



WBCSD

Executive Committee Charter

19 February 2025



World Business
Council
for Sustainable
Development

WBCSD

Executive Committee Charter

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A. Scope and Definitions

1. Scope and Definitions

1.1. This Charter sets out the functions, powers, duties, and responsibilities of the Executive Committee of the WBCSD.

1.2. In case of conflict or discrepancy between the Articles of Association and this Charter and/or WBCSD internal policies, the following order of precedence shall apply:

- (i) The Articles of Association
- (ii) The ExCo Charter
- (iii) The WBCSD internal policies

1.3. In this Charter, the following terms mean the following:

AGM	Annual General Meeting of Council Members
Chair	The Chair of the ExCo
Co-Chair	Members that co-chair the Imperatives Advisory Board, Corporate Performance & Accountability (CP&A) Advisory Board, Pathway Boards, Sector project Boards, or individual Projects
Corporate Performance & Accountability (CP&A)	A pillar of WBCSD Strategy 2022-2024 focused on Corporate Performance and Accountability including reporting, disclosure, decision making, valuation etc.
Council	The WBCSD's supreme authority
Council Member	Representative of the Member Company at the Council, either CEO or Executive Board-level representative
Education	A pillar of WBCSD Strategy 2022-2027 focused on Education and Learning with a service offering to members and non-members
Executive Committee (ExCo)	The managing body of WBCSD composed of up to 23 Council Members
Executive Compensation Policy & Framework	The ExCo approved policy and framework that governs the compensation of the LT, and which is overseen by the Nomination & Remuneration Committee on behalf of the ExCo
Finance Committee (FinCo)	The sub-committee of the ExCo which reviews the statutory audit and advises on matters relating to WBCSD accounting policies, controls and position etc.
Imperatives	A pillar of WBCSD Strategy 2022-2027 focused on Climate Action, Nature Action and Equity Action
Leadership Team (LT)	The Leadership Team composed of the President & CEO and other senior leaders tasked with the day-to-day management of the WBCSD.

Liaison Delegates (LD)	Representatives appointed by each of the Council Members
Member	Full Member Company of the WBCSD
Membership Committee (MemCo)	The sub-committee of the ExCo that supports the recruitment of WBCSD members and monitors the adherence with the membership conditions and makes recommendations to the ExCo
Nomination & Remuneration Committee (Nom&RemCo)	The sub-committee of the ExCo that supports the recruitment of ExCo members and is consulted on the recruitment of members of the LT and their remuneration
Operations Committee (OpCo)	The sub-committee of the ExCo that is composed of Liaison Delegates to the ExCo members (or other persons recommended by the member) that supports ExCo members in their duties
Pathways	A pillar of WBCSD Strategy 2022-2027 focused on transformation of value chains
President & CEO	The Chief Executive Officer of WBCSD
Project	A work stream that has active members, objectives, and a budget
Project Member	A project member company of the WBCSD
Sector	Projects that focus on work of specific interest of a sub-set of the WBCSD membership from the same or related industries
Vice-Chairs	The Vice-Chairs of the ExCo
WBCSD	The World Business Council for Sustainable Development (WBCSD)

1.4. The following Annexes are attached to, and form an integral part of, this Charter:

Annex A:	WBCSD decision-making chart
Annex B:	Termination (including suspension) of Membership
Annex C:	Executive Committee Preferred Profile

B. Executive Committee

2. Mandate of the Executive Committee (ExCo)

- 2.1. The Executive Committee (ExCo) is responsible for supervising the delivery of the WBCSD strategy, and upon recommendation by the CEO and when approved by the Council, allocate the resources across the Imperatives, Pathways, CP&A and Education as defined in Article 1.3 of this Charter and supporting operations of WBCSD whilst monitoring the effectiveness of operations, controls and governance of WBCSD.
- 2.2. The ExCo oversees the day-to-day management of WBCSD as determined by the Council, the supreme governing body of WBCSD, and reports to the Council on an annual basis at the Annual General Meeting (AGM) of Council Members.
- 2.3. In performing its duties, the ExCo shall be guided by the mission and vision of WBCSD and the Council approved strategy and shall consider the relevant interests of all WBCSD's members and stakeholders. ExCo members are expected to serve the mission, vision and comply with the requirements of this Charter and of the Articles of Association of WBCSD. Membership of the ExCo is a non-remunerated role.
- 2.4. The ExCo delegates day-to-day management to the President & CEO (CEO) of WBCSD. For the performance of its duties the CEO shall be supported by the LT and the Pathway Boards with input from the Imperatives Advisory Board and CP&A Advisory Board as need may be (see Annex A which provides details on decision-making in WBCSD). The ExCo is authorized to further delegate management tasks and establish charters to that effect in accordance with Article 7.1 of the Articles of Association.

