



Culture by Committee

the pros and cons

Survey **ibe**

Survey

By Peter Montagnon

A survey of board-level sustainability and ethics committees

Shifting perceptions of risk have increasingly encouraged companies to form special board committees to deal with broad questions of corporate responsibility, sustainability and ethics.

This IBE Survey Report looks at the nature and role of these board committees focusing on ethics and values, and also at the way companies that choose not to have such committees handle this growing range of non-financial risks.

The report is based on research into companies in the FTSE 350, including the mandates of the board committees, carried out by the IBE in collaboration with **ICSA: The Governance Institute** and **Mazars**.

The idea of having a committee dedicated to the task of overseeing culture and ethics is relatively new. This survey report is intended to benchmark what is happening in the UK, providing a valuable insight into how companies are approaching the task, and highlighting the pros and cons of forming such a committee.

The report will help all companies who are trying to decide on the right approach to dealing with these non-financial risks in an increasingly complex world.

Key findings from the report include:

- 55 companies in the FTSE 350 have formed committees with published mandates dealing with corporate responsibility, ethics or sustainability
- over half of the committees are specially charged with advising the board on ethics and values
- the committees tend to be more common in sectors with reputation and regulatory risk, such as banking, mining and defence.
- an independent non-executive director chairs a substantial majority of the committees.

Though a significant number of companies were found to have dedicated committees, not all have created one. A committee may bring more detailed oversight, but there is a risk of the board's own responsibilities being diluted and of unnecessary overlap with other committees.



Culture by Committee: the pros and cons by Peter Montagnon is available free to download from [>>](http://www.ibe.org.uk)

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