

INTEGRATED THINKING CHANGE & BOARDS

AS IS vs TO BE

WICI Europe: Intangibles, the European State of the Art
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ODDO-BHF, Frankfurt am Main

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WHAT IS THE REAL FOCUS OF ESG TRANSFORMATION?



REPORTS?



DECISION MAKING
PROCESSES?

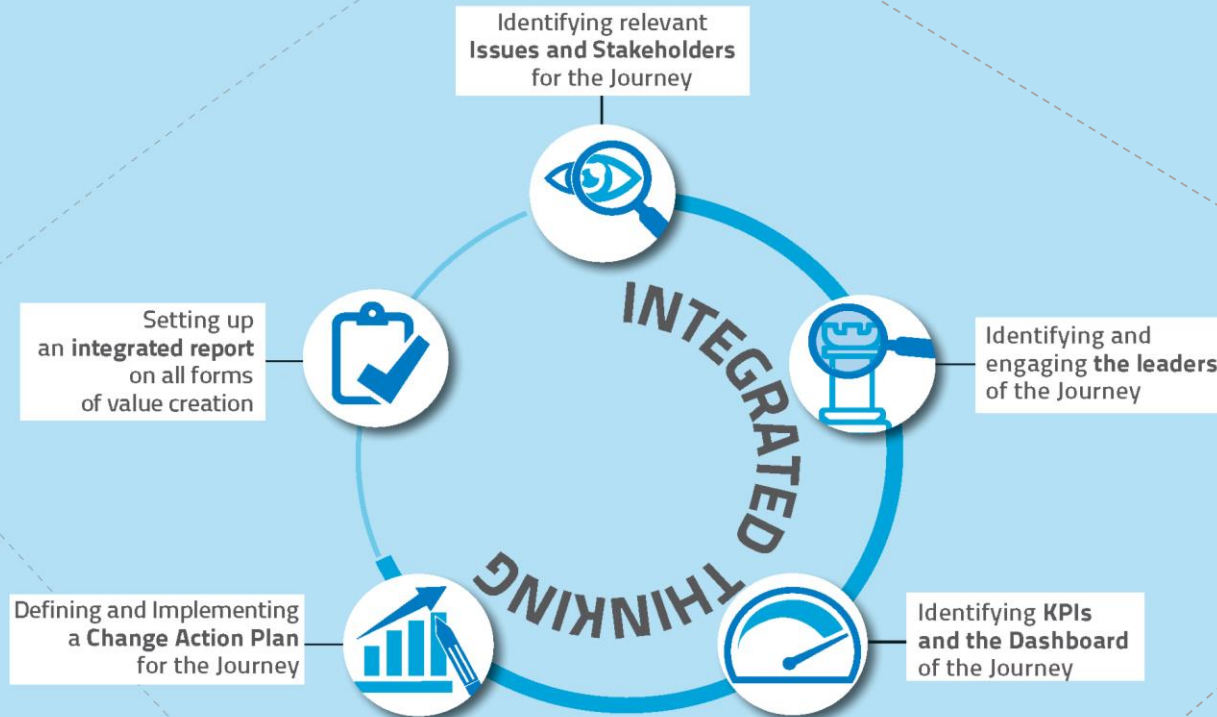
INTEGRATED REPORTING <IR>: FOCUS ON INTEGRATED THINKING A HANDBOOK FOR THE CHANGE JOURNEY STRATEGY, GOVERNANCE, CULTURE, ORGANIZATION

Foreword by the IIRC, International Integrated Reporting Council

THE FOUR STEPS OF INTEGRATED THINKING CHANGE

Integrated Reporting <IR>

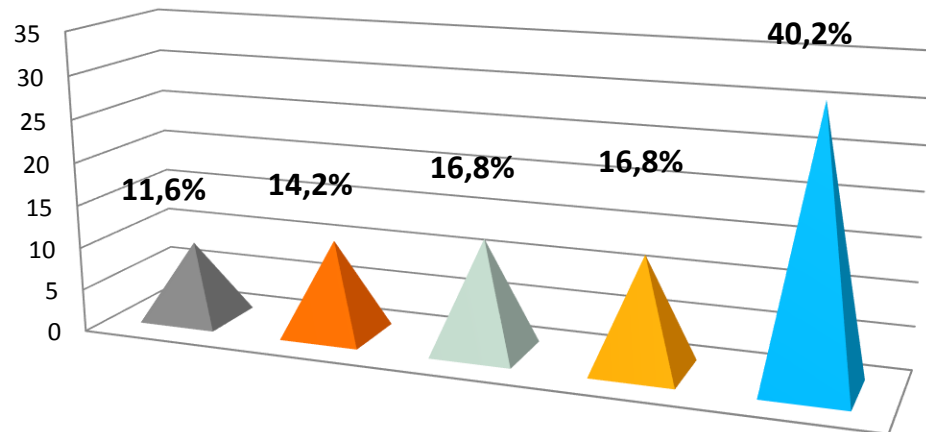
Focus on integrated thinking: the Change Journey



PROACTIVITY ON LONG TERM STRATEGY

Question:

How does the Board manage long term strategies and all forms of value?



