

CSR Governance
Director Perspectives
Working Paper #2

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Corporate Social Responsibility (CSR) Governance Study of Director Perspectives

Executive Summary

Strandberg Consulting conducted a study of director perspectives on CSR Governance, interviewing directors serving on corporate social responsibility (CSR) or sustainability committees of Boards of Directors with such committees from March – June 2007. This paper is a summary of the director interviews. The Director Perspectives study informed the Conference Board Report: “The Role of the Board of Directors in CSR”, published in 2008. The report can be found at www.e-library.ca and www.corostrandberg.com

Seventeen directors of CSR committees were interviewed for this study, 11 from Canada and 6 from the U.S. and E.U. Key questions centred on how the board defines CSR, the board’s CSR role, the drivers that inform a board’s approach to CSR, board-level CSR barriers and conditions for success.

Some of the main findings of the interviews are that CSR governance is expected to grow in years ahead, driven by employees, NGO activism, government regulation, consumers, growing awareness of business case and growing transparency on CSR; that the chief role of the board is to provide oversight of their firm’s CSR efforts; that CSR is included in business strategy and that CEO compensation programs reward CEOs for financial and non-financial performance; and that boards for the most part did not engage directly with stakeholders. Key success factors in engaging boards on CSR matters included the chairperson and CEO setting the tone at the top and developing the business case for CSR.

Corporate Social Responsibility (CSR) Governance Study of Director Perspectives

Introduction

Strandberg Consulting conducted a study of director perspectives on CSR Governance, interviewing directors serving on corporate social responsibility (CSR) or sustainability committees of Boards of Directors with such committees from March – June 2007. The following provides the results of these interviews.

Background and Methodology

We interviewed 17 Directors of CSR/sustainability committees in both Canada (11) and internationally (6). They represented diverse sectors including forestry, oil and gas, mining, consumer goods, food and beverage, chemicals, pharmaceuticals, and finance. Outside of Canada, firms were based in the US, UK, Netherlands and Switzerland. They were identified through various sources as having CSR, CR or sustainability committees of the board, as follows:

Corporate Responsibility (4)
Corporate Social Responsibility (2)
Social Responsibilities/Social Responsibility (2)
Public Responsibility (1)
Public Policy and Responsible Care (1)
Corporate/Social Responsibility, Environment, Health and Safety (2)
Environment, Health and Safety (5)

It is more common in Canada, particularly within the resource sector, to have environmental, health and safety committees. See Appendix A for the list of interviewees.

They were interviewed for approximately 45 minutes during March – June, 2007 and were advised their comments would not be personally or organizationally attributed to facilitate frank commentary. In a few instances time constraints prevented directors from completing the interviews. The interview schedule is attached in Appendix B.

Key questions surveyed through the interview process included the following:

- How does your board define CSR?
- What is the role of your board and why? What were the drivers that influenced your board's approach to CSR?
- How long does your board spend on CSR matters at its meetings?
- How does your board integrate CSR into its operations, e.g. through:
 - Board committee
 - Strategy development
 - Monitoring and performance tracking

- Reporting
- Executive compensation
- Recruitment
- Training
- Board level stakeholder engagement
- Top CSR issues
- Board level CSR barriers and how to overcome
- Success factors
- Key trends and drivers

CSR was not explicitly defined for interviewees but was assumed generally to mean the integration of social and environmental considerations in board affairs for the purpose of this study. The term CSR, CR (corporate responsibility) and sustainability are used interchangeably throughout this paper.

Interviewee comments were analyzed for common themes and differences and are presented below.

1. Definition of CSR

Interviewees were asked to comment on how their board defines CSR. They fundamentally spoke to three different models or approaches to board-level CSR:

1) Stakeholder model

In this model boards are looking at their obligations to their various stakeholders, most frequently consumers and the marketplace, communities (including community relations, philanthropy and socio-economic development), employees (fair workplaces, health and safety, and diversity), and the environment. Secondary stakeholders included future generations, suppliers and business partners, and aboriginal communities. Common to this perspective is the view that to be successful over the long run your stakeholders have to be successful as well. This stakeholder definition was the most common orientation with over half speaking to this approach.

