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THE GREEN BOOK

GUIDELINES FOR THE ROLE, STRUCTURE AND
CONDUCT OF WWF BOARDS AND THEIR MEMBERS

WWF INTERNATIONAL

JUNE 2013

ACKNOWLEDGEMENTS

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NOTE TO READERS

It is recommended that this document be disseminated to all Board members and staff, ensuring translations are made as required into national languages. It will be a “living document” as we learn more of best practices, and periodic updates will continue to be issued. In the interests of transparency, the document will also be made available to the public, and will be published on www.panda.org.

ACRONYMS

Board member	Member of WWF Boards (also includes Trustees)
CEO	Chief Executive Officer of an NO
International President	President of the Board of WWF International
NOs	WWF National Organizations
PO Representative	Chief Executive Officer of a PO
POs	WWF Programme Offices, including Country Offices and Project Offices
WWF Boards	Boards of WWF International, NOs and Associates
WWF Network	Network formed of WWF International, NOs , POs and Associates

THE GREEN BOOK

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A. INTRODUCTION

I. PURPOSE

CONTEXT, AIMS AND OBJECTIVES

This document, familiarly referred to as “The Green Book”, was first published in October 1994. It has since undergone several revisions, in line with trends in the non-profit sector and the emerging body of best practice in WWF governance. This 2013 revised edition of the Green Book has been updated with two important governance documents: the WWF Compact and WWF International Fraud & Corruption and Conflict of Interests policies.

The aim of the Green Book is to assist Boards in defining their most effective governance set-up, in line with the WWF Compact and in support of our shared goals for conservation. It defines the core roles and responsibilities of a WWF Board, its Committees, the relationship with the CEO and his or her Management Team, and describes principles of best practice.

This document is intended as advice and guidance for WWF Boards as they undertake their task of governance within the evolving WWF Network. The purpose is to share current best practice so that WWF Boards can operate in similar and parallel ways, without sacrificing their important national identity and ownership. In implementing the recommendations contained in this document WWF Boards are expected to operate in compliance with national laws and regulations; noting that the recommendations may in several places follow a best practice that goes beyond the requirements of national regulatory frameworks.

WWF Boards have the ultimate responsibility for the policies, management and finances of the specific organization they serve. This includes ensuring legal and ethical compliance, managing reputational risks, and working for cohesion and solidarity within the WWF Network.

NETWORK TEAMWORK

In order to achieve conservation at scale, no single branch of the WWF Network can operate in isolation from the rest. Diversity and cohesion are not contradictory: the activities and voice of one part have their bearing upon the whole in the eyes of the world. This gives us a huge collective responsibility and challenge, but also a huge opportunity.

WWF's structure gives a level of local ownership, national identity, market penetration, respect and influence enjoyed by no other organization in our field. Yet that very diversity, which is WWF's strength, brings with it a difference of views, opinions and approaches to the same problems which, if not managed skilfully, would undermine the advantage of such a diverse organization operating under one brand worldwide. With the threats to the world's environment taking on planetary dimensions it is more important than ever that the WWF Network is able to work truly as a global team: each branch playing to its particular strengths and niche within its territory, interlocking seamlessly with those branches outside that territory, to bring about results which are truly global in scale.

The WWF Boards, as the final level of governance, are right at the forefront of that challenge: how to remain true to the local market and identity whilst joining forces with peers around the world to achieve conservation results that one branch alone could not achieve? The effective solution to that challenge will define WWF's success, and with it the future course of the world's environment, in the coming decades. Following the recommendations for good governance set out in this Green Book will empower each WWF Board to meet this challenge.

II. WWF COMPACT

One WWF	<p><u>A Compact for Our Network</u></p> <p><u>An agreement among ourselves, in service to each other, to fulfill the potential of our network to accomplish our mission.</u></p>
Mission	<p><u>Our mission is to build a future in which people live in harmony with nature.</u></p> <p>To achieve this mission, we will work to: conserve biodiversity, the web that supports all life on Earth; reduce humanity's ecological footprint; and ensure the sustainable use of natural resources to support current and future generations.</p>
Powerful Network	<p>An independent civil society organization, organized in a global network, and devoted to the conservation of nature, we join together across many countries, unified by one mission, one brand, shared values and common priorities, to achieve major conservation impacts within a common global program framework.</p>
Innovative Solutions	<p>We engage others to deliver innovative solutions at a scale equivalent to the challenges we face, and we rely on sound science to guide our work. Our first instinct is to solve problems through constructive dialogue and non-confrontational action, but we will confront issues firmly and openly when required to do so.</p>
Integrated Approach	<p>We integrate our work across field programs, policy, markets-based initiatives, awareness-raising, and global campaigns, seeking synergy across all these efforts. And we are committed to strengthening and supporting the efforts of local and indigenous communities in caring for their own resources.</p>
Engage People	<p>We will engage, inspire and mobilize hundreds of millions of people to take action in the pursuit of our Mission. Our mandate rests with millions of supporters and we commit to expand our constituency worldwide.</p>
Powerful Partnerships	<p>Our success rests on partnerships with civil society, with governments, with public institutions, and with the private sector; relying on our own high standards and a focus on measurable outcomes. The good work of others is essential to success in our Mission.</p>
Unified Diversity	<p>We cherish the diversity within our Network but also commit to engage the world in a unified approach. Each office leads the delivery of WWF's strategy, fundraising and engagement of individuals and institutions in their country. But once we have established a global strategy or position, we speak with one voice, under one brand, and in service to each other and the whole.</p>
Nurture Talent	<p>We commit to attracting, retaining, and developing the high-performing people we need, ensuring diversity of culture and gender, fostering staff mobility across our network, particularly in those offices of greatest importance to our mission.</p>
Chart the Course	<p>We rely on an Assembly, representing all our offices, to set strategic direction and policies for our Network, with oversight from an International Board and independent boards for each national office; we also entrust a representative Network Executive Team to act on our behalf.</p>
Walk the Talk	<p>We commit ourselves to being accountable and transparent in all that we do. We will reduce our footprint and live the principles and standards we call on others to meet, and will hold each other to account for this. We design our work to maximize the impact of the resources entrusted to us, and critically evaluate the outcomes we achieve. We commit to learning from others and from ourselves.</p>