- The Board identifies long term goals, considering ESG issues (3/5 years)
- The Board identifies and approves the company vision and long term strategy, considering all forms of value including ESG
- The Board shares with top management long term considerations and scenarios considering all relevant forms of value including ESG
- The Board approves long term investments on all forms of value including ESG
- The Board approves the strategic plan presented by management, that considers all forms of value

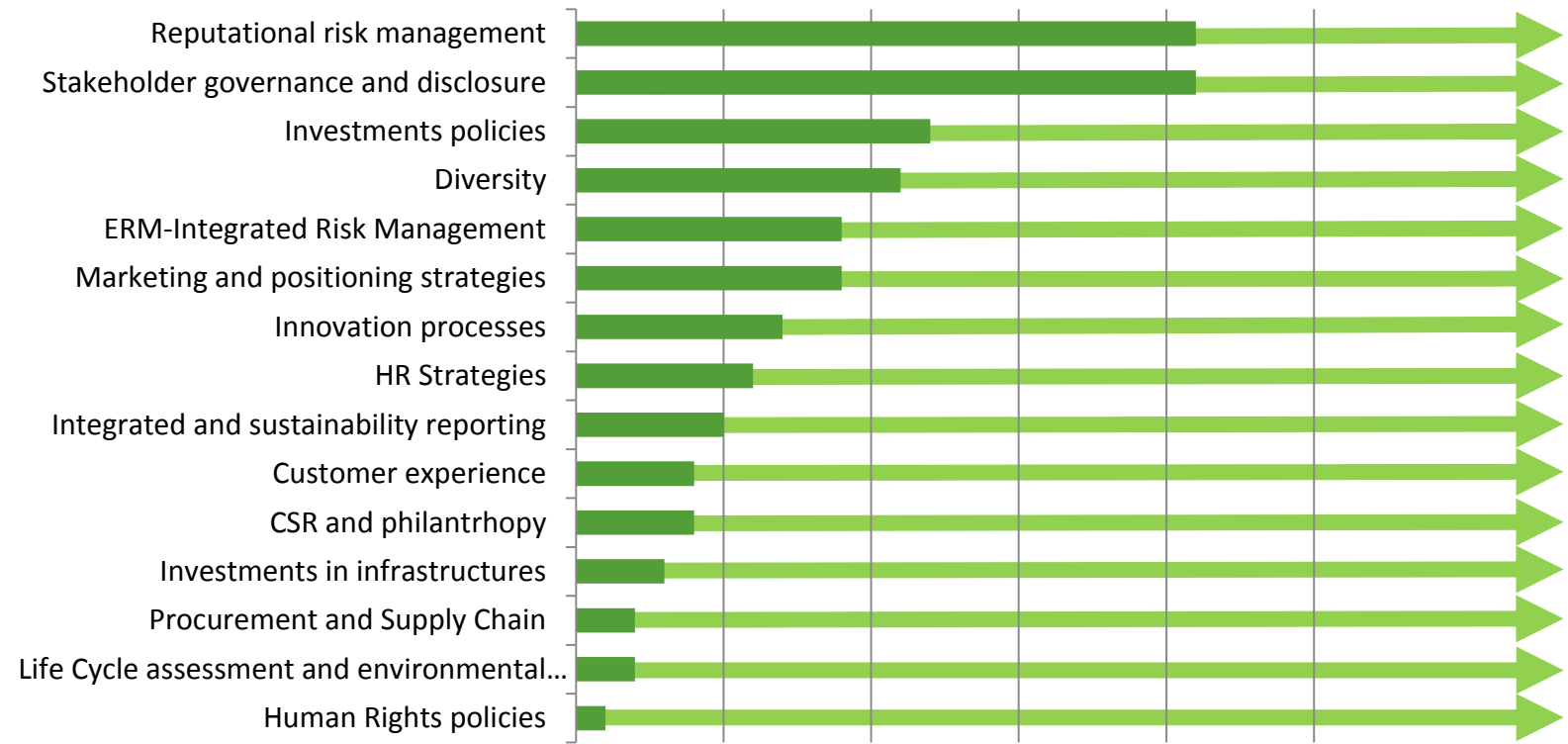
L'INTEGRATED GOVERNANCE NEI BOARD: *AS IS*