3. Roles and Responsibilities of the Executive Committee

- 3.1. The responsibility of the ExCo is to:

Appointments

- a) nominate ExCo members for appointment by the Council at AGM;
- b) appoint and dismiss the CEO by way of resolution. The ExCo can terminate the CEO's employment agreement in accordance with the terms of the employment agreement and can remove the CEO from his/her/their office without notification to the Council;
- c) appoint the Pathway Board Co-Chairs, as nominated by the Pathway Boards;
- d) appoint the Imperatives Advisory Board Co-Chairs and CP&A Advisory Board Co-Chairs as nominated by the CEO;
- e) appoint signatories for the organization;

WBCSD Strategy

- f) propose the mission statement of the WBCSD, as prepared by the CEO, for approval by the Council;
- g) propose the strategy for the organization, as prepared by the CEO, for approval by the Council at the AGM, including Imperatives, Pathway, CP&A, Education and Sector projects changes;
- h) establish the necessary financial and risk controls, as well as the financial planning and accounting principles and policies necessary for the management and good standing of the WBCSD;
- i) Monitor, and where appropriate, challenge the performance of the WBCSD and take appropriate actions to improve as required;

Membership

- j) propose membership conditions, as prepared and recommended by the CEO, and for approval by the Council;
- k) decide the admittance, suspension and termination of members on the basis of the above membership conditions or just cause as defined in Annex B;
- l) propose the level of membership fees prior to the beginning of each calendar year, for approval by the Council;

Financial planning

- m) agree on annual budgets for approval by the Council at AGM, prepared with the support of the Finance Committee;
- n) recommend the cost allocation methodology from WBCSD resources to Imperatives, Pathways, CP&A, Education and Sector projects, following CEO recommendation, for approval by the Council at the AGM;

WBCSD activities

- o) approve work programs and objectives at WBCSD level;
- p) delegate management tasks as appropriate and ensure the overall supervision of the people entrusted with managerial tasks in compliance with all relevant laws, the Articles of Association, other regulations and governance;
- q) WBCSD will provide Directors and Officers legal assistance for ExCo and LT members, at the cost of WBCSD, except in cases of personal negligence or fraud for issues related to their respective roles;

Publications

- r) approve the publication of major reports of policy nature after approval by their respective Co- Chairs and by the CEO in the case of Imperatives, CP&A and Education;
- s) sign-off on the publication of WBCSD reports of material significance to the Members of the WBCSD and/or that define the strategic direction of WBCSD going forward, prepared by the CEO;
- t) approve confidentiality requirements and exclusivity rights on strategic WBCSD outputs, upon recommendation by the CEO;

Reporting

- u) approve the annual report and accounts (Article 7.3 of Articles of Association);
- v) approve the submission to the Council of an annual briefing to consolidate the outcome of its activities and meetings during the preceding financial year. The ExCo can delegate the preparation to the CEO. This report may also describe how ExCo has been monitoring compliance with the ExCo Preferred Profile during the nomination process.

- 3.2. ExCo members are required, on appointment and again annually before the first ExCo Meeting, to declare any conflicts of interest in writing to the Chair of the ExCo. In case there is no change in an ExCo member's interest from one year to another, this also needs to be confirmed to the Chair of the ExCo.
- 3.3. ExCo members are accountable for decisions made, as well as for decisions that should reasonably have been made, in the course of fulfilling their duties to the Association and in matters impacting parties outside of WBCSD. To support ExCo members, LT members and WBCSD officers, WBCSD will provide liability insurance coverage for actions undertaken in good faith within the scope of their roles. This coverage excludes claims

resulting from intentional misconduct, gross negligence, or actions beyond the scope of their official duties or any exclusions provided within the insurance policy.

- 3.4. The ExCo is responsible for the quality of its own performance and performs a self-evaluation, at the request of ExCo members (see Article 8.6 of this Charter).

4. Composition of the Executive Committee

- 4.1. The ExCo consists of up to twenty-three (23) members of the Council including the Chair and four Vice Chairs.
- 4.2. The composition of the ExCo shall aim for diverse industry representation across geography, sectors, gender and sustainability areas. ExCo ensures that nominated members meet the criteria set out in the ExCo Preferred Profile for new candidates (see Annex C).
- 4.3. Representation on the ExCo from each of the Sector Projects may be considered on a case-by-case basis.

5. (Re) appointment, term and resignation of the ExCo

- 5.1. A year in advance of re-elections, the CEO, on behalf of the Council, shall invite Council Members to come forward with their candidacy to join the ExCo and propose these Council Members to the Nomination & Remuneration Committee (see Section 9 of this Charter) as potential candidates for the ExCo.
- 5.2. The Nomination & Remuneration Committee reviews candidates against the Proposed Profile and if in agreement brings candidates forward to the ExCo for further review and recommendation to the AGM.
- 5.3. The Chair is appointed by and amongst the members of the ExCo by cooptation. The Chair is appointed for two years, with a maximum one period extension upon approval by the Council. The four Vice Chairs of the ExCo are subsequently appointed by cooptation upon nomination by the Chair.
- 5.4. The ExCo members shall hold office for a period of two (2) calendar years commencing the 1st day of January following their appointment by the Council. They are eligible for re-appointment and can serve up to a maximum of three (3) consecutive or non-consecutive terms, of two (2) years each. On re-appointment, the manner in which the candidate fulfilled his/her/their duties as member of the ExCo shall be taken into account.
- 5.5. Members of the ExCo shall resign early in the event that he/she/they changes company. The vacancy thus created will not be automatically “inherited” by the successor of the relevant ExCo member’s previous position. The Nomination & Remuneration Committee may propose a candidate for the vacant position to be appointed by the Council.
- 5.6. Members of the ExCo shall resign early in the event of inadequate performance, incompatibility of interests, and other instances where resignation is deemed necessary at the discretion of the ExCo.

