Picking up the pace

Corporate Governance Survey 2022 - Trinidad and Tobago

Content

A message from our ESG Leader

Our world is changing faster than ever before and is increasingly fraught with challenges. Back in 2019, when we published our Global Crisis Survey, business leaders did not anticipate a global pandemic as among the list of potential crises. Fast forward to 2022, the COVID-19 pandemic has posed an unprecedented public health emergency, with lasting global implications. In Trinidad and Tobago, this has amplified existing issues including ongoing economic recession, energy production cuts and price shocks. The inevitability and unpredictability of disruption have never been more clear and businesses that prioritise and invest in building a foundation of resilience will be better positioned to weather what comes next. There's no going back to where we were before the pandemic - public attitudes and business realities have undergone an irrevocable shift. Recovery will be challenging and the agility and resilience of our organisations will continue to be put to the test.

Business has a role to play

According to the Edelman Trust Barometer 2022 business now leads NGOs, government and the media as people's only trusted institution. They are looking to companies to get involved in social and environmental issues in a new and more purposeful way.

Many investors now look at environmental, social and governance (ESG) performance as closely as financial returns when judging where to commit their funds and the market scrutiny is set to be reinforced by the development of a global IFRS reporting framework for ESG to run alongside statutory financial returns. Other stakeholders, such as consumers and employees are gravitating towards green and socially-conscious organisations and a standout record on ESG could also help organisations to become a magnet for talent and customers.

Amidst the growing concerns, the question of how we refocus and align our business objectives to create a more sustainable and inclusive future is a common thread which suggests an urgent need for us to create value, as defined by our stakeholders.

This year's Corporate Governance Survey looks at whether organisations in Trinidad and Tobago are making the connection between the impact of ESG risks and opportunities, how they may need to change to respond and whether the pace of change is fast enough. Our public and private sector boards and the management teams they oversee have an important role to play in setting the pace of change and leading the way in driving accountability and trust for the benefit of all stakeholders.

The change will call for the resetting of strategies to more comprehensively address all that we consider to be of value.

Boards now need to view strategy, and the company, in a larger context—including the macro trends impacting stakeholders, businesses and the world—ensuring these issues are intricately woven into the fabric of a company's strategy and ultimately, positively affecting how it is valued. How resilient, adaptable and agile are our organisations and how are they managing these new realities? Answering these questions, and others, is the reason that the feedback received from our directors is invaluable at this critical juncture, allowing us to assess where we are and what our next steps should be. Where we go from here, and how quickly we change and adapt to our new world, will undoubtedly determine our collective future.

Tonika Wilson-Gabriel
ESG Leader
PwC Trinidad and Tobago

Introduction: The world has changed. Are we keeping pace in Trinidad and Tobago?

Welcome to **PwC Trinidad and Tobago's Corporate Governance Survey 2022: *Picking up the pace*** - our exploration of boardroom readiness for a changing world. The survey gauges the views of public and private sector board directors for listed and unlisted entities in Trinidad and Tobago on corporate governance and ESG matters. It provides insights into the areas of progress and where decisive action is needed now.

We asked directors important questions to help determine what level of discussion is happening in our boardrooms on key governance decisions, and what steps our boards are taking to determine how environmental and social issues can be interwoven into their overall strategic decisions. The feedback suggests that our directors are very aware of the need to have these discussions, the need to focus on more than purely economic results, because as important as these are, financial results alone no longer determine the value of an entity. Our boards will need to think in a more integrated manner to be effective.

What's driving the discourse? COVID-19 has brought our vulnerability to health, economic and environmental crises into sharp focus.

From water shortages to worsening hurricane seasons and the sargassum influx, we have faced the impact of climate change first-hand. As a result, people want action, from safeguarding our environment to tackling inequality and discrimination - and they expect businesses to be part of the solution.

Are Trinidad and Tobago organisations living up to their stakeholders' expectations? To find out, we surveyed 47 directors from private and public sector organisations. The results offer fascinating insights into progress, emerging challenges and how to bring governance up to date.

