

Dimension	Level 1 Focus on short term shareholder value, legal compliance and basic oversight	Level 2 Focus on long term shareholder value creation	Level 3 Implicit & informal commitment to purpose driven-multi-stakeholder model	Level 4 Explicit and disciplined approach to achieving long term sustainable success through purpose –driven multi-stakeholder approach
Board Stewardship	<ul style="list-style-type: none"> <li>Board is conscientious in fulfilling legal requirements and ensuring management discipline against plans to achieve annual financial objectives</li> </ul>	<ul style="list-style-type: none"> <li>Board practices good governance, and ensures management discipline with regard to investments that support long term competitiveness (e.g., R&amp;D, infrastructure, mission critical talent etc.).</li> </ul>	<ul style="list-style-type: none"> <li>Some board members, individually provide CEO with informal support for pursuing higher purpose and multi-stakeholder model, but the board as a whole has not explicitly discussed it or endorsed it.</li> </ul>	<ul style="list-style-type: none"> <li>Board as a whole explicitly serves as institutional conscience and source of continuity for higher purpose and values of the enterprise across multiple CEOs., even when facing strong external pressures (financial or otherwise).</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>Board strategy reviews are informational updates, focused on near term goals.</li> </ul>	<ul style="list-style-type: none"> <li>Board engages in regular, in depth reviews of multi-year firm strategy.</li> </ul>	<ul style="list-style-type: none"> <li>CEO/company drives strategy connected to shared value creation for multiple stakeholders, which the board implicitly supports.</li> </ul>	<ul style="list-style-type: none"> <li>Board engages in regular, in-depth reviews of the company's strategy and its alignment with shared value creation for multiple stakeholders, and identifies key indicators for performance across all value dimensions</li> </ul>
Performance Management	<p>Board reviews annual financial performance, and focuses on what management can do to improve financial performance with an eye to improving market capitalization (stock price).</p>	<ul style="list-style-type: none"> <li>Board holds CEO and top executives accountable for both long term as well as short term financial performance as well as quality of execution against multi-year strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Board holds CEO and top executives accountable for both long term as well as short term financial and strategic performance and reviews key initiatives that support the development of a purpose and values driven firm.</li> </ul>	<ul style="list-style-type: none"> <li>The board holds CEO and top executives accountable for achieving a range of financial and other quantifiable objectives (Balanced Score Card) in support of a multi-stakeholder Strategic Vision</li> </ul>

## Board Self-Assessment: Building and Sustaining a Higher Ambition Institution

Dimension	Level 1	Level 2	Level 3	Level 4
Community of Purpose	<ul style="list-style-type: none"> <li>Focus on short term shareholder value, legal compliance and basic oversight</li> </ul>	<ul style="list-style-type: none"> <li>Focus on long term shareholder value creation</li> </ul>	<ul style="list-style-type: none"> <li>Implicit &amp; informal commitment to purpose driven-multi-stakeholder model</li> </ul>	<ul style="list-style-type: none"> <li>Explicit and disciplined approach to achieving long term sustainable success through purpose –driven multi-stakeholder approach</li> </ul>
CEO Succession	<ul style="list-style-type: none"> <li>Board rarely reviews or discuss the culture of the organization</li> </ul>	<ul style="list-style-type: none"> <li>Board rarely reviews or discuss the culture of the organization</li> <li>Corporate culture is discussed only when problems arise- when results are not achieved or strategy is not executed.</li> </ul>	<ul style="list-style-type: none"> <li>Individual board members are concerned about corporate culture and employee engagement and its alignment with company purpose and values, but this is not an explicit topic of board discussions</li> </ul>	<ul style="list-style-type: none"> <li>The board as a group has explicitly discussed and understands how contributing to the larger good can create a culture/ community of purpose that enables sustained high performance and commitment from all stakeholders. Measures of both contribution and the health of the culture exist and they are reviewed regularly.</li> </ul>
Talent Development	<ul style="list-style-type: none"> <li>Board evaluates CEO candidates based on past business results and demonstrated leadership skills</li> </ul>	<ul style="list-style-type: none"> <li>Board evaluates CEO candidates based on past business results, demonstrated leadership skills and tests for multiyear vision</li> </ul>	<ul style="list-style-type: none"> <li>Board evaluates CEO candidates based on past business results, demonstrated leadership skills and tests for multiyear vision, favoring internal candidates with good understanding of the company's values driven higher purpose and culture</li> </ul>	<ul style="list-style-type: none"> <li>Board evaluates CEO candidates based on past business results, demonstrated leadership skills, tests for multi-year vision, favors internal candidates and <i>explicitly</i> tests for personal commitment to carry on the legacy of firm as a thriving business committed to contributing to the larger good value as well to shareholders.</li> </ul>
Talent Development	<ul style="list-style-type: none"> <li>The board is concerned about gaps in people capabilities as performance problems arise and requests reviews of plans to close them..</li> </ul>	<ul style="list-style-type: none"> <li>The board reviews the company's talent management initiatives in the context of the company's long-term strategy and, growth plans and goals for increasing shareholder value.</li> </ul>	<ul style="list-style-type: none"> <li>The board regularly reviews company's talent management initiatives, particularly the strength of the next generation of leaders, in the context of its long-term strategy and growth plans. They also <i>informally</i> assess leaders' alignment with company's values and multi-stakeholder perspective through regular interaction with key executives.</li> </ul>	<ul style="list-style-type: none"> <li>The board regularly reviews the company's talent management initiatives and regularly interacts with key executives and next generation leaders, in the context of its long-term strategy and growth plans, and their <i>explicit</i> concern that selection, development and promotion policies will produce leaders who will sustain the company's values of doing good and well.</li> </ul>

## Board Self-Assessment: Developing a High-Performing Higher Ambition Board

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Dimension	Level 1	Level 2	Level 3	Level 4
<b>Board member Selection</b>	<ul style="list-style-type: none"> <li>▪ Focus on short term shareholder value, legal compliance and basic oversight</li> </ul>	<ul style="list-style-type: none"> <li>▪ Focus on long term shareholder value creation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implicit &amp; informal commitment to purpose driven-multi-stakeholder model</li> </ul>	<ul style="list-style-type: none"> <li>▪ Explicit and disciplined approach to achieving long term sustainable success through purpose –driven multi-stakeholder approach</li> </ul>
<b>Board Evaluation</b>	<ul style="list-style-type: none"> <li>▪ Board has clear functional selection criteria for critical skill sets and perspectives needed to support current needs of the business.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Board has clear functional selection criteria for critical skill sets and perspectives needed to support current and future business strategy .</li> </ul>	<ul style="list-style-type: none"> <li>▪ The board has clear selection criteria based on current and future business challenges, and indirectly tests for candidates' fit with company values, culture and higher purpose through reference to company management practices.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The board has clear selection criteria based on current and future business challenges skills of the board, and tests for fit with company multi-stakeholder values, culture and higher purpose by explicitly referring to them and assessing candidate's commitment to them.</li> </ul>
<b>Board Evaluation</b>	<ul style="list-style-type: none"> <li>▪ The board conducts informal assessments on “how we did” with limited discussion or reflection among full board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formal, structured board evaluations process focused on fulfillment of duties and board leadership roles</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formal, structured board evaluation focuses on duties, board leadership and also implicitly considers how board behavior aligns with company values and multi-stakeholder perspective.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formal, structured board evaluation focuses on duties, board leadership and explicitly assesses how board behavior – collectively and individually - aligns with company values and a multi-stakeholder perspective</li> </ul>