6. Induction program

- 6.1. Once appointed, each member of the ExCo shall have an introductory call with the Corporate Secretary and receive an induction pack, prepared by the WBCSD including:
 - a) WBCSD strategy, relevant updates and strategic priorities;

- b) legal documents, including the Articles of Association, the Charters of all WBCSD governing bodies, a set of former ExCo meeting minutes, the ExCo member's Preferred Profile and other key documents that set out the roles and responsibilities of the ExCo members;
- c) an overview of the activities being executed by WBCSD;
- d) a copy of the latest set of audited financial statements of WBCSD;
- e) an overview of meeting schedules.

7. Executive Committee meetings

- 7.1. Meetings of the ExCo shall be convened a minimum of four (4) times a year with the assistance of the CEO and Corporate Secretary at a time and a place determined by the Chair, or failing them, by a Vice Chair or member of the ExCo. Additional meetings will be planned as required with the approval of the Chair. The notification indicating the time and place of the venue shall be shared with all ExCo members and their Liaison Delegates sufficiently in advance. The agenda and documentation to introduce and support the discussion during the ExCo meeting shall be emailed to each member at least fourteen (14) days prior to the meeting. In exceptional circumstances, including but not limited to the events outlined in Article 10.1.j and Article 11.4.ee, as shall be determined by the Corporate Secretary in consultation with the Chair and/or CEO, or of at least five (5) of its members, this prior notice may be disrespected.
- 7.2. The Chair approves the agenda of each meeting. All ExCo members may submit to the Chair items to be discussed in the meeting. An item to be discussed which has not been submitted on time may be added under any other business unless opposed by a majority of those present.
- 7.3. Liaison Delegates of the ExCo members are invited to all the ExCo meetings as observers.
- 7.4. ExCo meetings are generally held at the most convenient location for all ExCo members. In addition, ExCo members may attend meetings physically or virtually provided that all participants can hear each other clearly and simultaneously. ExCo members can volunteer to host in-person meetings and the date, time and location of ExCo meetings are to be approved by ExCo members one year in advance.
- 7.5. Minutes of the meeting are prepared by the Corporate Secretary, who is a member of the LT. The minutes shall be signed for adoption by the Chair of the meeting and co-signed by the Corporate Secretary; the minutes include the names of the participants, the approval given and actions. The draft minutes shall be made available to all Council Members as soon as practically possible and approved and adopted at the next meeting of the ExCo.
- 7.6. Members of the ExCo shall not be reimbursed for costs incurred in connection with their attendance of meetings, unless by prior consent of the CEO.

8. Executive Committee resolutions (quorum, votes, items to be considered)

- 8.1. The quorum for the ExCo shall be reached when the majority of the ExCo members are present at a meeting, in person or online.
- 8.2. Resolutions of the ExCo shall be taken by an absolute majority of the ExCo members present at a meeting and can include proxy votes to the Chair for members who have submitted apologies and completed proxy votes in advance of the meeting.
- 8.3. ExCo members can delegate his/her/their attendance to another board-level executive from within their company. The Corporate Secretary will manage the proxy process for all meetings and inform the Chair in advance of the meeting of the number of proxy votes returned and the voting intention of absent members.

- 8.4. The ExCo may also adopt resolutions outside a meeting, provided that all members of the ExCo have had the opportunity to voice their opinion in respect of the proposal concerned and that no member has objected to this form of decision-taking. The Chair, with the support of the Corporate Secretary, shall prepare and sign a report of the resolution adopted in this manner, enclosing any written replies received (including replies by e-mail). The adoption of resolutions outside a meeting must be reported at the next meeting. The ExCo can only adopt resolutions outside a meeting if at least half of the members have declared themselves in favor of the proposal.
- 8.5. At its meetings the ExCo is to:
- a) monitor WBCSD's performance and discuss the main activities as reported to it by the LT;
 - b) review WBCSD's annual budget and work plan;
 - c) discuss, review and propose the strategy (and changes thereto);
 - d) discuss governance and organizational structure;
 - e) approve strategic partnerships, following CEO proposal and sharing for information to the Imperatives Advisory, CP&A Advisory and Pathway Boards and the Council;
 - f) approve the final release of strategic and policy-related publications;
 - g) approve major decisions that require ExCo action;
 - h) adopt and approve the admission and termination (including suspension) of members;
 - i) discuss and prioritize any new or emerging risks affecting the work programs / functioning of the WBCSD.
- 8.6. A self-evaluation will be performed at the request of ExCo members. In a self-evaluation, the ExCo could discuss:
- a) the functioning of the ExCo, its separate committees, and its individual members, and the conclusions to be drawn on the basis thereof;
 - b) the Preferred Profile, composition and competence of the ExCo;
 - c) the evaluation of the induction, as referred to in Section 6 of this Charter;
 - d) any other governance and oversight related issues;
 - e) monitor and discuss the functioning and performance of the CEO.

9. ExCo Committees

- 9.1. The ExCo can establish and revoke ExCo sub-committees, as shall be required for the achievement of its duties and appoint their members. The scope, responsibilities, composition, function, reporting as well as the organization of the sub-committees shall be described within each sub-committee's internal rules, as outlined below.
- 9.2. The ExCo shall have at least four (4) standing sub-committees, i.e., the Nomination & Remuneration Committee (Nom&RemCo), the Finance Committee (FinCo), the Operations Committee (OpCo) and the Membership Committee (MemCo).

