

# FIVE QUESTIONS

THAT WILL BE ASKED  
OF YOUR BOARD  
THIS YEAR

BETTER  
TO ASK THEM  
YOURSELF FIRST

~ JOANNE FLINN



1

CAN YOUR BOARD **PUT A DOLLAR**  
**FIGURE** ON WHAT TRANSITION RISK  
IS COSTING YOUR COMPANY  
RIGHT NOW?

Not the sustainability report number. An actual financial exposure. If your board hasn't been asked this question yet, someone will. Sooner than you think.

2

IF A CUSTOMER WITH A TEN-YEAR CONTRACT, A LONG-TERM LENDER, OR A CORNERSTONE INVESTOR ASKED **IF YOUR BUSINESS MODEL WILL STILL BE STANDING** IN 2036, WHAT WOULD THE CONVERSATION SOUND LIKE?

What's the resilience through shifts in regulation, the impact of physical risks, and reputational considerations? Would your board walk out of that room feeling solid, or hoping the question doesn't come up again?

3

HOW CONFIDENT ARE YOU THAT YOUR ESG RATINGS REFLECT **YOUR ACTUAL TRANSITION READINESS**, AND NOT SIMPLY THE QUALITY OF YOUR REPORTING?

When we assessed over 1,000 companies across 20 stock exchanges, the correlation between the two was zero. Gold stars do not mean ready.

4

IF A REGULATOR, AN INVESTOR, OR A JOURNALIST LOOKED AT YOUR PUBLIC STATEMENTS, **WOULD THE DOTS CONNECT?**

Would there be gaps or misalignments your board would need to explain, or would prefer to have mitigated before the question arrived?

5

## WHAT ARE YOU **NOT** SEEING?

Every board has a risk framework. The risks you are not looking at are usually the ones that arrive first.

If your board can answer all five with confidence and evidence, you are ahead of almost every company we have assessed.

If not, that is not a failure. It is an exposure you can now see. If you sit on a board with someone who should be asking these questions, forward this page.

The conversation is easier when you are not the only one who has seen it.

The ClearSight Intelligence Cohort starts 25 May. A small group of senior leaders. Six weeks. The lens to answer these questions, and lead the conversation in your own boardroom.

**→ Start the conversation**

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