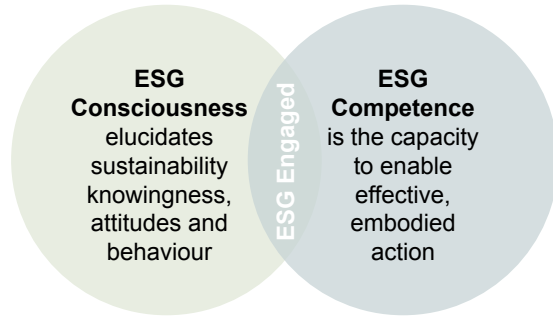
Executive Director,  
The Sustainability Board



**Helen Wiseman**  
Non-Executive Director &  
Committee Chair, Bidcorp et al

President, INSEAD International  
Directors Network

# What is ESG engaged?



## Checklist



### **Business Experience**

Executive or board experience actively involved in sustainability strategy or governance

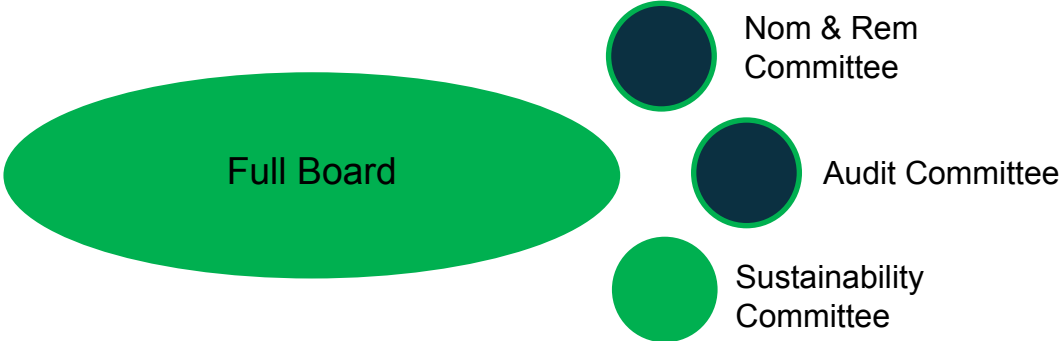
### **Non-Business Experience**

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

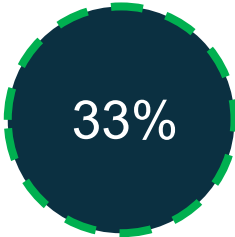
# How do boards structure oversight?