What comes through strongly from the findings is the need to go further and faster in embracing real change. The intention is there. For example, nearly all of the directors in our survey believe that companies should have a social purpose. More than 9 in 10 believe that companies should be doing more to promote gender and racial diversity in the workplace. Despite this, whether it's board diversity, building ESG into strategy and risk management or a host of other issues, few are turning intention into action.

So how can your organisation get ahead? To help chart the way forward, we conclude with a five-point action plan for governance in this new world. The action plan aims to help you live up to stakeholder expectations, manage strategic risks and deliver on your purpose. The priorities not only include modifications to the boardroom agenda, but speak to a more fundamental shift in the make-up and mindset of our corporate community.

We would like to thank all the directors who contributed to the survey for their time and insight. If there are any areas of this report you would like to discuss, please feel free to get in touch.

Snapshot

Boards are connecting ESG to strategy but may not fully understand the risks

Approximately 6 in 10 directors reported that ESG issues are linked to the company's strategy and are a part of the board's enterprise risk management discussions. However, more than half feel that there's still not enough board attention placed on ESG issues and just 11% feel that their board understands material ESG risks very well.

Directors want boards refreshed

More than half of the directors interviewed are of the view that at least 1 board member needs to be replaced, and nearly 40% would replace two or more.

Diversity is welcomed but not sufficiently embraced

All of the directors we surveyed agree that diversity brings unique perspectives to the boardroom and on average 9 in 10 agree that it enhances board and company performance, improves strategy and risk oversight and strengthens relationships with investors. Yet 43% reported that their boards have not taken any action to strengthen diversity over the past two years.

38%

would replace two or more fellow directors.

Snapshot

47% reported that their board had an assessment done in the last year

51% support incentive plans

Directors say there is room for improvement on board assessments

Nearly half of the directors surveyed reported having done a board assessment in the last 12 months, of which more than two-thirds were self assessments. When asked about self assessments, less than half believe the process is effective.

Executive management and compensation needs a second look

With respect to executive pay, two thirds of directors surveyed feel that performance targets are too easy to achieve and only slightly less believe that compensation committees are too willing to approve overly generous packages/incentives.

Key findings:
The view from the boardroom

In this section of the report, we present a summary of the key findings of the survey according to the themes we explored. **How are directors responding?**

Note: As a result of rounding percentages, some response totals may not add up to 100%.
Some questions allowed respondents to select more than one option.
Not all respondents answered all questions