III. NETWORK DECISION MAKING

WWF NETWORK PROFILE

The WWF Network is currently composed of 30 NOs (which are independently incorporated WWF entities with their own Boards and subject to the national regulatory frameworks within which they operate), and some 20 POs (which are operating under the auspices of their respective home offices: WWF International and WWF-USA).

NETWORK DECISION-MAKING

Current decision-making structure (adopted in November 2014 by the WWF Network) is as follows:

- **The International Board:** 12 members and the International President (as 13th member and Chair) consisting of nine Board members from the Boards of National Organizations and Associate Organizations with three external representatives and an independent Chair. The International Board engages the Network, particularly colleagues on the Council, in considering NET recommendations on key issues, and setting overall strategy and priorities that can be supported by the whole Network. The International Board will continue to recognize the authority and responsibilities of National Boards.
- **The WWF Council:** all Chairpersons or Presidents of the Boards of NOs and Associate Organizations and the Vice President Emeriti.

The Council is responsible for nominating International Board members and continues to perform an advisory role to the International Board. Council members have critical skills and expertise, and influence over the agendas of National Organizations, it is therefore suggested that Council members be involved in:

- recruiting and mentoring new Council members;
- participating in ad hoc working groups on key Network matters;
- developing and embedding a Network/global citizenship culture based upon the Compact; and
- facilitating the alignment of WWF's global agenda through: (i) programmatic alignment; (ii) operational alignment; and (iii) providing peer support to Network offices facing difficulties.

- **The Assembly:** the CEOs and PO Representatives;

The Assembly appoints the two NET members in addition to those appointed by the Asia Pacific, Latin America & Caribbean, and Africa regions. The Assembly actively develops WWF's strategies, policies and initiatives through deep engagement and consultation with NET, providing critical input to strategic NET recommendations before they are submitted to the International Board for approval. The Assembly raises emerging issues and opportunities, and focuses on execution to deliver against conservation goals and Network strategies. The Assembly informs and shapes the long term agenda for NET

- **The Network Executive Team (NET):** Ten members including the Director General (Chair), consisting of: Top four contributors to the Network; and Five representatives from the Network, including one each from Africa, Asia-Pacific, Latin America & the Caribbean (based on guidelines to encourage diversity in gender and type of office). Each member of NET will have the responsibility to liaise with the other offices in the region.

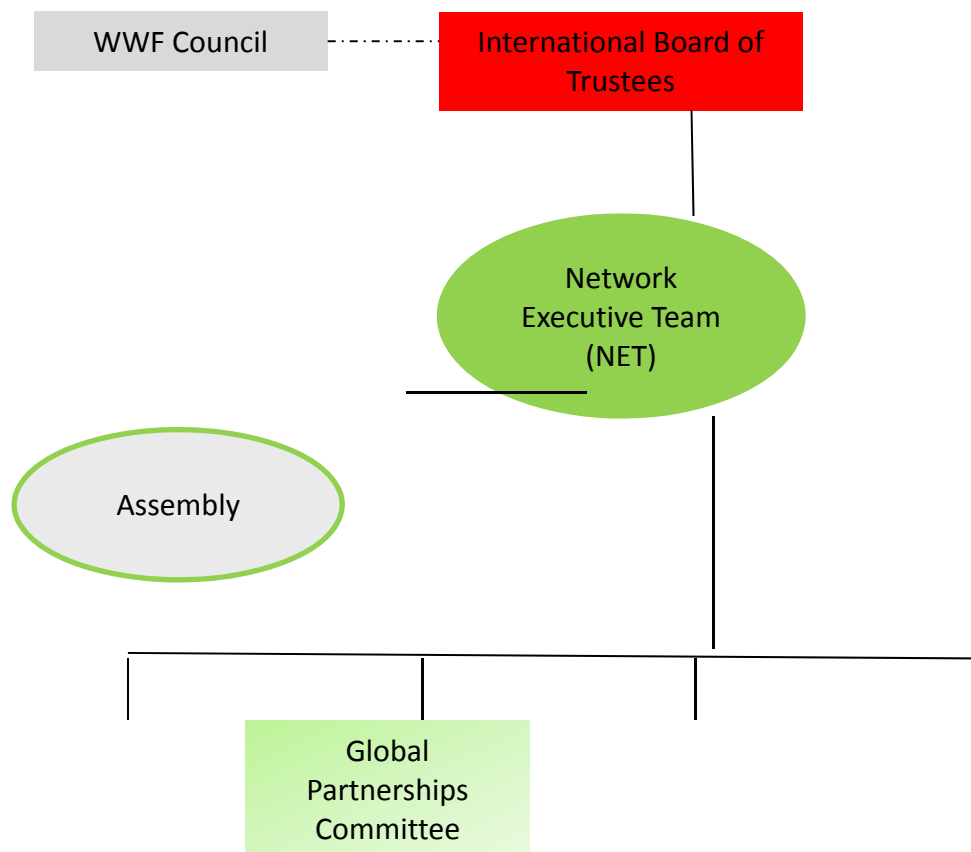
NET engages with and acts on behalf of the Network in making Network-wide decisions, including making recommendations to the International Board where required by the International Board's mandate. The NET reports to the Board on behalf of the Network on Network performance in driving delivery on conservation, growth, Network development and

brand & communications.