The Nomination & Remuneration Committee (Nom&RemCo)

- 9.3. The Nomination & Remuneration Committee (Nom&RemCo) is responsible for selecting potential new ExCo members, to be recommended by ExCo for approval by the Council, one (1) year in advance of re-election.
- 9.4. The Nomination & Remuneration Committee shall be composed of a minimum of the Chair of the ExCo, two Vice Chairs, and one other ExCo member, the latter being appointed by the Chair. The ExCo member's term shall be two (2) years and aligned with his/her/their term as a member.
- 9.5. The Nomination & Remuneration Committee shall use the ExCo Preferred Profile (see Annex C) to select new members of the ExCo based on agreed and transparent criteria.

The shortlisted candidates will be contacted to confirm their interest and be recommended by the ExCo for approval by the Council.

- 9.6. The Nomination & Remuneration Committee appoints members of the Honorary Committee (see Section 14).
- 9.7. A majority of members of the Nomination & Remuneration Committee shall constitute a quorum. The Nomination Committee shall maintain minutes or other records of meetings and activities of the Nomination Committee.
- 9.8. The Nomination & Remuneration Committee is also responsible for reviewing and recommending the Executive Compensation Policy and Framework including benefits for the CEO and the LT.
- 9.9. The Nomination & Remuneration Committee is responsible for ensuring that a succession planning process and plan is in place for the CEO position. The Committee is also responsible for ensuring that the CEO has a process and plan in place for the LT and other critical management roles at WBCSD.
- 9.10. The Chair is responsible for reviewing the remuneration of the President & CEO and will bring recommendations to the Nomination & Remuneration Committee for discussion and recommendation to the ExCo for approval.
- 9.11. The CEO is responsible for reviewing the annual, short term and long-term incentives of the Leadership Team, as per the Executive Compensation Policy and Framework, and shall present recommendations to the Nomination & Remuneration Committee for approval.

The Finance Committee (FinCo)

- 9.12. The Finance Committee (FinCo) is made up of a minimum of 3 ExCo members. To the extent possible, Members should have finance experience.
- 9.13. The specific activities of the Committee are:
- 9.14. The members of the Finance Committee are appointed by the ExCo and report to the ExCo.
- 9.15. Recommendations and/or decisions of the Finance Committee, to the extent decisions may be made, shall be made by unanimity.
- 9.16. The members of the Finance Committee shall designate a Chair by majority vote. The Sr Director Finance and (deputy) Corporate Secretary will attend meetings but are not a member of the Committee.
- 9.17. The Finance Committee shall meet as frequently as circumstances dictate, but not less than twice per year. The Senior Director, Finance, will plan and prepare the dates, times and agenda for the meeting in consultation with the Chair of the Finance Committee.
- 9.18. A majority of members of the Finance Committee shall constitute a quorum.
- 9.19. The Finance Committee, with the support of the Senior Director Finance, shall maintain minutes or other records of meetings and activities of the Finance Committee and copies of minutes provided to the Corporate Secretary.

The Membership Committee (MemCo)

- 9.20. The Membership Committee is made up of a minimum of 3 ExCo members with the objective of supporting efforts to recruit, engage and retain members.
- 9.21. The specific activities of the Committee are:
 - a) Supporting the recruitment of new members;
 - b) Engaging the existing membership to promote WBCSD;
 - c) Engaging members on the requirements and benefits of membership;

- d) Advising and making recommendations to the ExCo on any issue relating to the provision of services to members;
- e) Providing recommendations to the ExCo concerning fee structures and membership criteria;
- f) Reviewing WBCSD affiliations and making recommendations regarding possible strategic partnerships.

9.22. The Membership Committee is appointed by the ExCo and reports to the ExCo.

9.23. Decision power for the approval of proposed new member companies or termination / suspension of membership and of pricing and structure of membership resides exclusively with the ExCo.

9.24. Recommendations and decisions of the Membership Committee, to the extent decisions may be rendered, shall be made by unanimity.

9.25. The members of the Membership Committee shall designate a Chair by majority vote.

9.26. The Membership Committee shall meet as frequently as circumstances dictate, but not less than once per quarter.

9.27. A majority of members of the Membership Committee shall constitute a quorum.

9.28. The Committee shall maintain minutes or other records of meetings and activities of the Membership Committee.

The Operations Committee (OpCo)

9.29. The OpCo is composed of Liaison Delegates appointed by each of the ExCo members and each representing the companies of the respective ExCo members.

9.30. The OpCo offers a platform for coordination and discussion pertinent to the ExCo's meetings and activities as well as a bridge between the ExCo members and the WBCSD Head Office.

9.31. The OpCo shall meet in person, virtually or hybrid four (4) times a year. The ExCo may appoint the chairman of the OpCo amongst its members.

9.32. A Liaison Delegate may designate a representative to participate with all the abilities and authority that is conferred on them.

9.33. A majority of members of the OpCo shall constitute a quorum.

9.34. The OpCo shall maintain minutes or other records of meetings and activities of the OpCo. The Corporate Secretary shall act as Secretary to the OpCo.