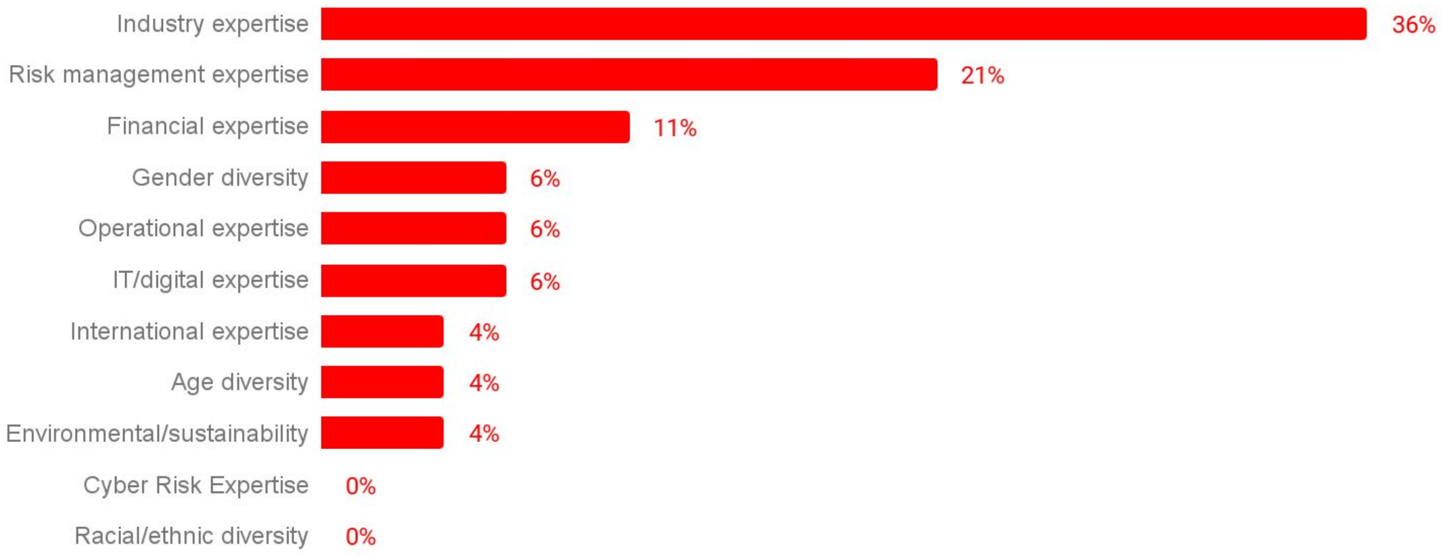
Board composition and diversity

The world has changed and boards need to change with it. Diverse boards bring a breadth of experience and freshness of perspective that are critical at a time of shifting stakeholder expectations and accelerating social and economic change. They are also less susceptible to groupthink and more ready to challenge assumptions.

The directors in our survey agree; all who took our survey are of the belief that board diversity brings unique perspectives to the boardroom. Yet, most would prioritise industry expertise (36%), risk management expertise (21%) and financial expertise (11%) when recruiting a new director. Gender and age diversity are among the least prioritised attributes at only 6% and 4% respectively, and racial/ethnic diversity was not a consideration for any of the directors in our survey.

Figure 1
Most important factors in director search and selection

When your board recruits its next director, what is the single most important attribute your board will prioritise in the search?



Whether considering a more diverse board or not, more than half of the directors in our survey believe that their board needs refreshing. 55.3% of the directors surveyed believe that at least 1 board member should be replaced and nearly 40% are of the opinion that two or more board members need to be replaced.

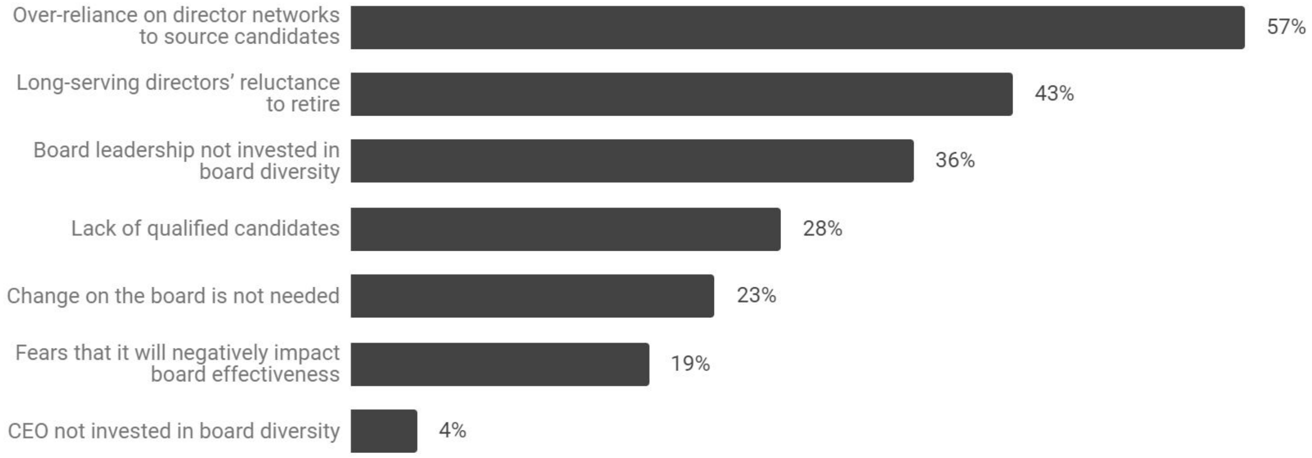
What's driving this? Directors reported concerns over a reluctance to challenge management (19%) and board members overstepping their oversight role (21%), which may suggest that some boards are in danger of becoming stale and complacent. 17% see a decrease in performance as a result of age or lack of expertise/skills needed and 15% of respondents indicated that board members are consistently unprepared for meetings and that their interaction style negatively impacts board dynamics.