NET will base its decisions on deep Assembly engagement and consultation, including those issues on which it will make recommendations to the International Board.

- **The Committees:** each with members of the Assembly and other NO and PO experts.

These structures aim to give a balanced voice to all branches of the WWF Network, taking into account the relative autonomy of NOs and their own governing bodies. They are ultimately responsible to the International Board.



PROMOTING NETWORK COHESION

The NOs have a key role to play in promoting Network cohesion. As independent entities, bound to the WWF Network through the NO Agreement (which incorporates the Licensing Agreement) and the WWF Compact and also their own pledges, they have many opportunities to demonstrate their commitment to unity through:

- Constitutional documents which, in addition to adhering to their national regulatory framework, should also be consistent with shared principles of good governance and make reference to the wider WWF Network. Each NO may also choose to introduce in them language recognizing the WWF Compact.
- Participation in the Network Decision-Making, including representing the interests of their organizations and any relevant constituencies.
- Strategic plans reflecting the role of the Board in promoting Network priorities, e.g.:
 - Global Programme Framework
 - Fundraising and membership
 - Policy harmonization

- Brand reputation

- Communication of significant information from the WWF Network to all Board members.
- Serving as Board members of other NOs or of WWF International.
- Partnerships with other WWF Boards, for example via joint sessions and peer reviews.

B. ORGANIZATIONAL RECOMMENDATIONS

I. THE BOARD

ROLES AND RESPONSIBILITIES

The NOs’ constitutional documents (often referred to as its Statutes or Articles of Incorporation) set out its mission, purpose, and governance arrangements. In addition, all WWF Boards are encouraged to ensure adherence in word and practice to the good governance principles described in this document.

The Board determines the processes and procedures that will allow it to function in a transparent and effective manner. It nominates its members, and oversees the composition, independence, structure, practices and evaluation of the Board and its Committees.

The Board’s primary duty is its:

Legal responsibility. The Board ensures compliance with all applicable laws, regulations, and regulatory body requirements such as, for example, charity commission standards.

Closely related are the Board’s responsibilities for:

Financial oversight. The Board, assisted by an Audit Committee where one is in place, oversees financial procedures, as well as matters of risk, financial and fundraising performance.

Performance monitoring. The Board steers the organization based on its objectives and results, and takes corrective action as appropriate. Using the Network Key Performance Indicators (KPIs) as a guide, the Board can gauge the institution’s progress against its own objectives, as well as its contribution to Network performance.

Policy and planning. The Board adopts, and from time-to-time reviews, the policies and plans under which the organization operates. The Board also determines the extent of delegation for decision-making to its Committees and to executives of the organization.

Promoting Network Cohesion. The Board ensures that the interests of the organization are represented in the Network fora where it has a voice.

McKinsey & Company’s 2003 publication “The Dynamic Board: Lessons from High- Performing Non-Profits” identifies three core areas which foster high performance at Board level.

They are:

Shaping the strategic direction. The Board’s role is to define, and periodically revisit, a clear vision and strategy in line with the WWF Mission and the Network, and in concert with staff. It should be actively engaged in strategic planning and policy decisions.

Ensuring leadership and resources. The Board selects the CEO, ensures adequate financial resources, is responsible for the effective and efficient allocation of resources, addresses organizational needs for expertise or access, and builds reputation with important constituencies.

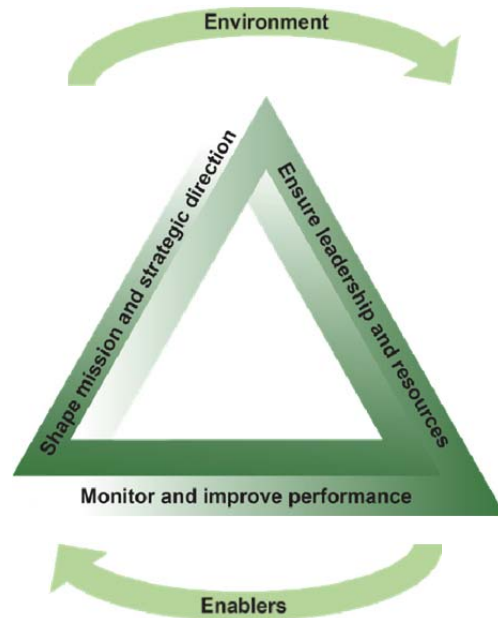
Mission / Vision and strategy

Mission : Why does the organization exist?

Vision: What does the organization want to achieve in the next 5-10 years?

Strategy: How will we achieve these goals?

Monitoring and improving performance. Part of the Board's governance function is to oversee performance – the institution's (through the CEO) and their own (using the KPIs as a guide) – and to take any appropriate corrective action. It is the institution's "performance partner".



Speak for yourself

Nothing reinforces passion and commitment to an organization more than having one of its leaders speak on its behalf. Interestingly, with this responsibility, nonprofit boards are ahead of their for-profit brethren, who are now being called upon more to play a more public role with shareholders and other stakeholders.