10. Roles and responsibilities of the Chair

10.1. The Chair shall ensure the proper and effective functioning of the ExCo in the best interest of WBCSD. As such, the Chair is to:

- a) determine the agenda of the ExCo meetings;
- b) call and chair the meetings of the ExCo and ensure the orderly and efficient conduct of these meetings;
- c) ensure the orderly and efficient organization and conduct of the AGM. The AGM shall be chaired by the ExCo Chair. In his/her/their absence, The Chair will be a member of the ExCo appointed by a majority of other members of the ExCo present;
- d) monitor the proper functioning and adequate performance of the ExCo;
- e) encourage active engagement and attendance by all ExCo members in all matters concerning the ExCo
- f) ensure the timely and adequate provision of information to the members of the ExCo as necessary for the proper performance of their duties;

- g) facilitate ExCo's decision making process and ensure that there is sufficient time for consultation, consideration and decision taking;
 - h) support members of the ExCo and mediate in any differences of opinion between them;
 - i) decide on reported conflicts of interests and complaints of members and whistle-blowers;
 - j) form, together with the CEO, a crisis management team if and when needed and, as such, act as exclusive spokesperson of the ExCo.
- 10.2. The Chair, together with the CEO and the LT, is responsible for ensuring effective communication with members and stakeholders, including government officials, regulators, public organizations and the media. ExCo members may only discuss WBCSD matters with the media with the prior approval of the Chair.
- 10.3. The Vice-Chairs of the ExCo shall deputize for the Chair when the occasion arises and assume the powers and duties of the Chair in the latter's absence. The Vice-Chairs shall act as contact for individual ExCo members concerning the functioning of the Chair of the ExCo.

11. ExCo relationship with the CEO and LT

- 11.1. The ExCo is the governing body responsible for appointing the CEO. The CEO's employment agreement is determined by the ExCo. The CEO's term of office is five (5) years, and the CEO can be re-elected.
- 11.2. The ExCo delegates to the CEO responsibility for the day-to-day management tasks of WBCSD excluding all those responsibilities outlined in Article 3.1 of this Charter. The CEO will be supported by LT, which consists of the CEO, and executives as deemed appropriate by the CEO.
- 11.3. WBCSD staff and ExCo members confirmed by the ExCo as signatories of the WBCSD have individual signatory powers. Within the limits of the Articles of Association and relevant WBCSD rules and procedures, the ExCo may authorize the CEO, together with the Corporate Secretary, to grant certain representation and signature authority to the LT by way of internal limited powers of attorney.
- 11.4. The CEO undertakes the duties described as follows:

Appointments

- a) organize, direct and monitor the work within WBCSD, approve the recruitment of new WBCSD staff and appoint LT members, after agreement with the Nomination & Remuneration Committee;
- b) develop and share with the Nomination & Remuneration Committee succession plans for the LT and other critical roles within WBCSD management;
- c) appoint Advisory boards who serve as external advisors to WBCSD on core areas, for consultation with the ExCo;
- d) propose the appointment of members, to be reviewed by the Membership Committee and approved by the ExCo.
- e) propose the termination (including suspension) of membership to be approved by the ExCo;
- f) escalate membership criteria challenges to ExCo;

WBCSD Strategy

- g) define and propose the vision and mission statement and strategy to the ExCo for recommendation to the Council;
- h) represent WBCSD and, within its delegated mandate, authorize others, with or without limits, to represent WBCSD;

- i) define, propose to the ExCo and review the strategy for the organization on an annual basis, setting strategic priorities;
- j) submit to the ExCo for approval WBCSD objectives, strategy documents and policies designed to achieve these;
- k) oversee the execution of WBCSD strategy and its work programs as well as ExCo resolutions.
- l) enforce WBCSD's policies and ensure compliance with and maintain the governance structure of WBCSD;

Membership

- m) propose and monitor WBCSD membership conditions, attract new members and review membership engagement pool;

WBCSD activities

- n) take responsibility for the daily operations of WBCSD and its work programs, including activities with the Liaison Delegates, administration of staff and budgets, and external representation;
- o) monitor progress made in each of the Imperatives, Pathways, CP&A, Education including Sector projects and report on the performance of the organization;
- p) on behalf of the ExCo, oversee the alignment of the work programs and monitor the implementation and performance against the strategy;
- q) identify strategic partners and/or consultants, for approval by the ExCo;
- r) initiate any project of strategic importance with the approval of the ExCo;
- s) support the other members of the LT and mediate in any differences of opinion between them;
- t) handle complaints of a general operational and financial nature in a confidential, appropriate and timely manner, in accordance with Article 12 of this Charter;

Financial planning and reporting

- u) each year provide the FinCo and the ExCo, for its review and recommendation to the Council in AGM, a budget for the following year, an up-to-date work plan, the main features of its strategy, the annual accounts, the management and control systems of WBCSD and evidence of compliance with all relevant laws and regulations. Budgets and work plans are prepared for each work program, and following approval by the respective Imperatives Advisory, CP&A Advisory, and Pathway Boards, are communicated by the CEO to the ExCo for approval;
- v) supervise the proper functioning of the external auditor of WBCSD and the submission of its audit report to the ExCo, for approval and submission for information to the Council;
- w) ensure the preparation of the annual report with the support from LT, for approval by ExCo;
- x) recommend to ExCo the cost allocation methodology from WBCSD resources to Imperatives, Pathways, CP&A, Education and Sector projects;

LT Meetings

- y) chair the LT meetings or delegate a chair if unable to attend;
- z) determine the agenda of the LT meeting. Other members of the LT may submit to the CEO items to be discussed in the meeting;

Publications and communication

- aa) determine the nature of communication materials and related sign-off procedures as presented in Annex A;

- bb) recommend confidentiality requirements and exclusivity rights on strategic WBCSD outputs for approval by the ExCo;
- cc) approve, in consultation with the Chair, all press releases issued by WBCSD;
- dd) manage, in consultation with the Chair, reputational risks and media relations;
- ee) form a crisis management team with the Chair, if and when deemed necessary, and act as spokesperson of WBCSD.