“CSR is the point of intersection of the various stakeholders and shareholder value creation.”

2) Integration model

The second most common model was the integration of CSR throughout the company. Directors spoke to integrating ethical, social and environmental issues into business decision-making with a focus on balancing long term interests.

“CSR is about integrating environmental and social responsibility into your day to day business operations. In other words – don’t put a label on it, but make sure right from the

board to the entry level employee everyone thinks that is it part of their responsibility. It is no different from how you are brought up at home and bring up your children: being responsible as citizens and with respect to the environment.”

“We have no set written definition. It goes without saying that we aim to comply with the spirit of law. We are aware that law and regulations are lagging indicators of expectations and recognize that companies are one of the key building blocks of society and have moral obligations as any member of society. CR is our behaviour, conduct, actions and contributions that go beyond laws and regulations. In our view when we talk about CR it is what we do beyond the law. Behaving responsibility requires us to move beyond solely profit oriented considerations.”

3) Systemic change model

A few directors spoke to CSR as being core to the purpose of their firms whose mission were to provide life enriching products and services and contribute to social and environmental well-being of communities and the planet.

“CSR is about affecting systemic change in working conditions, producing innovative and sustainable products and using our products as a tool for positive social change. We aim to be a zero impact consumer products company.”

While not all directors explicitly connected CSR to shareholder value, implicit in most definitions was the idea that they saw CSR as contributing to sustainable value creation. Many commented that CSR was fundamental to their license to trade.

One interviewee reinforced the view that a board’s definition of CSR is a continuing journey and is not static. In her board’s case CR moved from being an external compliance issue that involved policing of various constituents over a decade ago to becoming a fundamental part of the business model. Today the board views CR as a business factor driving profitability for the firm.

2. Role of the board and drivers

Most directors commented that the primary role of the board in CSR is to provide oversight of their firms’ CSR efforts, monitoring corporate performance of CSR priorities.

“The role of board is to oversee management of our global business and this includes our commitment to sustainability.”

A number of directors also commented that the board role is to:

- Help define business strategy in CSR
- Ensure that CSR responsibilities are well identified and funded

- Provide policy direction and monitoring on policy implementation
- Include principles and values in the corporate constitution to provide guidance and monitor their fulfillment

There were single mentions of the board's role in designing compensation systems to promote sustainability and setting the right tone at the top.

“The board's role is to monitor progress in driving CSR into the organization. We make sure there are mechanisms in place so all staff know what the expectations are to do what is right.”

Directors were asked what the drivers were that influenced the board's approach to CSR and the key motivating factor that led the board to include CSR in its mandate. About half of the respondents commented that CSR was part of the ethic of the company since its inception, pointing to the culture of the firm back in the mid to late 1800s.

“CSR was a founding principle of the company.”

However, many also mentioned that the board's role in CSR was formalized through the establishment of their CSR committee, primarily in the last 5 – 10 years. Similarly, a number of directors commented that the formalization of CSR came about as a result of a corporate merger.

“The CSR committee was formed in 2000 when the company was merged in recognition of the increasing need to take account of social, environmental and ethical issues and to ensure there was a clear governance structure.”

A small number of directors referred to external stakeholder pressures that triggered heightened board interest in CSR, including global supply chain issues and environmental concerns around the extractive industry.

A few interviewees pointed to the existence of a major shareholder or parent company which had an interest in CSR, while others talked about an internal drive for principled leadership.

A number of business drivers were also mentioned, including board-level awareness that CSR makes business sense, helps manage reputational risk, fosters compliance, helps manage environmental pressures, and engenders employee loyalty.