Fonte: Integrated Governance Survey - NedCommunity - Methodos 2017

L'INTEGRATED GOVERNANCE NEI BOARD: *TO BE*

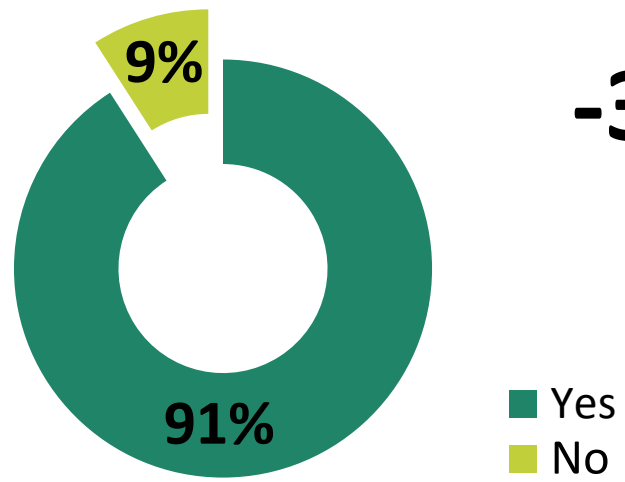
CHANGE FOR
INTEGRATED
THINKING AND
GOVERNANCE



INDEPENDENT ADMINISTRATORS: FROM AWARENESS TO ACTION

QUESTION:

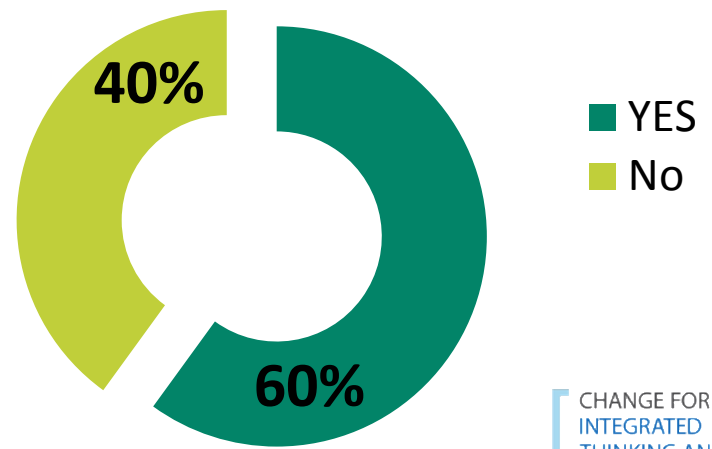
Do you agree with the fact that independent administrators have a specific responsibility to be proactive in the set-up of long term strategies and ESG company policies?



QUESTION:

Do you think that in the Board you are part of, independent administrators have a proactive and specific role in addressing strategies and considering risks in a long term perspective considering also ESG elements?

-31%



A NEW LEADERSHIP FOR BOARDS: **MANAGING CHANGE**

The Board of Directors and the integrated thinking change Journey:

“The Board has a fundamental role to orient its organization towards long-term sustainable business, promoting integrated governance through changes in Board composition, processes and Directors’ culture”*.

- Board composition

- **Diversity** of gender, race, demography
- **Robust and diverse skills and expertise** covering also crises and turnaround, new and cross market, digital and media

- Processes

- Stakeholder Governance and disclosure, ERM-Integrated Risk Management, Long-term vesting periods for MBO’s, Board evaluation, inductions and off-site meetings for strategy envisioning, succession planning, integrated reporting and Board Materiality Statement, affiliations, committees working together, able to catch and manage connections and interrelations and integrating long-term perspective

- Directors’ culture

- Change toward a strategic, global and long-term mindset developing a **forward looking-mindset**
- **Openness and transparency, collaboration, teamwork, trust, support and mutual respect**
- **Informal relationships**
- Work with a **“beyond compliance” attitude** to look for additional incentives and stimulus
- **Independent thinking**
- Become **real leaders in the Board**, who are able to promote the company governance change.

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TO DOWNLOAD THE HANDBOOK:
www.integratedthinking.it

THANK YOU & ENJOY YOUR CHANGE JOURNEY!

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- **NIBR, Livia Piermattei: «Integrated Reporting, Focus on Integrated Thinking: The Change Journey»**, preface IIRC www.integratedthinking.it (last visit June 26th2017)