Can each director summarize the mission of the nonprofit, where it hopes to be in 5 years, why it is an effective agent of change? Good nonprofits provide the information that enables directors to speak on the organization's behalf

To help directors "stay in the know" they also augment standard materials with answers to topical questions that might come up in response to public events or recent press coverage

*Excerpted from "The Dynamic Board: Lessons from High-Performing Non-Profits",
McKinsey & Company*

ATTRIBUTES

Size

Boards function most effectively when they are small, e.g. between 7 and 10 members. This makes it easier to build a balance of expertise, promote full and fruitful debate, and ensure efficient conduct of business and decision-making. The preference for a smaller Board needs to be balanced with any applicable local legal requirements.

Larger Boards are encouraged to undertake an assessment of their role and functions, for example leading to the establishment of Committees and/or of transitioning some members to an advisory body which may serve an ambassadorial role but does not partake in governance.

Composition

All WWF Boards require certain key skills, in particular knowledge of conservation, financial and legal expertise, fundraising, marketing and communications, as well as general management skills.

Promoting greater diversity in its governing bodies has been stated as a goal for the Network. Diversity criteria should take into account age, gender, ethnicity, social groups and other important aspects of national demographics.

WWF Boards are also encouraged to adopt a set of minimum criteria for their members, an area developed further in the chapter “Criteria for Board Membership”.

Cross-membership among WWF Boards, as well as joint meetings and peer reviews, are encouraged as these facilitate learning and sharing of best practice.

Aspects of diversity

Many of the nonprofits we spoke with described diversity as having a board that reflects their constituency, especially in terms of race and gender. However, a properly diverse board also has the right mix of skills/expertise and access, all of which should be regularly rebalanced to meet the organization’s needs.

Excerpted from “The Dynamic Board: Lessons from High-Performing Non-Profits”, McKinsey & Company.

Quorum

Board members are expected to attend meetings in person, although occasional attendance by video conference may be acceptable. A quorum, consisting of a majority of the whole Board, including the Chairperson, is a general requirement for decision-making. As mentioned in the chapter on “Strongly Recommended”, WWF Boards should not follow practices of alternate representation and proxy voting.

Nominations

The nomination of the Chair, who is usually but not necessarily selected from among existing Board members, should be facilitated by the current Chair in consultation with WWF International.

All suitable candidates put forward for Board membership should be reviewed against a set of criteria agreed by the Board that are consistent with the guidelines for Board composition set out below. In the absence of a specialized Nominations Committee or other nomination procedure prescribed by the Chair, two other current Board members, and the CEO may review the candidates. A shortlist of candidates, who have agreed to serve if invited, may then be proposed to the Board for selection by vote.

Rotation

A significant proportion of the Board and Board Committee members should be available for re-appointment on an agreed rotational basis. Rotation fosters a regular infusion of new ideas, perspectives, and skills. However, it should be balanced with the need for continuity, to maintain institutional knowledge and to help develop a cohesive working dynamic.

It is generally the duty of the Chair, in liaison with the CEO, and with the assistance of a specialized Committee if one exists, to monitor the terms of office of Board members according to its established basis for rotation and to initiate a recruitment process for new members. It is advisable for this to take place at least a year before any vacancy needs to be filled.

Terms of office

A uniform term limit is proposed for all members of WWF Boards. Under this new term limit, a Board member may serve up to two consecutive or non-consecutive terms of four years each (the periodicity of this may be flexible but should not involve a service period exceeding 10 years). A plan for implementation is set out in the chapter entitled “Strongly Recommended”.

Decision-making

The statutory documents generally set out the decision-making procedures of the Board. All Boards are encouraged to ensure that in practice these include the circulation of decisions made by the Board, circulation and approval of Board meeting minutes, together with regular reports on the organization’s main activities by the CEO and senior staff.

Meeting frequency

Each WWF Board defines its own procedures for regular and ad hoc Board meetings, as well as required General Assembly meetings as applicable. Boards are encouraged to hold a minimum of half-day quarterly meetings as well as one full-day meeting during which they visit a project site. Annual retreats with staff for the purposes of review, planning and informal interaction are beneficial and should be instituted wherever possible. Special meetings may be requested of the Chair in writing by a minimum of three Board members or whatever the statutory requirement.

Reporting to the board

In order to monitor progress against strategic objectives and take any appropriate action, all WWF Boards should institute a practice for the CEO and the Management Team to report to the Board (and/or its appropriate Committees) in the key areas it deems necessary: e.g. income and expenditure against approved budgets, performance against targets and objectives, significant organizational changes, and any other high-impact events or results.

CRITERIA FOR BOARD MEMBERSHIP

In addition to setting goals for diversity, all WWF Boards are strongly encouraged to adopt a set of minimum criteria for their membership. Board members should collectively possess the scope of skills, experience and knowledge required for able stewardship of the organization they serve. Depending on the institution’s size and the nature of its activities, these may include:

Knowledge of conservation, and the national and international programmes which comprise WWF’s operating environment.

Skills and experience in natural sciences, governance, law, audit, financial and business management, fundraising and marketing, communication, media relations, ethics, local language skills and English. Boards which work in a multi-linguistic setting may find it useful to adopt a policy on the languages of

their business.

Advocacy skills and access to decision-makers, as well as awareness of relevant political processes, to facilitate relations with government and policy bodies, the business community and prospective partners.