3. Board practices

Board members were asked how much time the board devotes to CSR matters at its meetings. Many responded that the board's CSR committee reports out to the board after every committee meeting, roughly 3 – 5 times a year, and that about 15 – 45 minutes per report was the range, with half hour reports being the norm. From time to time the committee will identify main agenda items for board discussion that might take upwards of an hour on a board's agenda.

“If there is an issue that will impact on the long term value of the company it gets discussed. The issues of social responsibility are given full and thorough debate and deliberation.”

In addition to committee reports most also commented that CSR is internalized within the company as a whole and thus is an element of most agenda items at every board meeting. Many others mentioned that CSR is discussed in annual strategy sessions as well. Indeed, one director commented that the interview question reinforced the silo nature of CSR, when in fact CSR cuts across all of the firm's business lines and operations and shouldn't be treated in isolation.

“CSR is almost the subtext of virtually everything you are talking about.”

“CSR is always part of strategic planning.”

Directors were asked to comment upon the means by which the board integrates CSR into its deliberations, including:

- Board committee and its role
- Strategy
- Performance monitoring
- Reporting
- Compensation systems
- Director recruitment and training

Board Committee and Role

Directors spoke to the role of the CSR committee as being responsible for advising on the scope and philosophy of principles and standards; designing, updating and monitoring implementation of CSR policies; and reviewing scorecards and monitoring progress against CSR targets. Some additional roles mentioned by interviewees include discussion of strategy; issue identification and management; ensuring support from top management and that there is sufficient budget to implement on CSR commitments; including CSR in capital planning; and monitoring compliance.

“The committee discusses strategy and policy in all key CSR areas and reviews and monitors progress against sustainability targets. The committee reports to the board on its deliberations.”

Strategy

For the most part directors commented that CSR is included in business strategy:

- CSR is included in all strategic aspects of the company
- CSR is a strategic issue
- CSR is included in strategic reviews of the business plan
- In developing business strategy we look at how to advance performance in scorecard areas, including CSR
- CSR is part of the main business strategy, etc.

“CSR is definitely included in board strategy. For example, climate change and our carbon footprint today and in the years to come. What is the role of technology to help us have a better CSR performance? These are integral issues in our annual board strategy session.”

Some commented on specifics such as including CSR in consideration of business investments and new projects and incorporating stakeholder views in the development of business strategy. A few commented that there are some specific sustainability goals within the business strategy, but primarily directors reported that CSR was a dimension of the overall strategy process. One interviewee commented that their CSR strategy was developed by the committee and not the board.

“Strategically you want to build and work your whole operation so that the community benefits economically and its well-being is advanced, your impact on the environment is ameliorated and mitigated, employees have a healthy work environment and local stakeholders are engaged in building essential community infrastructure.”

Performance Monitoring

Directors report that they monitor CSR performance through regular progress reports from management. Many directors commented that CSR goals, objectives, targets and benchmarks for sustainability priorities are set by and reported on by management quarterly or annually.

“We have a number of sustainability targets which management reports on to the board annually or more frequently.”

One director commented that industry, regional and year over year comparisons are provided to assess performance and a number of directors commented that where quantitative metrics were not available qualitative measures were employed. One director reported that internal and external audits are conducted to provide assurance on policy compliance.

A few directors mentioned that their firm does not set explicit CSR or sustainability targets, but as CSR is embedded into the company strategy, the board is able to review progress on CSR through business line and operational reporting to the board.

Reporting

All but one of the firms produces a CSR or sustainability report, according to interviewees. Half the time these reports are approved and released by the board of directors, while management releases the reports at the other firms. In one instance the CSR committee approved release of the report.

“It is a report of the board on the social and environmental performance of the company.”

As for the scope and content of CSR reports, the primary practice is for committees and boards to review and provide input on the report’s *content* before its release. In a number of instances CSR committees provide input on *both scope and content*, though this was not a common practice.

“The first report was built up largely with the CSR committee. We reviewed and contributed to the scope. It required approval of the board for its release because it was a disclosure report.”

