

A MANIFESTO FOR RESPONSIBLE BUSINESS¹

A quick checklist for companies wishing to see how far they are yet embedding their commitment to corporate sustainability and responsible business. Companies should be encouraged to:

- Build corporate responsibility into their business purpose and strategy, in a way that makes sense to the particular business, ending adherence to the notion that the purpose of business is to maximize shareholder value – when optimizing shareholder value for the long term should be the consequence, not the purpose
- Ensure there is effective board oversight and governance of the company's commitment to corporate responsibility – with whatever structure (dedicated board committee, extended remit for existing board committee, mixed board/ executive or executive committee reporting to board, or otherwise) that suits the culture and governance philosophy and requirements of that business and its business circumstances
- Review the management skills and perspectives the company needs going forward. Ensure that if the company's leadership believes sustain- ability, stakeholder-engagement and partnership-building skills are critical areas of competence, these are evaluated as part of talent-management and succession-planning, rewarded in performance and compensation reviews, and specified in the executive education commissioned by the company from business schools and other providers. And ensure that recruiters from the company understand these requirements – there is little evidence that they do today
- Ensure that investor relations departments are capable and confident in explaining how improving ESG performance is integral to overall corporate strategy and contributes to long-term value-creation, and that they are proactive in explaining this, especially to their institutional investors
- Build sustainability into R&D, innovation and new business development strategies so that the commitment to corporate responsibility is leading to new products and services, access to new or under-served markets or new business models on a regular basis, and collectively leads to business transformation
- Scope regularly their most material ESG risks, opportunities and impacts and prioritize action to minimize negative impacts and maximize positive impacts
- Report publicly on the company's performance against these ESG priorities, ideally with independent, third-party verification
- Ensure close functional and operational alignment between any dedicated corporate responsibility or corporate sustainability function and other business units and support functions rather than operating in isolation. Companies should create senior-level cross-functional committees that include senior business unit leaders and other key corporate functions as well as the sustainability and corporate responsibility leaders to drive the company's strategy and priorities.

¹ From "Corporate Responsibility Coalitions: The Past, Present & Future of Alliances for Sustainable Capitalism" David Grayson and Jane Nelson (Stanford University Press and Greenleaf Publishing 2013).