- 11.5. The CEO shall timely provide the ExCo with information on all facts and developments concerning WBCSD if and when requested by the ExCo.
- 11.6. The CEO shall regularly meet and report to the Chair at a minimum of four (4) times a year prior to each regular ExCo meeting about its activities, the operational and financial performance of WBCSD, and the status of its membership.
- 11.7. The CEO shall keep the Chair informed of any urgent matters or major events affecting or expected to affect WBCSD and its activities.
- 11.8. The CEO will appoint a suitably qualified and experienced Corporate Secretary of the ExCo, the role of which will include:

Governance

- a) Safeguarding the integrity of the decision-making process (from an internal governance perspective and Swiss law perspective as well as other jurisdictions in which WBCSD operates);
- b) Establishing and maintaining governance and risk management frameworks (including charters and membership conditions);
- c) Oversight on management of risks and internal controls;
- d) Oversight and compliance of delegated authorities;

Compliance

- e) Ensuring compliance with Swiss law and the relevant laws of all locations in which WBCSD operates, articles of association, charters, governance and membership conditions;
- f) Ensuring compliance with anti-trust and competition law;
- g) Establishing, maintaining and monitoring compliance with WBCSD competition policy and coordinating and communicating with members to that effect;
- h) Facilitating compliance with WBCSD governance standards and requirements for members;

ExCo Support

- i) Facilitating efficient decision making & good governance;
- j) Preparing and circulating ExCo papers and information flow, ensuring access to information;
- k) Preparing and organizing meetings, committee meetings, timetables, rolling annual agenda items and the AGM;
- l) Providing ExCo Members' induction and training;
- m) Providing regular legal updates.

12. Complaints and whistleblowing

- 12.1. The ExCo shall ensure that a process is in place to allow for escalation and reporting of complaints, as proposed by the CEO.
- 12.2. The ExCo shall ensure that complaints received of a general, operational and financial nature within the WBCSD are recorded and dealt with in a confidential, appropriate and

timely manner and in compliance with the established whistleblowing regulations in all locations.

12.3. The ExCo shall ensure that ExCo members and WBCSD staff and member companies have the opportunity to:

- a) report to the CEO, the Chair and/or Corporate Secretary in respect of matters referred to in Section 12 of this Charter. Should the complaints require escalation, the CEO, the Chair and/or shall inform the ExCo for appropriate handling of the issue;
- b) make complaints about the CEO and/or members of the ExCo to the Chair of the ExCo.

13. Relationship with the Council Members

13.1. The AGM shall take place each year within twelve (12) months of WBCSD's financial year and shall be convened by the Chair of the ExCo

13.2. The Council may also meet in an extraordinary session whenever necessary. An Extraordinary General Meeting of the Council Members may be convened at any time by the Chair of the Executive Committee. The extraordinary general meeting of the Council Members must be convened by the Chair of the Executive Committee within 45 days of receipt of request for such a meeting from Council Members representing 20% of the Council Members. This request shall specify the reasons for holding an extraordinary general meeting of the Council Members.

13.3. The Chair shall determine the agenda of the meeting, in consultation with the CEO. Members can request the Chair to add agenda items, although the Chair has the discretionary power to include such items or not.

13.4. The members of WBCSD's ExCo as well as the CEO shall participate in the Council, unless they are prevented from attending on serious grounds. In conformity with the Articles of Association of WBCSD, the Chair of the ExCo shall, as a general rule, chair the Council, and shall decide on the contents of resolutions.

13.5. The ruling pronounced by the Chair in respect of the outcome of a vote in a Council shall be decisive.

13.6. Each significant change in WBCSD's governance structure shall be addressed in a separate item on the agenda for discussion with the Council.

14. The Honorary Committee

14.1. The role of the Honorary Committee is to promote the vision of WBCSD and to serve as a positive voice and as an Ambassador of WBCSD.

14.2. The Honorary Committee is not a part of the ExCo and members of the Honorary Committee are not members of the ExCo. The Honorary Committee is composed of at least three (3) members who have previously served on the ExCo and whose contribution and commitment to WBCSD are well recognized. The Honorary Committee is a separate group of members and does not consult or advise any of WBCSD governing bodies. Members of the Honorary Committee can be invited to take part in ExCo meetings upon request of the Chair.

14.3. Members of the Honorary Committee are proposed by the Nomination & Remuneration Committee without time limit, for nomination by the ExCo for appointment by the Council.

15. Conflicts of interest, confidentiality and duty of loyalty

15.1. Definition and disclosure of conflicts of interest:

ExCo members shall not serve or promote interests conflicting with those of the Association. A conflict of interest arises when an ExCo member's personal or professional interests interfere, or appear to interfere, with the interests of WBCSD. ExCo members, including candidates, must promptly disclose any personal or professional interests that may affect, or in any way appear to affect, their objectivity and independence in fulfilling their ExCo duties. Such conflicts of interest must be disclosed in writing to both the Chair and the Corporate Secretary upon identification and must be reviewed and updated annually.