Compensation systems

Directors were asked to comment upon the reward structures and systems that are in place for CSR performance, focusing on the CEO’s compensation scheme.

The majority practice is for boards to have compensation programs that reward the CEO for financial and non-financial performance. A few explicitly stated that there were no CSR incentive schemes in place and a couple of interviewees were unsure.

“We build CSR into the reward systems and the performance component of salaries. It is included in the bonus pool for the company which goes far down the organization. CSR is in the CEO’s bonus system. There are a set of targets that are developed for the year ahead of time to set expectations. They are quantified where possible.”

In addition to having CSR performance incentives for the CEO, a significant number of respondents commented that their CSR incentive programs are in place at management level and even beyond. One director commented that the firm’s overall bonus pool included some CSR elements while another commented that their CEO was given an annual performance bonus as well as a long term incentive for CSR achievements. In another case 40% of the executive bonus scheme is based on sustainable development performance.

“20% of the scorecard is related to the environmental and social aspects of sustainable development. One fifth of group performance is measured on this. External auditors measure results against targets. The compensation committee assesses this when setting the bonus.”

Director recruitment and training

About a third of respondents affirmed that CSR expertise, backgrounds and interest were an overt factor in board recruitment; another third commented that it was not explicit, however there was an effort to ensure CSR values alignment; a final third stated that CSR was not a factor in board recruitment. Of those who reported that CSR was an explicit objective in recruitment, one indicated their recruitment matrix include CSR. One director commented that CSR was not a positive but a negative criteria in board recruitment, reflective of an approach that sought to ensure no directors with bad CSR track records were recruited to the board.

Most directors talked positively about their board’s efforts to promote director diversity on equity issues, particularly women. Secondary priorities included ethnicity and regional diversity. In one instance a third party firm was engaged to help increase the number of women on their board. Many commented that it was difficult to achieve their diversity objectives.

As for training, roughly half of the respondents mentioned that CSR is included in new director orientation, in one instance this included 5 days in the field. A number of directors reported that there were regular or periodic open houses and field trips to educate the board on regional issues and many commented that the board is trained on CSR through management presentations on key CSR issues throughout the year. There were a few reports that directors are encouraged to attend courses, seminars and conferences on CSR, reporting back to the board on their experience. Governance courses, for example, include CSR dimensions. One respondent mentioned that board members were attending “integrity workshops” which included CSR dimensions. In one instance the board goes through an annual educational program put on by the CSR committee.

“Once a year the committee identifies the subjects it would like to cover and puts a program together to educate directors on specific initiatives and provide continuing education on CSR.”

A few directors commented that there was no CSR training at the board level.

4. Stakeholder Engagement

Directors were asked to comment on if and how stakeholders are involved in providing input to the board’s CSR deliberations and how this might evolve in the future.

Directors basically commented in one of two ways: that stakeholder relations was the responsibility of management (nearly half held this view); or that there were annual, regular or bi-annual opportunities for board members to liaise with stakeholders including community, aboriginal, environmental, union and other leaders, at the community, site or facility level. Occasionally boards hold receptions for key opinion leaders, providing an opportunity for informal liaison with stakeholders and public officials. In a few instances it was reported that Board or CSR Committee Chairs would meet with opinion leaders or stakeholders on an as required and ad hoc basis and a few others commented that while no formal structures existed at the board or committee level, the board was open to stakeholder input on a project, incident or topical basis but this was rare. Annual General Meetings were mentioned in a few instances as an opportunity for board members to receive feedback and hear concerns from stakeholders.

In one case there is a more formal process for stakeholder engagement, reported in the box below. In this example the board chair has also taken a lead role in co-chairing global stakeholder initiatives of a CSR nature. In another case, there is a 2 day process for stakeholder engagement and input in building the sustainability report, wherein the CSR committee liaises with stakeholders.

“Once or twice a year an external stakeholder advisory committee (which has been set up to advise and liaise with management on CSR issues) meets with members of the board’s CSR for information sharing purposes. Additionally, from time to time, board chairmen have played a leadership role on strategic CSR initiatives and partnerships with external groups/NGOs.”