Prospective candidates for membership of the Board should in addition be prepared to:

- Commit themselves to WWF's mission and the specific objectives of the organization;
- Actively participate in fundraising initiatives and make available to WWF their network of contacts;
- Disclose in writing any real or potential conflicts of interest with the objectives of WWF in line with the WWF Conflict of Interest Policy;
- Devote sufficient time and energy to WWF

Because of the importance of the WWF Boards in the Network decision-making, Board members should have the skills to fully contribute at this level as well.

ORIENTATION

All Board members should receive from their organization a briefing on its purposes, policies and structure. This orientation can be further enhanced by the development of a Board "Handbook" or "Executive Manual" for members (a copy is available from WWF International). In addition, all new Board members are invited to attend an orientation programme provided by WWF International.

II. THE CHAIR OF THE BOARD

The statutory documents will often describe the role of the Board Chairperson. Specific duties of the Chair include ensuring that:

- All Board members are fully briefed and aware of their roles and responsibilities, and actively participate in Board and Committee meetings and other Board activities.
- He or she works in partnership with the CEO, cultivating a relationship of mutual support and trust.
- Periodic evaluations are undertaken of his or her own performance, the performance of the CEO, individual Board members as well as of the Board overall, on the basis of agreed criteria. The Chair in addition should oversee succession planning for the CEO.
- All Board members are fully briefed on Network Priorities, and are kept fully informed of major developments in the Network.
- Information for meetings is received in a timely manner and is fully adequate to inform the Board members, enabling them to make the required recommendations and decisions.

TERMS OF OFFICE FOR CHAIRPERSONS

Similarly, Chairpersons may serve up to two consecutive or non-consecutive four-year terms. External candidates, as well as Board members are eligible to stand for the office of Chairperson; however, the terms of office of Chairpersons may not exceed their terms as Board members. A plan for implementation is set out in the chapter entitled “Strongly Recommended”.

III. BOARD COMMITTEES

ROLES AND RESPONSIBILITIES

Committee membership creates an incentive for Board members to make valuable contributions by applying their particular expertise to meeting organizational goals. Board Committees also serve as a liaison between the Board and organization staff undertaking activities in the same areas.

Boards may therefore choose to establish Committees on a standing or ad hoc basis, and are encouraged to do so with a view to increasing efficiency, concentrating expertise on appropriate matters, and distributing work evenly among members.

Board Committees should, however, be maintained at a number which reflects core needs, and their role should be to take over part of the preparatory work for the Board so that it can remain focussed on its essential work of exchanging views and strategic decision-making.

Key to an effective Committee are a clearly defined role and set of responsibilities, which may be set out in a Charter (for Audit Committees) or Terms of Reference (TOR). The Board may delegate certain authorities to its Committees and should review these delegations on a regular basis.

COMMITTEE CHAIRS

Committee Chairs should be appointed from among the Board membership on the basis of their technical skills, experience and leadership qualities. In support of their role, Committee Chairs should:

- Consult as necessary with the Board and other Committee Chairs, the CEO, and senior staff;
- Develop an agenda for each meeting together with the CEO and/or staff member(-s), and ensure sufficient time for discussion;
- Initiate and lead periodic Committee evaluations, in which Committee members review objectives and accomplishments and identify areas for improvement;
- Oversee Committee membership, promote rotation, and liaise closely with the Board Chair and CEO when replacing Committee members and orienting new members.

SIZE AND COMPOSITION

The ideal size of Committees will be determined by purpose, meeting frequency, and the size of the Board. For example, larger Boards may require more preparatory work be undertaken by Committees.

Committee Chairs should be members of the Board, notably in order to ensure information flow between the Committee and the Board. However, Boards may also appoint independent experts to serve on their Committees. Such external participants may be a source of future Board members.

NOMINATIONS

Committee Chairs are nominated by the Board, generally upon recommendation of or in consultation with the Board Chair and the CEO. Likewise, Committee members should be nominated in consultation with the Committee Chair, the Chair of the Board and the CEO.

Prospective Committee members will benefit from a briefing document describing the role, including how much time they will need to commit to fulfilling their new duties.

MEETING AND REPORTING

Committees should adopt procedures for meetings, including the number and nature of meetings required for the ordinary conduct of business, and for reporting their work to the Board. Meetings should ideally be held in advance of the main Board meetings, such that each Committee meeting agenda, minutes and recommendations may be circulated to all Board members in a timely fashion.

IV. THE CEO AND MANAGEMENT TEAM

ROLES AND RESPONSIBILITIES

The CEO and Management Team are responsible for managing the business of the organization, including:

Strategy and policy implementation

The CEO leads the strategic planning process under the sponsorship of the Board. He or she is responsible for supervising the implementation of agreed strategic plans, policies, programmes, and activities.

Representation and spokespersonship

The CEO normally acts as the “face and voice” of WWF on behalf of the organization, within its sphere of influence and responsibility. The Chairman speaks for the NO if and when appropriate.

Providing checks and balances

The CEO ensures there are checks and balances in organization policies and procedures such as approvals and authorizations, reviews of operating performance, security of assets and segregation of duties.

Organizational responsibility

The CEO oversees the organization’s staff and its daily operations, keeping abreast of and implementing best practice in management.

Board liaison

The CEO works together with the Chair, ensuring that adequate information is furnished to the Board in a timely, transparent manner, and that Board members are called upon to act for the organization as needed.

