



**Beyond Governance**

Creating clarity, improving business

**DECISION**  
MAGAZINE



# The Responsible Business

## **The Role of Governance**

### **A meeting with Graeme Purdy**

*Chief Executive*

*Ilika plc*

Extract from a DECISION magazine report commissioned by Beyond Governance

# Introduction

What we are experiencing could be described as the business equivalent of the perfect storm.

The convergence of a new generation with a distinctive mindset, the sudden realisation and acceptance that the environment clock really is now counting down, coupled with the dramatic increase in the pace of technological advances, and the impact of Covid-19 which has been to fast-forward change.

As a consequence, are we having to re-evaluate the purpose of a company its priorities, indeed the role of governance?

So how would we now define what constitutes a responsible company – and who should it be responsible to?

Arguably, being a responsible business provides the foundation for sustainability, innovation, productivity, because it establishes a culture which has the required mind-set. But what are key characteristics, and how might they change over time?

For a digital book co-commissioned by Beyond Governance, to be published by DECISION magazine, directors from across generations and market sectors share their thoughts.

This is one of the interviews to be included.

# Graeme Purdy Chief Executive Ilika plc

“When the company was formed some twenty years ago, governance was largely about managing risk. Our perspective today is that governance continues to be about managing risk because it allows us to take a balanced view of what we should be doing as a business.

“But it also enables us to avoid being blindsided, because governance now takes into account and keeps our focus on the needs and expectations of all our stakeholders and our responsibilities to them. In turn, that helps to maintain stability.”

AIM-listed Ilika plc, an authority in developing and then the subsequent manufacture of solid state battery intellectual property. And he turns to delve into the files to provide empirical evidence of how governance has evolved in a timeframe usually ascribed to the rapid advance of the company’s technology.

“If we go back to our annual report of just five years ago, the section on governance was very light to touch compared to 2023 when five pages were devoted to ESG and another three

on corporate governance,” he explains. “That greater emphasis comes from realising the importance of taking the opportunity to demonstrate what progress the company is making. It’s about presenting what is happening in reality rather than just theory.

“The very basis of our company is that we make a contribution to the future and welfare of society, enabling the function and performance of medical devices and electric vehicles to be improved, to give just two examples, while at the same time reducing their environmental cost.

“So I don’t think there can be a divergence of purpose, culture and governance – they have to be in lock step. If there is any difference, it is likely to immediately lead to inefficiencies in an organisation, and management needs to really demonstrate that it respects the culture and adheres to it.

“I believe a culture of intrinsic motivation means people can develop competences to be the best they can, to be more autonomous in how they reach the required outcome, without the need to constantly have to ask questions all the time.

“For that to happen, the company has to provide feedback, making sure it recognises a great job done and if something isn’t quite right, the time for a discussion on how to improve.

“It comes down to having a mantra of looking to do things a little bit better each day.



*Graeme Purdy*

“Governance really is the umbrella of a company’s guiding principles. It’s a framework to refer to for guidance to make critical decisions as to how to steer the business when there are strategic options. That framework means a company can identify consequences and can apply the framework to navigate and avoid the shoals which otherwise could be barriers.

“That should equate to ‘good culture equals good governance equals a profitable sustainable business’.

“Like values, the governance piece has to be authentic. Earlier in 2023 we set up our ESG committee which includes representation from the board and management to further weave sustainability and social practices into all of our business activities.

“We publish as part of our ESG reporting an ESG statement, which is complementary to a set of values, and we completed

our first materiality matrix in 2023 to formally rank the topics with the biggest impact of highest importance to stakeholders.

“So governance should also mean a company won’t be distracted by things which don’t add value to its stakeholders.”

“What has intensified interest is the digital platform where we hold live ‘Investor meet Company’ events, because the presentations and subsequent opportunity for questioning encourages engagement.

“That interest in sustainability is stronger from our tier one and OEM customer base because it’s normal for them to raise questions on the subject because they have to be satisfied we are at least in line with their own governance.

“And what is also going to be increasingly essential as a consequence is that a company has to ensure it is choosing the right suppliers. If they aren’t going to be able to comply with what has to be in your digital product passport, that in itself is going to be a problem, because in the future, it means it will be harder to sell to customers.

“With new materials sourced from different locations than hitherto, that’s not so straightforward, even in an age of copious data. It is more difficult to identify how in the supply chain in remote companies is treating employees or behaving in a way which our regulations would require.

“Artesian cobalt mines in the Congo, for example, can have a poor safety record, and there has been evidence of child labour, so when we purchase the material we need to dig deeper as it were to make sure that not only are the mining companies’ disclosures accurate, but there is re-investment in local communities so for example, people there are getting an education.

“A compliance certificate will give us some comfort that this has all been taken into account.”

According to Purdy, “governance and accreditations are complimentary because unless a quality mentality is built into an organisation, so everyone thinks about it in their every day jobs, much of what we have talked about here is impossible to implement.

“Accreditations and governance codes provide a high level set of principles to follow, and the task for companies is making them specific to their business, understanding what they mean to them as an organisation.

“If you want an analogy for governance, it’s that without a driving licence, you’re going to be a bit of a hazard on the road. But passing your driving test isn’t enough. It doesn’t mean you’re going to automatically and consistently comply with the Highway Code, that you take into account risk and factor that into decisions you make behind the wheel.”

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Beyond Governance is a multi award-winning full service consultancy that collaborates with the c-suite, chair, board and investors to unlock value, resulting in increased shareholder and stakeholder confidence, increased share prices and achievement of business objectives.

Our three distinct service offerings, are dedicated to addressing the most critical issues and opportunities facing our clients. Our strength lies in creating value that transcends traditional boundaries and connects the silo'd elements within organisations.

Our Boardroom Advisory team specialises in strategy, organisational design, operational efficiency, technology integration, transformation initiatives, digital strategies and analytics, corporate finance and mergers & acquisitions as well as sustainability.

Our CoSec-on-demand group works with governance and secretariat teams to support them on a project basis, working with them on governance frameworks, subsidiary management, software audits, entity rationalisation as well as joining their risk registers to provide emergency cover, all done outside of IR35.

Our Training teams works with institutions big and small to help narrow the gap between theory and day-to-day practice. Industry experts had expressed concerns regarding the future outlook of the governance profession, and we felt we could help address these needs by sharing our experiences. Our training clients include members of the Big 4 and FTSE.

In 2020, Beyond Governance became the UK's first certified B-Corp consultancy in its sector.



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*The interview with Graeme Purdy was  
undertaken with Erika Eliasson-Norris,  
Chief Executive, Beyond Governance*



## **About DECISION magazine**

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of business owners and directors responsible for businesses with a turnover of £5million and above across the south of England and London.

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