Directors were muted in their opinion as to whether boards would become more engaged with stakeholders going forward. Roughly one third do not predict any changes on this front while about the same number believe there might be more board involvement with stakeholders in the future.

5. Top CSR Issues

Directors were asked to identify some of the top CSR issues facing their board today and in the future. The most commonly mentioned topic was climate change specifically, followed by the environment more generally. Other answers were more diverse and some were industry or company specific, such as:

Environment:

- Waste and packaging
- Stewardship programs
- Water use
- Animal rights
- Land access

Social:

- Community role and relationships

- Charitable giving
- Sustainability of the communities where you do business
- Impact of plant closures on the community
- Demographics:
 - The impact of an aging population on the workforce, retirement, recruitment, pensions, and health care
 - Diversity in the workplace to deal with immigration
 - Labour competition
- Health issues:
 - New diseases, pandemics, HIV/AIDS
 - Global and national health care
 - Pricing of/access to medicines
- Human rights, child labour and sweatshops
- Employees:
 - Health and wellness
 - Mental health of employees
 - Work family balance
- Supplier relations
- CEO pay
- Stakeholder engagement
- Aboriginal relations

Customers and products:

- Product quality/liability
- Ethical conduct in sales and marketing
- Product offerings; line of green products
- Customer expectations

Globalization:

- Bribery, corruption, smuggling
- Money laundering and terrorist financing
- Relationship between capital and labour in the global economy
- Social implications of off-shoring

6. Barriers

Directors were asked to identify if there are any barriers to addressing CSR at the board level and if so, how to overcome them.

Over a third of directors commented outright that they didn't perceive any barriers to addressing CSR at board meetings. For those that commented on the barriers they mentioned the following:

- Costs of CSR implementation. Overcome through presenting the long term business case

- Time pressures as the board agenda is typically full and there are competing priorities. For example, mergers and acquisitions could be a focus and push everything else off of the agenda. Overcome through time allocations given to CSR items
- Attitudes and mindsets of board chairs. Overcome by showing the business case evidence and providing examples from other firms
- Tunnel vision and lack of understanding of directors who are not able to see the relevance to the business. Overcome by scanning the issues and including them in the annual board strategy. Provide education on CSR issues and look at best practice in the industry and generally
- Lack of a roadmap to sort out key CSR issues may be time consuming for boards. Overcome by being clear about values and set the tone for where the company should go, leaving it to the CEO to drive CSR through the organization

“Tunnel vision of directors can be a barrier. Boards may lack a wide view of the role of corporations in society and this could be a barrier to going beyond pure economic business interests.”

A few commented that the CSR committee could help elevate the significance of the issue to the board while a specialized function in the firm could frame and analyze the issues, bringing them to the board in a well-structured and well-researched way. This can boost the credibility of CSR issues amongst boards that cannot perceive the relevance of CSR to the bottom line.

7. Success factors

Directors were asked to identify the critical success factors in engaging boards on CSR matters. Key amongst these were culture/leadership and business case factors.

Culture/leadership

- Tone is set at the top
- It is part of the DNA of the firm
- Culture of leadership on this issue
- Charismatic leaders
- Motivated management; motivated chairperson
- We have an engaged board and a culture of openness
- We have an enlightened, aware board

A few commented specifically that management leadership was key to a strong orientation on the board. Others mentioned there had been an explicit effort to educate boards on all aspects of CSR programs and developments, resulting in greater awareness, interest and engagement on the part of directors.

In one case, a strong focus on succession planning over the years enabled the board to recruit internal CEOs who were strongly aligned with the corporate values.

In another instance CSR leadership was provided by a significant founding shareholder who held these values.