APPOINTMENT OF THE CEO

The Board nominates, appoints, evaluates, and if necessary, replaces the CEO. The Chairperson should monitor succession planning for the office of CEO in order to ensure continuity through whatever circumstances may arise.

It is desirable for appointments to be made on the basis of a recommendation by an ad-hoc search and selection Committee established by the Chairperson, or by a Nominations Committee if one exists. This should be done in consultation with WWF International, which shall also assist in advising on the qualities for a new CEO and on the selection.

RELATIONS WITH STAFF

Individual staff members may be invited to attend Board meetings, upon the CEO’s advice. The CEO and Chair should also create opportunities to meet informally with staff, e.g. through retreats, receptions before Board meetings, and other events.

In the conduct of day-to-day business, the CEO, Management Team and staff are employed to manage the organization, in adherence with the policies set out by the Board. The Management Team should ensure that there is a documented, transparent system for the engagement and termination of employees or consultants, as well as a system of staff performance assessment as a basis for remuneration, promotions and dismissals.

SEPARATION OF DUTIES

The roles of the Board Chairperson and the CEO may sometimes become blurred, as both bear responsibility to steer the organization towards its agreed goals. The Chair and the CEO must therefore cultivate a relationship of partnership and trust, which will in turn assist the Board in focusing on overall institutional performance rather than administrative or management matters.

The Chairperson can contribute to the relationship by holding regular meetings with the CEO, for instance through a briefing session before each Board meeting to discuss important agenda items. It is also the Chairperson’s duty to ensure the CEO has access to, and regular feedback from, the Board.

The CEO can contribute by briefing the Chair promptly when considering new initiatives, or if significant events

occur. This helps to ensure that Board members are informed internally (as opposed to through the media or other external sources) of matters of importance, and of the organization's position. Board members, including the Chairperson, should refrain from involving themselves in operational matters without the prior consent of the CEO.

C. OPERATIONAL RECOMMENDATIONS

I. PERFORMANCE REVIEWS

Each WWF Board should have a mechanism for regularly evaluating its own performance. Meaningful evaluation should encompass an assessment of the effectiveness of the Board as a whole, its Committees, individual members, the CEO and staff.

Boards may choose to perform self-assessments on the basis of their own criteria or by using an existing framework. Board assessments may also be conducted by external experts retained by the Board, or through a “second-party” WWF peer review.

Boards are encouraged to develop indicators of their own performance and to annually review these together with the Network Key Performance Indicator (KPI) results for their organization.

The Board should make arrangements for the regular appraisal and personal development of the CEO. This may be carried out by the Chair, another trustee, the Board as a whole, or an external resource.

Annual performance assessments of operational staff are the duty of the CEO and Management Team.

See Annex 9 for examples of performance review tools.

II. FINANCIAL STEWARDSHIP AND TRANSPARENCY

AUDIT

The Board is responsible for ensuring financial accountability including overseeing the budget process, approving the final budget, and ensuring that financial statements are prepared according to applicable audit requirements. All WWF Boards are expected to establish an adequate and accessible reserve fund in accordance with Network standards, in order to reduce problems resulting from a severe downturn in income.

Interim financial statements should be prepared quarterly and provided by the CEO to the Treasurer and members of a Board Audit or Finance Committee. In the absence of an Audit or Finance Committee, all Board members should receive these reports.

Financial statements and other non-financial information such as supporters or staff numbers, should also be sent annually (or bi-annually depending on the Network analytical needs) to the team in charge of the Network performance analysis. Offices data are be consolidated at Network level and e-published in the annual Worldwide Overview report together with offices individual performance against as set of key performance indicators (KPIs). Together with quantitative data, offices should also provide a text analysis for each key performance indicator explaining the drivers behind the results and their strategy to achieve their targets. A one-page note from the Chairperson summarizing the office's annual key highlights and the focus for the coming year should also be submitted. Timeline for the full submission (data, text) is usually between July-August of each year.

AUDIT COMMITTEE

The role of the Audit Committee is to support the Board in meeting its responsibilities of financial governance and efficient, effective use of public funds.

Audit Committee members, appointed by the Board, must understand the organization's objectives, structure and culture, as well as the legal context within which the Committee operates. The Audit Committee should corporately possess knowledge and skills in accounting, audit and risk management, and technical issues relevant to the organization's management.

It is desirable for at least one Audit Committee member to be an independent external member appointed by the Board. And, at least one Audit Committee member should be a qualified accountant and/or auditor.

APPOINTMENT OF THE EXTERNAL AUDITOR

WWF Boards arrange for the external audit of the organization's annual financial statements. It is recommended that this be entrusted to an independent, reputable auditor duly qualified under local legislation to perform company audits (not by a volunteer Board member).

The process for appointing the external auditor should be a matter of record. It is also common practice for Boards to disclose they have confidence the external auditors are independent and that their competency and integrity have not been compromised in any way. The Board may delegate these duties to the Audit Committee.

Where there are no legal requirements for audit partner rotation and the current duration of the appointment of the current auditor, the Board may consider having such a policy.

INTERNAL AUDIT FUNCTION

In organizations where an Internal Audit function does not already exist, the Board and CEO should consider establishing one if the size, complexity, and/or risk exposure of operations justifies this. The scope of work and responsibilities of the function should be defined in conjunction with the Audit Committee.

Internal audit functions are accountable to the Management Team but also report independently to the Board, generally through the Audit Committee. They are typically subject to periodic quality review.

RISK MANAGEMENT

Like all organizations, WWF may face risks in the areas of finance, operations, or reputation. The Board should monitor risks at its level and take action to mitigate them.