15.2. Participation restrictions and conflict management:

ExCo members may not participate in discussions, decisions, or votes on matters where they have declared a conflict of interest. Such members have the right to present relevant information but will then be asked by the Chair to recuse themselves from the meeting during discussions and decisions regarding the matter in question. In the event that the Chair has a conflict of interest, a Vice-Chair will act as Chair for that part of the meeting where a matter for which the Chair is conflicted is being discussed. The Corporate Secretary will review all declared interests and recommend appropriate measures to the Chair and/or Vice-Chairs to manage and mitigate potential conflicts to ensure impartiality and protect WBCSD's integrity.

15.3. Consequences of non-disclosure:

Failure to promptly disclose or annually update conflicts of interest, or to provide complete and accurate information, may result in disciplinary measures, including temporary suspension or permanent removal from the ExCo. These measures are intended to uphold the ExCo's commitment to transparency, accountability, and the duty of loyalty to WBCSD's mission and values.

15.4. Members of the ExCo shall treat all information and documentation acquired within the framework of their membership with the necessary discretion and, in the case of classified information, with the appropriate secrecy. Classified information shall not be disclosed outside the ExCo, other than to Liaison Delegates, made public or otherwise made available to third parties, even after resignation from the ExCo, unless:

- a) it has been made public by WBCSD, and/or
- b) it has been established that the information is already in the public domain, and/or
- c) as required by provisions of applicable mandatory law, and/or
- d) as required by a competent regulatory authority in an official investigation.

15.5. Confidentiality and Intellectual Property:

ExCo members must respect and protect WBCSD's intellectual property, ensuring that any proprietary information or materials provided by WBCSD are used solely for the purpose of fulfilling their duties and not for any personal or external use. ExCo members are also responsible for safeguarding electronic access to confidential data in accordance with WBCSD's data security standards.

15.6. Duty of Loyalty:

ExCo members must consistently act in the best interests of WBCSD. ExCo members are expected to avoid any conduct or actions that could compromise WBCSD's operations, damage its public image, or hinder in any other way its ability to achieve its mission.

15.7. Any breach of these core duties constitutes a serious violation. Such a breach may lead to disciplinary measures, up to and including removal from the ExCo.

16. Amendment

- 16.1. This Charter may be amended by a resolution of the Council to that effect in accordance to Article 6.7 of the Articles of Association.

17. Governing law

- 17.1. This Charter shall be governed by and construed in accordance with the laws of Switzerland.
- 17.2. This Charter is based on Article 60 et seq. of the Swiss Civil Code.
- 17.3. In case of inconsistencies the WBCSD Articles of Association shall at all times prevail. In any situation where this Charter would conform to the Articles of Association but would be inconsistent with imperative rules of Swiss law, the latter shall prevail (art. 63 para 2 of the Swiss Civil Code). If one or more provisions of this Charter is or becomes invalid, this shall not affect the validity of the remaining provisions. The ExCo shall replace the invalid provisions by valid provisions which in view of the content and purpose of this Charter, is similar to the intention of the invalid provisions.
- 17.4. This Charter is published on WBCSD website www.wbcds.org.

ANNEX A. Decision-making chart

WBCSD Decision making chart

(Based on selected items from the Articles of Association and the ExCo Charter)

Consulted Those whose opinions are sought and with whom there is a two-way communication	
Informed	Those who are kept up to date with the progress of the task of deliverable and with whom there is a one way process
Prepare	Those that have delegated or statutory responsibility
Propose	Those that have a right to make a proposal
Approve	Those that can Approve a decision or output
Nominate	Those that can select (with respect to a position)
Appoint	Those that can elect (with respect to a position)
Blank	Cells that are left blank mean that the founding document does not allocate a formal role in the decision process to the entity in question