Business case

- Leadership understands a requirement for a healthy company includes sustainable development and CSR
- The board sees the link between social responsibility and the company's success
- The board understand the business case and can see how it advances our reputation and builds our brand
- Directors see how CSR advances the company image, motivates employees and builds a link between the firm and its customers
- The board understands how some of these initiatives have longer term value

Director recruitment

- Directors are recruited for their CSR competency
- Board members are strong champions of sustainability
- Some directors are knowledgeable in this area

Committee and board logistics

- The CSR committee has a clear mandate
- The opportunity to delegate to the CSR committee allows more focused time on key topics
- The overlap between the CSR committee and the audit committee helps to reinforce performance
- Frequent board meetings allows time to discuss the issues

Mission statement and values

- CSR is included in the mission statement of the business
- Values are shared by management and the board
- A board exercise to determine our corporate values was key to driving our CSR ethic

Finally, there was mention that having a specialized CSR function within the organization helped solidify success; and the fact that the industry was regulated on some sustainability issues was an important contributing factor.

8. Key Trends and Drivers

Directors were asked for their views on the trend toward boards considering CSR issues in future and what the drivers were for these trends. All directors commented that boards of directors will be looking at CSR issues increasingly over the coming decade:

“This is a one way street that will continue.”
 “More and more boards are recognizing that success just can’t be measured by financial results.”
 “Every board I am sitting on is spending more and more time on these things.”

It was predicted that over the decade CSR will come to have the significance that corporate governance has today.

As for what is driving these trends, directors had the following observations:

- Employees are becoming more aware of these issues
- NGOs are becoming more activist on the role of the board
- Governments will be regulating industries on CSR/sustainability and firms will seek to avoid regulation by becoming leaders
- Shareholders are looking for more balanced decision-making
- Customers and the general public want companies to be more socially responsible
- There is a growing board recognition of the business case
- Greater transparency on CSR performance is driving more board attention

A sub-theme that ran throughout many of the interviews was that boards are increasingly realizing that corporations are integrated with society and need to become engaged with society as a whole. There is a drive to see the business model develop in ways that recognize this inter-dependency.

Conclusion

CSR governance is a growing trend and there is leading practice in this area, according to the 17 directors interviewed for this study. Chairs and CEOs that set the tone at the top and awareness of the business case are important drivers of CSR governance. Insights from these interviews can inform the development of a framework or roadmap for CSR governance.

APPENDIX A Director Interviewees*
CANADIAN DIRECTORS

NAME	TITLE/COMMITTEE	COMPANY	COUNTRY
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*Paul Tellier	Chair, Human Resources and member of the Audit Committee and Corporate Governance (Environment, Health & Safety Committee)	Alcan Inc.	Canada
Bob Astley	Corporate Director	Bank of Montreal	Canada
*Jeffrey Marshal	Environmental, Health & Safety Committee	Catalyst Paper	Canada
John Turner	Director	Empire Life Insurance Company	Canada
*Ken McCready	Member, Corporate Responsibility & Environment Health & Safety Committee	Encana Corporation	Canada
*Governor James Blanchard	Chair, Corporate Social Responsibility Committee	Enbridge	Canada
*Holger Kluge	Chair, Health, Safety & Environment Committee	Husky Energy	
John Mayberry	Director	Inco/MDS Inc/Scotiabank	Canada
*Nancy Lockhart	Chair, Environmental, Health and Safety Committee	Loblaws Companies Limited	Canada
*Eric Newell	Member, Safety, Health & Environment Committee	Nexen Inc.	Canada
*Dr. F. Peter Boer	Chair, Public Policy and Responsible Care Committee	NOVA Chemicals	Canada
*Mary Mogford	Member, Corporate Governance and Nominating Committee Chair, Audit Committee (Environment, Health & Safety Committee)	Potash Corporation of Saskatchewan	Canada
*Barbara McDougall	Chair, Corporate Social Responsibility Committee	Imperial Tobacco Canada	Canada
*Mel Benson	Chair, Environment, Health & Safety Committee	Suncor Energy	Canada
Dale Parker	Director (since retired)	Talisman	Canada

Note 1: Interviews of those directors noted with an “” were included in the interview analysis as they were board members of firms with “CSR/EHS” Committees. The additional interviews were conducted in the pilot phase.*

Note 2: In two instances (Alcan and Potash) the director interviewed was not a sitting member of the “CSR/EHS” Committee.