In general the Board should apply prudence to avoid undertaking activities which might place at undue risk the organization, its stakeholders, assets or reputation. The Board must exercise special care when investing the organization's funds, or when borrowing funds for it to use.

DISCLOSURE

Boards should make every effort to ensure that the people and groups who have a legitimate interest in the organization's work – its "stakeholders" – also have a clear understanding of the Board's role; are informed of developments which may affect them; and can state their views. Stakeholders include, *inter alia*, staff, donors, members, volunteers, partners, beneficiaries, regulators and other government bodies. Within the Network, disclosure also applies to providing data used to compile Network financial analyses and KPIs.

If applicable, Boards should disclose specific information regarding current or future establishment of other entities by their organization, existing or future investment policies and practices, ownership and control of funds, reserves of cash or other assets.

ASSET MANAGEMENT AND INVESTMENT

The Board should be aware of the organization's principal assets, and the arrangements regarding management of and responsibility for them. The Board's policies should encompass the strategic use of funds, and when possible the practice of ethical investments, so that financial income is maximized while avoiding investments which may conflict with WWF's mission and goals. The Board should keep itself informed, with the help of the CEO, of the current investment policies and guidelines of the WWF Network.

DEFRAYMENT

Board members, including the Chairperson, serve in a voluntary capacity as a charitable contribution to conservation and are not remunerated. Expenses to attend meetings may be covered in whole or in part by the organization, usually to help ensure attendance at Board meetings of members with specific expertise and modest means.

III. ETHICS AND COMPLIANCE

COMPLIANCE

One of the Board's core responsibilities is to ensure that the organization complies with its own statutory documents, relevant laws, and the requirements of any regulatory bodies. Some Boards choose to formalize this further through adoption of a Code of Conduct, containing principles to safeguard WWF's good name, reputation, and core and brand values.

In the absence of a Code of Conduct and insofar as compatible with any local requirements, in order to ensure good governance across the WWF Network, Board members and, where applicable, honorary officers are expected to act in accordance with the following governance guidelines:

- Observe a high standard of ethics consistent with the WWF Compact, WWF Mission and Brand values;
- Represent WWF, informally and formally to other associations, societies, government officials, donors and potential donors, members and business representatives, in such a way as to preserve and enhance the good reputation of the organization and safeguard WWF's good name and brand;
- Comply with the WWF Conflict of Interest Policy, as implemented by their respective NO from time to time (see more guidance on conflict of interest below).

ANTI-CORRUPTION AND ANTI-FRAUD

WWF Boards are responsible for ensuring that the WWF International Fraud/Corruption Prevention and Investigation Policy (see Annex 7) is effectively communicated to the Board Members as well as to all staff and contractors, and that appropriate measures are implemented to monitor compliance, to receive concerns related to fraud and corruption, and to investigate and enforce appropriately.

CONFLICT OF INTEREST

One of the Board's primary responsibilities is to protect WWF's good name and reputation.

It is accepted and acknowledged that Board Members have business interests other than those of WWF. Indeed, experience with other organizations and businesses is valued and enriches Board members' contribution to WWF. Nevertheless Board Members have a duty to avoid situations where there may be a potential conflict of interests as conflicts can inhibit free discussion, result in decisions or actions which are not in the interests of WWF or risk leaving the impression that WWF has acted improperly. A conflict of interest may be defined as an interest that might affect, or might reasonably appear likely to affect, the judgment or conduct of an individual associated with WWF.

Obvious examples when a conflict of interest is likely to arise are:

- where a Board member has major and overt political involvement with political parties or holds any executive or administrative role in government;
- where a Board member has a material business or financial interest in any third party dealing with WWF;
- where a Board member holds office, serves on a Board, participates in management, or is employed by any third party dealing with WWF;

Board Members and honorary officers, (where appropriate) are expected to comply with the WWF International Conflict of Interest Policy (See Annex 7 of the Green Book Annexes) as implemented by their respective National Organization in line with any local requirements. The aim of the Conflict of Interest Policy is to protect both WWF and the individuals involved from any appearance of impropriety. Conflicts of interests are quite common and only constitute a problem if they are not declared and the person not declaring them is deriving and advantage, financial

or otherwise.

Under the WWF International Conflict of Interest Policy, Board members are therefore required to make regular disclosures through, at a minimum, annual forms reporting on their activities outside WWF (business and professional activities, civil society and scientific activities, government and public sector activities). See Annex 7 of the Green Book Annexes for a sample disclosure form. The obligation to disclose any potential conflict of interests is an ongoing obligation of Board members and annual disclosure of relationships and potential conflicts does not relieve Board members of their obligation to raise a particular potential conflict when it arises.

WWF Boards should define a suitable procedure for dealing with conflict of interest situations involving Board members (and honorary officers where appropriate). It is common practice for disclosures of conflict of interests to be referred to the Chair of the Board.

SEGREGATION OF DUTIES

The Board should satisfy itself that there is adequate segregation of duties within the organization as a safeguard against errors and oversight, as well as deliberate manipulation or abuse. This implies for example the separation of those responsibilities or duties which, if combined, would enable one person to record and process a complete transaction.

IV. FUNDRAISING

All WWF organizations which raise funds are encouraged to set their goals with a view to supporting Network targets for fundraising, membership, and overall financial and conservation performance.