Notwithstanding, it would appear that boards still prefer to recruit directors with similar attributes and backgrounds as their own and hence new members still largely come from the same narrow networks and skill sets. Directors acknowledged an 'over-reliance on executive networks to source candidates' as the top impediment to increasing board diversity (57%). The second highest obstacle to board diversity is 'long-serving directors' reluctance to retire' (43%). 36% of the interviewees are of the belief that board leadership is not invested in board diversity, whereas 4% are of the view that the CEO is not invested in board diversity. There needs to be more discussion around how this 'sticking to who you know' mindset can limit the potential of the boards' decision making capabilities. Taking action such as revising by-laws and the board's manual of authorities to better control areas such as director tenure and succession would be a solid starting point from a governance framework perspective.

Figure 2

Board diversity obstacles

In your opinion, what has impeded efforts to increase board diversity in general (i.e., why haven't boards become diverse more quickly)?

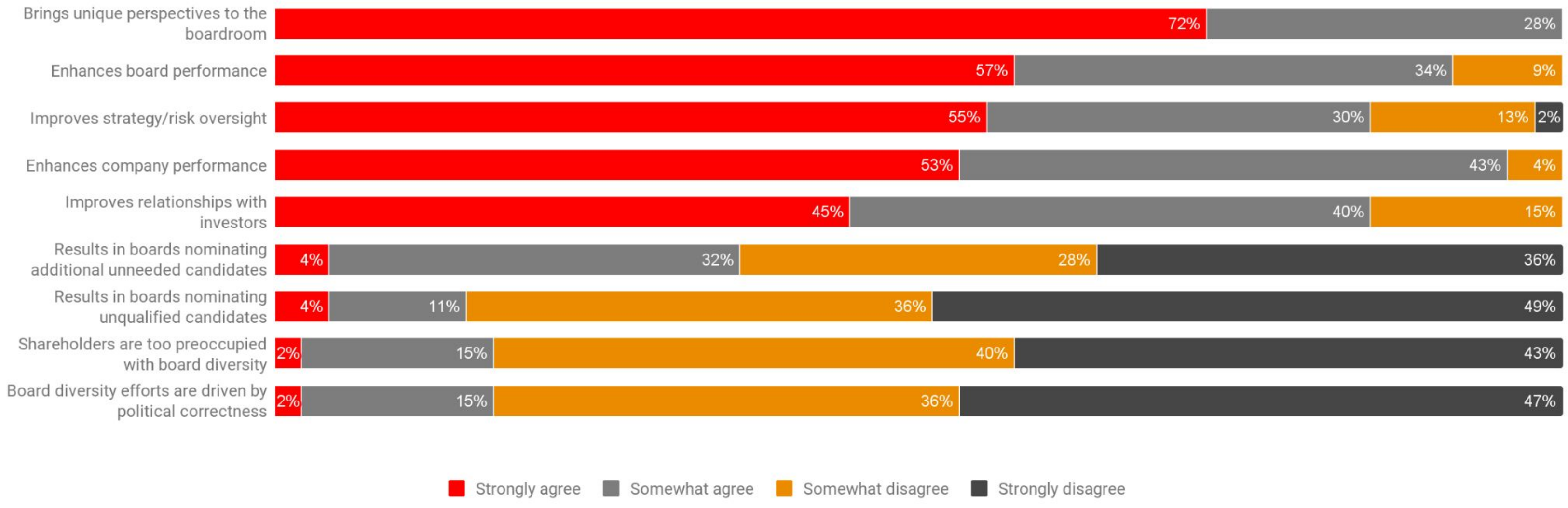


While it is commendable that 45% of the boards have replaced a retiring director with a director who increases the board's diversity, it's clear that we still have a long way to go. The **succession framework** would need to do more than just require that new directors come from diverse backgrounds. There is an urgent need to change the tone in boardrooms and have more focused conversations on the pillar of effective governance and ensuring that the infrastructure and culture of the organisation promote these fundamentals. Investing in board training to raise awareness of unconscious bias and other boardroom dynamics that can have a long-term positive impact on the board's diversity and inclusion investment and overall performance.