The whole board with no committee assigned



A 'shared' committee

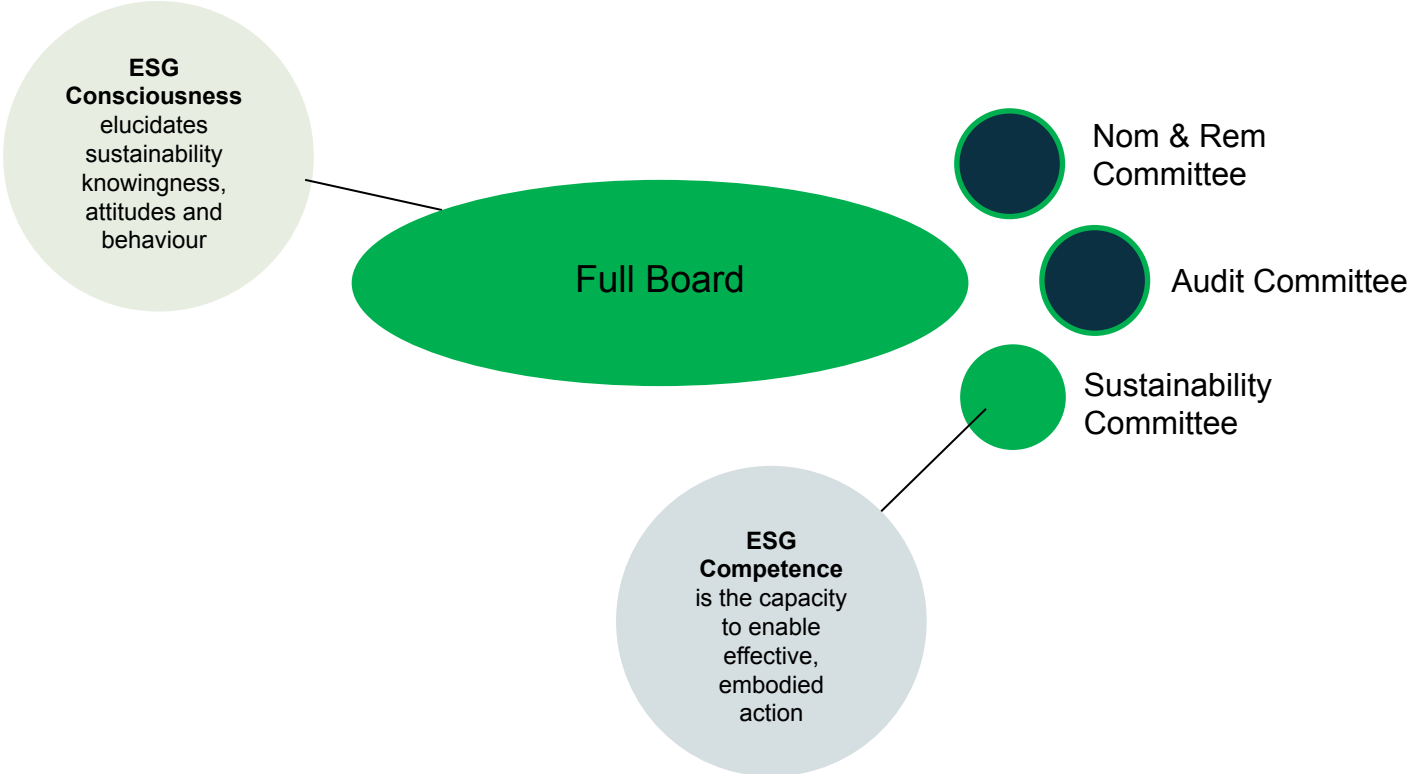


A dedicated sustainability, ESG or CSR committee



Source: boardreport.org

# Who should be ESG engaged?



# What issues are material to your business?

## Metals & Mining

**Relevant Issues (11 of 26)** [Why are some issues greyed out?](#)

Environment	Social Capital	Human Capital	Business Model and Innovation	Leadership and Governance
<b>GHG Emissions</b> ⓘ	<b>Human Rights &amp; Community Relations</b> ⓘ	<b>Labour Practices</b> ⓘ	Product Design & Lifecycle Management	<b>Business Ethics</b> ⓘ
<b>Air Quality</b> ⓘ	Customer Privacy	<b>Employee Health &amp; Safety</b> ⓘ	Business Model Resilience	Competitive Behaviour
<b>Energy Management</b> ⓘ	Data Security	Employee Engagement, Diversity & Inclusion	Supply Chain Management	Management of the Legal & Regulatory Environment
<b>Water &amp; Wastewater Management</b> ⓘ	Access & Affordability		Materials Sourcing & Efficiency	<b>Critical Incident Risk Management</b> ⓘ
<b>Waste &amp; Hazardous Materials Management</b> ⓘ	Product Quality & Safety		Physical Impacts of Climate Change	Systemic Risk Management
<b>Ecological Impacts</b> ⓘ	Customer Welfare			
	Selling Practices & Product Labeling			