Although fundraising activities are coordinated by the CEO and his or her fundraising staff, the Board should play a vital role by “opening doors”, providing access and advice via their personal networks. This can be done through a Fundraising Committee, as well as by individual Board members, who often have both the visibility and relationships to solicit significant support.

In conjunction with the CEO and relevant staff, the Board should commit to a fundraising plan with targets set according to institutional and programmatic needs, and regularly review progress.

In addition, WWF Board members are encouraged to:

- Join WWF as members or regular supporters;
- Provide contacts for fundraising activities and assist staff in obtaining contributions;
- Consider further ways to support WWF, for example through a bequest, legacy or donation.

V. COMMUNICATION

To achieve its mission and goals, WWF needs to position itself positively, build its relations with existing supporters, and reach new audiences through ambitious and inspirational communication.

WWF Boards have a role to play by:

- Periodically validating that the organization's communication objectives are underpinned by a communication plan which is integrated with the fundraising and conservation plans;
- Ensuring that promotion of WWF's name and trademarks features consistent use and application of WWF's Brand Values as set out in the WWF Brand Book and the National Organization's obligations to WWF International set out in their respective National Organization's Agreement;
- Informing itself of the results of surveys to measure public perceptions of WWF and its work.

The CEO is the organization's primary spokesperson; however, an articulate well-informed Board can assist greatly, whether in times of crisis, or in launching major fundraising campaigns and celebrating key achievements.

D. STRONGLY RECOMMENDED CLAUSES

At its May 2008 meeting, the WWF International Board endorsed the following principles and strongly recommends their adoption by every WWF Board. A WWF Board which feels it is unable to comply with any of these clauses is requested to provide an explanation (comply or explain).

Terms of Office of members of WWF Boards

Term limits should be set for all members of WWF Boards. It is recommended that a Board member may serve up to two consecutive or non-consecutive terms of four years each; however this can be amended (e.g. 3 x 3 year terms) if more locally appropriate, provided the total service period does not exceed 10 years, at which point members should leave the Board. After a minimum full term of absence, a past Board member may be re-invited to serve but this option should be used with great caution, and only where there is an essential business case, it should not be used as an instrument of politeness.

Implementation:

- All serving Board members who entered under a different regime and have served no more than two years are eligible to serve up to two further consecutive or non- consecutive terms of office of four years each. Board members who have served more than two years are eligible to serve one further four-year term, provided their total tenure on the Board does not exceed ten years;
- All incoming Board members are eligible to serve up to two consecutive or non-consecutive terms of four years each.

Terms of Office of WWF Chairpersons

Similarly, Chairpersons may serve up to two consecutive or non-consecutive four-year terms. External candidates, as well as Board members are eligible to stand for the office of Chairperson. The terms of office of Chairpersons may not exceed their terms as Board members.

Implementation:

- All Board Chairpersons who entered under a different regime and have served no more than two years are eligible to serve up to two further consecutive or non- consecutive terms of office of four years each. Board Chairpersons who have served more than two years are eligible to serve one further four-year term, provided their total tenure on the Board does not exceed ten years.

Proxyvoting

Proxyvoting should be discontinued, consistent with the Statutes and by-laws of WWF International and the International Board.

Implementation:

- Boards which currently allow proxy voting are requested to make appropriate arrangements to discontinue this practice. The International Secretariat, through the Office of the Director-General and Director of Network Relations, shall provide any assistance required.

Board Composition, Rotation and Membership Criteria

All WWF Boards are requested to adopt a basis for rotation of their membership, as well as for planning the succession of the roles of Chairperson and CEO.

To promote diversity at the highest levels of the Network, WWF Boards are requested to adopt goals for diversity in their composition, adequately reflecting national demographics.

All WWF Boards should adopt a set of minimum criteria for their membership. The names of new Board members should be provided to the Office of the Director General so that they may receive a letter of welcome and invitation to

attend the orientation offered by WWF International.

Board Evaluation and Audit

All WWF Boards are strongly encouraged to undertake periodic assessments of their role and structure and to thereafter adopt a plan for regular performance review. The form of assessment is left to their discretion; however, all Chairpersons are invited to communicate their plans for the assessment, and its outcomes, to the International Secretariat, which can also provide advice, guidance, and facilitation.

All WWF Boards are requested to document and make available for consultation their arrangements for External Audit. Where the office of Treasurer exists, those Boards whose Treasurer also serves as Chair of the Audit Committee, should consider whether there is adequate separation of duties, and take any appropriate action.

The 2013 English version of The Green Book shall be sent to all Chairpersons to WWF Boards and Associates and CEOs, and shall be made available on the OneWWF and panda.org websites.

Each Board or organization which makes a translation of The Green Book is requested to provide a copy to WWF International for the purpose of making them available to others who may benefit from them.

E. FURTHER READING

The following publications are recommended sources of additional information which can assist WWF Boards and their members to further develop effective roles and structures within their organizations.

Public documents:

Statutes and By-Laws of WWF–World Wide Fund for Nature, ratified by the International Board 29 October 1993 and updated on 13 December 2009

Membership of the WWF International Board of Trustees

WWF Annual Review

Global Programme Framework

Global Initiatives Prospecti

WWF Compact

Internal documents:

WWF National Organization Agreement, approved by the International Board 27 June 1996 WWF Licensing Agreement

World Wide Overview

WWF Brand Book

WWF Network Standards

All the above titles are available through:

Kay Richiger

Manager Governance, International Board and Council Relations

WWF International

Avenue du Mont-Blanc

1196 Gland, Switzerland

Contact: krichiger@wwfint.org

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