It is clear that directors appreciate, at least in theory, the benefits that a diversified board offers. However, a firm commitment and action to ensure that diversity is being integrated into the governance framework as a key priority is lacking. In fact, 43% have taken no action in the past 2 years as it relates to board diversity and only 4% disclosed information about board diversity on the company's proxy statement. Alternative and diverse perspectives are needed in the boardroom to properly understand and respond to shifts in stakeholder expectations and determinants of sustainable value.

Figure 3
Areas in need of more oversight

To what extent do you agree with the following statements about board diversity?



Board practices

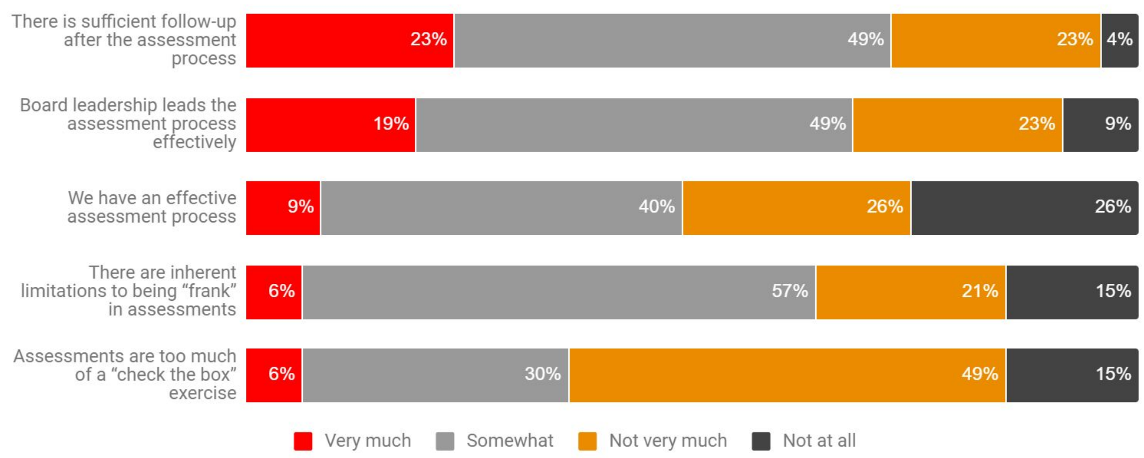
Let's be frank

Assessments allow for boards to remain learning boards, and a well-executed boardroom assessment can help provide real insights into how effectively directors carry out their duties and work with one another. If carried out properly, the assessment should identify opportunities for growth and actionable improvements and should be a requisite before reappointment. Too often though, board assessments are considered a compliance exercise that adds little value, especially as many feel there are inherent limitations to being "frank" in assessments.

Figure 4

The effectiveness of self assessments

Regarding board committee self-assessments, to what extent do you believe the following?



Less than 50% of the directors in our survey reported that their board had an assessment done in the last year and of these, nearly 3 in 4 indicated that these were self assessments. Reflection and true assessment, benchmarking and determination of elements of best practice can be beneficial to the board, in the same way that performance appraisals are for employees, but can rarely be achieved without an independent evaluation.