INTERNATIONAL DIRECTORS

NAME	TITLE	COMPANY	COUNTRY
Hélène Ploix	Chair, Social Responsibility Committee	Alliance Boots PLC	United Kingdom
Dorothy A. Terrell	Chair, Public Responsibility Committee	General Mills	United States
Sir Christopher Gent	Chair, Corporate Responsibility Committee, Non-Executive Chairman	Glaxo-Smith Kline	United Kingdom
Jill Conway	Chair, Corporate Responsibility Committee	Nike	United States
Wim Kok	Chair, Social Responsibility Committee	Shell	United Kingdom
Marco Suter	Chair, Corporate Responsibility Committee	UBS	United Kingdom
The Rt. Hon. The Lord Brittan	Corporate Responsibility and Reputation Committee	Unilever	United Kingdom

APPENDIX B

The Role of the Board of Directors in Corporate Social Responsibility

Interview Guide for Company Directors

Context:

The Conference Board of Canada and Strandberg Consulting are conducting a study on the role of the Board of Directors in CSR. The goal of the study is to identify current approaches and trends in the role of Board Directors in considering CSR issues in order to provide guidance to directors in helping them deal with CSR matters.

We invite your participation in this thought leader study. You have been identified as a key participant due to your board's and firm's current CSR leadership role. We are wishing to study best practices and thus seek to engage directors of company boards who typify this approach.

In addition to director interviews we will be interviewing global subject matter experts and thought leaders in CSR and boards for their insights on trends and best practices. As well, we are conducting a literature review of the subject and studying Board CSR Committee mandates to better understand developments in this field. Study findings will be presented in the Conference Board of Canada's 2nd National CSR Report and circulated broadly to Governance and CSR communities. Study participants will receive copies of the report.

We would like to schedule an interview with you which will be conducted by telephone, will be under an hour, and will follow the questions as outlined below.

Interview Questions:

1. Definition of CSR

- How does your board define CSR?

2. Role of the Board in CSR

- What is the role of your board in CSR?
- What were the drivers influencing your board's approach to CSR? What was the key motivating factor that led your Board to include CSR in its mandate? Was there a critical incident, or other motivation?

3. CSR Board Practices

- How long does your board spend on CSR matters at its meetings (% of time allocated); how often does it consider CSR (at every meeting, occasionally, etc.)

- How does your board integrate CSR factors into its operations, e.g.:
 - If there is a board CSR committee, what role does/should it play?
 - What role does the board/committee play in CSR strategy development?
 - How do directors know that the CSR strategy is being implemented; how does the board track performance on CSR?
 - What role does the board play in CSR reporting, including determining what to report?
 - What reward structures and systems are in place for CSR performance?
 - To what degree does CSR knowledge and experience and diversity factor into board recruitment?
 - What is the nature of CSR training for board members, if any?

4. Stakeholder Engagement

- (How) are stakeholders involved in providing input to the board's CSR deliberations?
- (How) will this evolve in future?

5. Top CSR Issues for Boards of Directors

- What do your/your board see as the top CSR issues today and in the future, e.g. climate change?

6. Barriers to CSR

- What are barriers to addressing CSR issues at board level?
- How to overcome them?

7. Success Factors

- What are critical success factors in introducing CSR to the board and developing best practice in the role of the board and CSR?

8. Key Trends and Drivers

- What will be the role of the board of directors regarding corporate social responsibility in the future, i.e. ten years?
- What are the drivers that are influencing this?

We would like to request a copy of the Terms of Reference/Charters for your Board's CSR Committee in order to better understand the Committee's mandate.

*Thank you for participating in this study.
Your perspectives are greatly appreciated!*