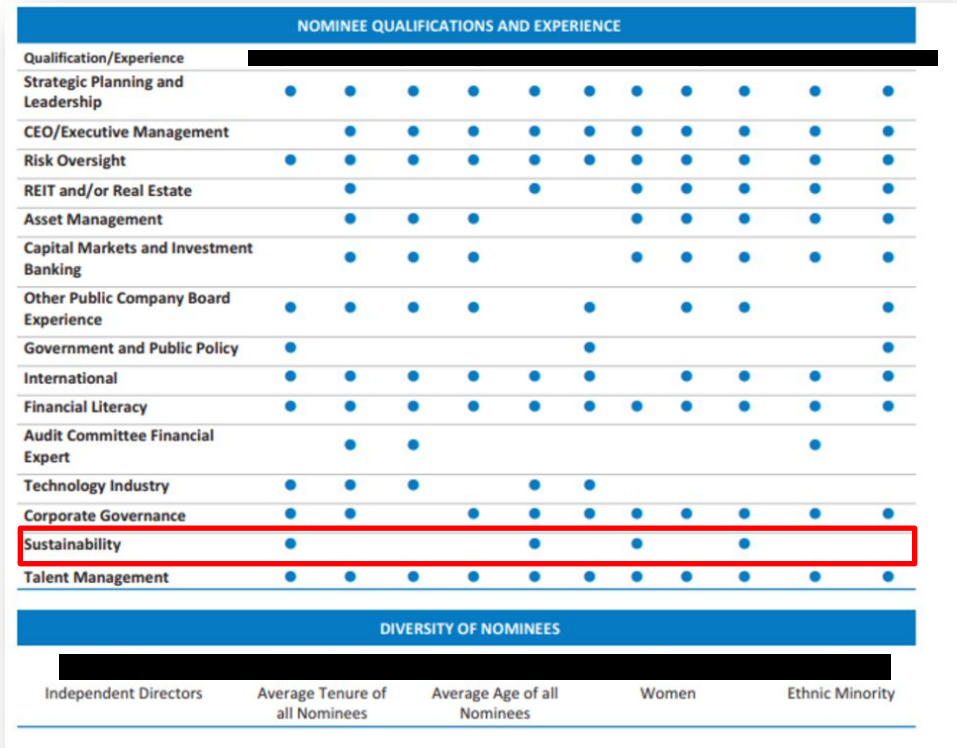
## Real Estate

**Relevant Issues (4 of 26)** [Why are some issues greyed out?](#)

Environment	Social Capital	Human Capital	Business Model and Innovation	Leadership and Governance
GHG Emissions	Human Rights & Community Relations	Labour Practices	<b>Product Design &amp; Lifecycle Management</b> ⓘ	Business Ethics
Air Quality	Customer Privacy	Employee Health & Safety	Competitive Behaviour	Competitive Behaviour
<b>Energy Management</b> ⓘ	Data Security	Employee Engagement, Diversity & Inclusion	Management of the Legal & Regulatory Environment	Management of the Legal & Regulatory Environment
<b>Water &amp; Wastewater Management</b> ⓘ	Access & Affordability		Supply Chain Management	Critical Incident Risk Management
Waste & Hazardous Materials Management	Product Quality & Safety		Materials Sourcing & Efficiency	Systemic Risk Management
Ecological Impacts	Customer Welfare			
	Selling Practices & Product Labeling			

Source: SASB

# Are you accounting for the right skills?



## Question:

What skills do we want on the board and where do we rely on external advisors or advisory boards/groups?

# Further Reading Recommendations



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## Expanding the Board Skills Matrix for ESG-engagement

**Synopsis**

In times where a focus on sustainability governance/ESG is a key item for investors, other stakeholders and boards alike, it is useful to expand on traditional board skills matrices.

The key benefits are:

1. Understanding the depth of directors' sustainability experience and where additional skills are required.
2. Showcasing the experience and leadership of the board in sustainability matters (if applicable)

An opportunity for developing an expanded view of a board's skills matrix could be when in the process of succession planning, or when looking for new directors or committee chairs with specific sustainability knowledge.

When considering director skills we recommend distinguishing between two levels of ESG-engagement:

Both levels have their place in the boardroom, as the entire board might want to strive to be ESG-conscious, and members of a relevant committee tasked with overseeing sustainability ought to be ESG-compliant.

We use a simple but effective checklist to assess director ESG-engagement, including both levels, through our annual ESG preparedness reports. The checklist on the next page can help to get a preliminary gauge on board members' engagement levels on sustainability.

**Materiality and beyond**

We call those **CHANGE** factors: Climate, Human Rights, AI, Inclusion, Governance, Equality.

ESG skills should be aligned to 'organisation' material sustainability issues. The 2023 materiality map provides one of the most accessible preliminary assessments of financially material sustainability issues to businesses.

However, given the high uncertainty and constant change in today's business environment, we also encourage boards to think beyond materiality.

Boards should regularly monitor several key factors as they may impact the world in which the business operates.

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## 2023 Annual ESG Preparedness Report

Global & USA

supported by Chapter Zero The Directors' Climate Forum

The Corporate Governance Centre

## Designing Sustainability Governance

Board structures and practices for better ESG performance

Ron Soorieus, Director in Residence, INSEAD Corporate Governance Centre

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