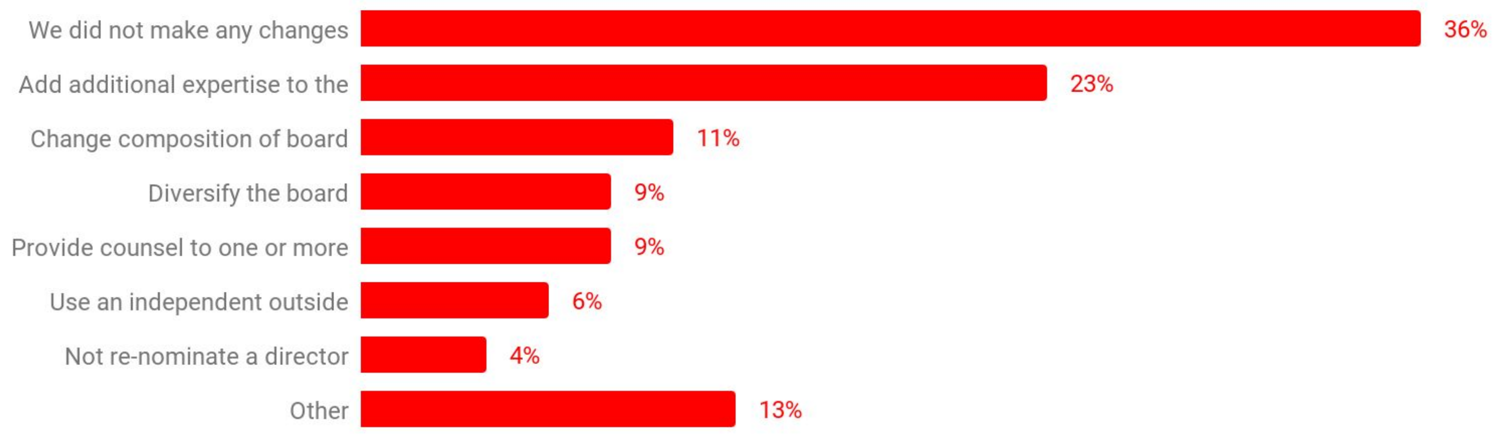
The directors in our survey are split almost down the middle on the question of whether or not assessments are effective. A successful board assessment process requires that leadership clearly understands and articulates the motivation behind, and goals of, the exercise. These must include the need for the process to be inclusive, honest and constructive within a confidential and safe space, leading ultimately to open dialogue and actionable plans to build on strengths and address weaknesses in order of priority, even if these are difficult to face.

The need for changes to the board composition expressed by directors can be achieved through properly structured annual independent board assessments. These assessments would provide an open platform for directors to engage candidly, an objective validation of the information obtained, mapping and execution of the required changes.

Follow through on assessment results is crucial, however 36% of the respondents indicated that their boards made no changes in response to the results of the last assessment. Only 9% of those who took part in assessments actually diversified their board.

Figure 5
Action plans

In response to the results of your last board/committee assessment process, did your board/committee decide to do any of the following?



Making time for board matters

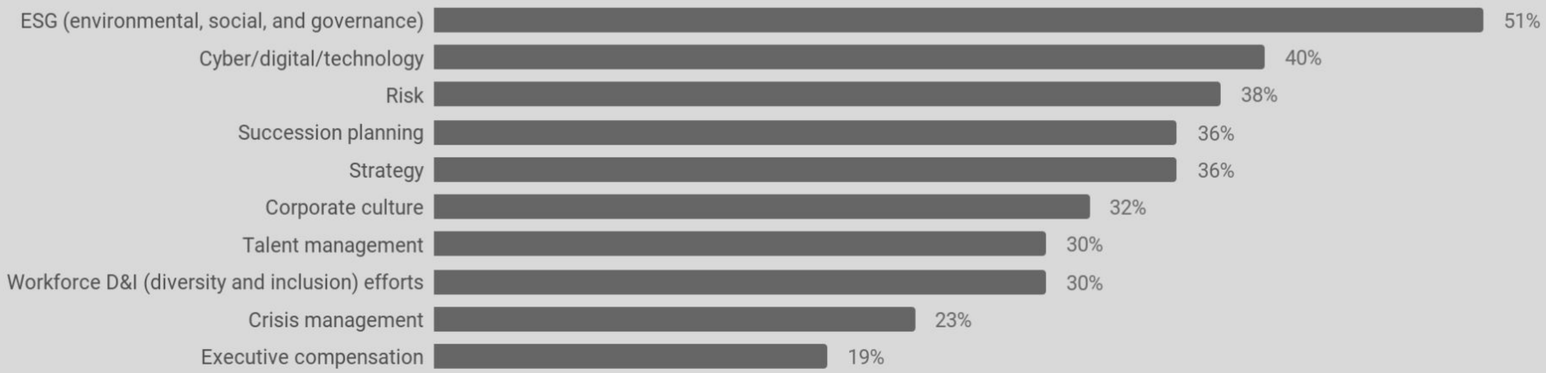
Nearly half of the directors surveyed reported that they spent less than 150 hours per year in their board oversight role and 17% spent less than 100 hours. The result begs the question - given a time commitment of approximately 12 and a half hours per month, is that enough to properly understand the business issues, to adequately prepare for meetings and to provide the level of engagement required to play a meaningful role?

