Enterprise Action 11. Integrate responsible business and impact management practices into governance framework

Action is mapped to practice indicators as follows:

- Governing body has oversight of the Enterprise’s integration of sustainability and contributing positively to the SDGs into its purpose, strategy, risk management and decision-making practices and its responsible business and impact management practices and performance (4.1)
- The Enterprise’s parent and/or holding company has policies, practices and performance relating to governance and responsible business practices, consistent with the requirements set out in these Standards (4.3)

Guidance notes can be found below:

- Governing body has oversight of the Enterprise’s integration of sustainability and contributing positively to the SDGs into its purpose, strategy, risk management and decision-making practices and its responsible business and impact management practices and performance (4.1)

Guidance Note 4.1

Board leadership and oversight
Boards send a strong message to their workers and stakeholders about what’s important by virtue of what does and does not make it to the Board agenda and gets airtime during board meetings. The CEO and senior executives that engage directly with the Board take their cues from what they see is important to the Board. If the Board isn’t engaged and actively driving the agenda on – and taking ownership of – respect for human rights and other responsible business practices, operating sustainably and making positive contributions towards achieving the SDGs, it’s unlikely that these will be embedded in the culture, purpose, and strategy of the organization.

Intent is insufficient. Sound governance policies and oversight practices – including consequences for breaches – are needed to ensure the Board’s intent is realized and to create a culture of accountability for decisions and actions in line with stated policies and commitments.

For micro and small businesses, there may not be a formal board however there should be opportunities to create additional accountability by forming a group of advising trustees, an advisory board or the like.

Organizations like Accountability Counsel and SHIFT create resources that make it easier and more efficient to incorporate human rights and other responsible business practices into policies and practices. In many countries, options now exist for organizations to participate in cost effective external complaints and dispute resolution schemes that support accountability to stakeholders.
A board comprises Directors legally registered as required by national legislation. A minimum of 25% of all directors or higher for rounding (i.e., 5 directors means 2 non-executive directors) should be non-executive directors, and there should be regular, minuted board meetings.

✓ The Enterprise’s parent and/or holding company has policies, practices and performance relating to governance and responsible business practices, consistent with the requirements set out in these Standards (4.3)

Guidance Note 4.3

Additional guidance not provided.