	Members											WBCSD
	Governance document	Ref	Council	ExCo Chair	ExCo	ExCo Nomination & Remuneration Committee	Imperatives Advisory / CP&A Advisory / Pathway Board Co-Chairs	Imperatives Advisory/CP&A Advisory/ Pathway Board members	Project Members	Sector Project Co-Chairs	Sector Project Members	CEO
I. Appointments												
Council												
Council Members invitation	Articles of Association	4.1			Approve							Propose
ExCo												
ExCo Chair	ExCo Charter	5.2			Appoint							Nominate
ExCo Vice-chair	ExCo Charter	5.2		Nominate	Appoint							
ExCo members	ExCo Charter	3.1 a)	Appoint		Nominate	Propose						
WBCSD												
WBCSD CEO	ExCo Charter	11.1			Appoint							
WBCSD LT	ExCo Charter	11.4 a)			Consulted							Appoint
WBCSD staff	ExCo Charter	11.4 a)										Appoint
Imperatives / Pathways / CPA												
Imperatives Advisory, CP&A Advisory, Pathway Board Co-Chairs	ExCo Charter	3.1 c) and d)			Appoint			Nominate (For Pathway Boards)				Nominate (for Imperative and RV Advisory teams)
Imperatives Advisory, RV Advisory, Pathway Board Members	N/A	N/A					Appoint					Nominate
Projects												
Project Co-Chairs							Appoint		Nominate			
Project Members												Appoint
Sector Projects												
Sector Project Co-chairs	ExCo Charter	3.1 c)			Appoint						Nominate	
Sector Project Members	Sector project Char	N/A								Appoint	Nominate	Nominate
Committees												
Honorary Committee	ExCo Charter	14.4	Appoint		Nominate	Propose						
Advisory Boards members	ExCo Charter	11.4 b)	Informed		Consulted							Appoint
Assurance group members	N/A	N/A								Appoint	Nominate	Informed
II. WBCSD Strategy												
Mission statement	ExCo Charter	3.1 e)	Approve		Propose							Prepare
Strategy	ExCo Charter	3.1 f)	Approve		Propose							Prepare
Strategic partnerships	ExCo Charter	8.5)	Informed		Approve		Informed	Informed		Informed	Informed	Prepare
WBCSD performance report	ExCo Charter	3.1 f)	Informed		Approve							Prepare
III. Membership												
Membership conditions	ExCo Charter	3.1 j)	Approve		Propose							Prepare
Membership fees	ExCo Charter	3.1 i)	Approve		Propose							
Membership pool monitoring	ExCo Charter	11.4 j)										Prepare
IV. WBCSD activities												
New Programs and objectives at WBCSD level	ExCo Charter	3.1 o)			Approve							Prepare
New Projects within Imperatives, Pathways, CP&A and Education	N/A	N/A			Informed		Approve	Propose				Informed
Sector Project workplans	N/A	N/A								Approve	Propose	Prepare
Monitor Sector project delivery and impact	N/A	N/A									Approve	Prepare
V. Financial planning and reporting												
Annual budget	ExCo Charter	3.1 m)	Approve		Propose							Prepare
Sector Project budgets	ExCo Charter	11.4 r)			Approve							Prepare
External audit	ExCo Charter	11.4 s)	Approve		Consulted							Prepare
Annual report and accounts	ExCo Charter	11.4 t)	Informed		Approve							Prepare
VI. Publications and communication												
Publications												
Major publications and positions (of a policy nature) involving more than one strategic pillar (Imperatives/Pathways/CP&A/Education)	ExCo Charter	3.1 q)			Approve		Approve		Prepare		Prepare	Approve
Major publications and positions (of a policy nature) involving just one strategic pillar (Imperatives/Pathways/CP&A/Education)	Imperative Advisory/CP&A Advisory/Pathway/ Board Char	n/a			Consulted		Approve		Prepare		Prepare	Approve
Major publications (of a policy nature) by Sector projects (i.e., reports/facts and trends)	Sector Project Char	n/a			Consulted		Consulted			Approve	Prepare	Approve
Organisational publications (i.e., the Annual Review) or specific issue briefs that fall outside the subject domain of a specific strategic pillar (Imperatives/Pathways/CP&A/Education)	ExCo Charter	3.1 r)			Approve						Prepare	Prepare
Routine WBCSD publications (i.e. articles/book chapters for outside publications, case studies, workshop, educational materials)	ExCo Charter	11.4 y)										Approve
Confidentiality requirements and exclusivity rights	ExCo Charter	3.1 s)			Approve							Propose
Communication												
Media relations and reputational risks	ExCo Charter	12 bb)			Approve							Approve
Crisis management	ExCo Charter	12 cc)			Approve							Approve
VII. Structure & organisation												
Governance	ExCo Charter	2.1			Approve							Propose
Establish sub-committees	ExCo Charter	9.1			Approve							
Complaints and whistleblowing process	ExCo Charter	12			Approve							Propose

ANNEX B: Termination (including suspension) of Membership

Article 4.5 of the WBCSD Articles of Association states that:

The Executive Committee may terminate a member of its membership if, in its view and after due consultation, members do not comply with their obligations as set out in the present Articles of Association.

In any case, membership ceases:

- *upon dissolution, liquidation, bankruptcy of the Association or the relevant Member;*
- *by written resignation notified by the Member to the CEO of the WBCSD at or before the deadline indicated by the Membership Conditions in force at the time, with membership resignation taking effect as of the first day of the following year;*
- *by exclusion ordered by the Executive Committee, for just cause and for non-adherence to the conditions laid down in the Membership Conditions.*

In determining just cause for termination / suspension of membership the following should be considered to ensure that such decisions are fair, founded and consistent.

Situations that give rise to immediate termination of membership after ExCo approval:

- A member company goes into dissolution, liquidation or bankruptcy
- A member company is subject to sanctions in any country in which WBCSD has a legal entity Situations that could give rise to termination or suspension after ExCo approval:
- A member has several years of non-compliance with WBCSD membership criteria and demonstrates no willingness to comply within a defined timeframe
- A member company engages in activities and/or misconduct that is inconsistent with membership of WBCSD including non-compliance with the Articles of Association, mission and vision.
- A member company is in the opinion of WBCSD and / or other members bringing reputational damage to WBCSD

ANNEX C: Executive Committee candidate preferred profile

The preferred profile for the WBCSD Executive Committee candidates are as follows:

- Global CEO or female C-suite exceptions
- Gender balance
- Regional balance (USA, Asia)
- Sector balance (Tech, Finance, Prof Services)

All candidates reviewed by the Nomination & Remuneration Committee are to be reviewed against these criteria.

The ExCo must be informed if any of these criteria have not been met for any candidate by the Nomination & Remuneration Committee



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