There may also be a larger, more fundamental issue to consider. Directors expressed concerns about several important areas not receiving sufficient board oversight including ESG, cyber, technology and digital, risk and succession planning. In addition, less than two-thirds believe that their boards understand their company's competitive landscape very well, with this falling to 49% and 28% when it comes to the company's strategy and plans for crisis management.

Given the breadth of issues to be considered and addressed and the pressure on directors' time, especially as many sit on multiple boards, there's even more of an argument for broadening the recruitment pool beyond today's narrow networks. And with new and emerging risks facing boards, the consideration of the recruitment of more directors with specialist knowledge in areas such as ESG, digital transformation and cyber risk should also be encouraged.

Figure 6
The neglected attributes

In your opinion, which of the following areas of oversight do not receive sufficient board time/attention?



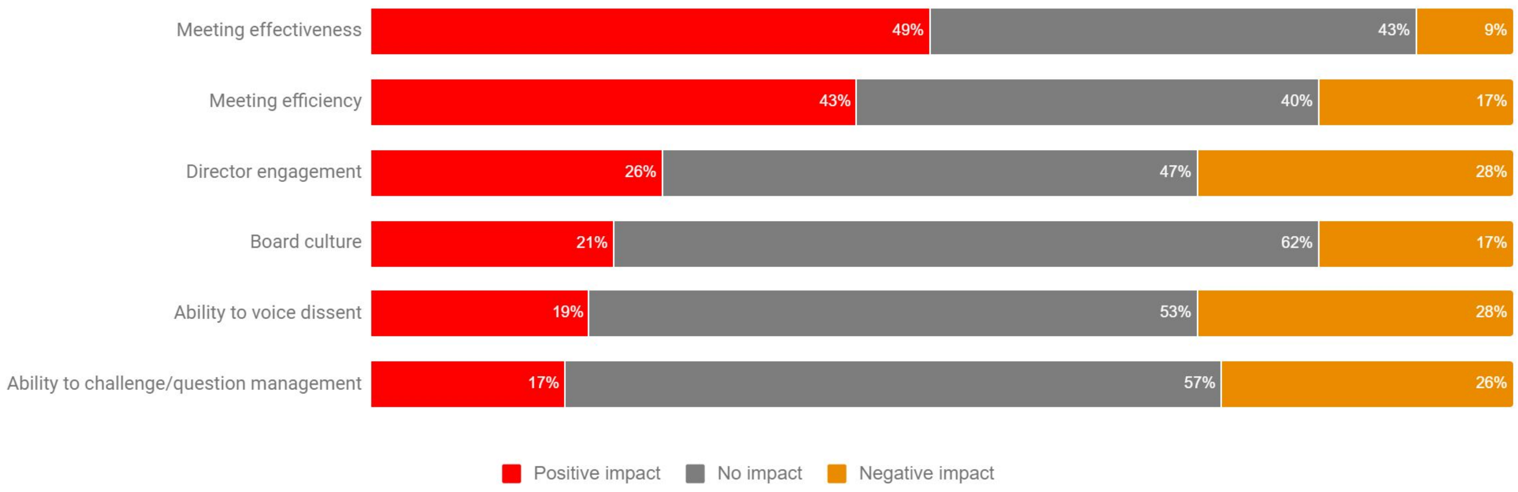
Half of our directors reported spending less than 150 hours a year in their board oversight role.

Over 40% of directors feel that the COVID-19 pandemic highlighted vulnerabilities in their crisis response plan, **though as many don’t believe that any weaknesses were exposed**. Surprisingly, few feel that the pandemic requires any rethink or change in board composition. This is despite the fact that the effects weigh disproportionately on women and other groups that tend to be under-represented in leadership positions.

Our boards have embraced technology during the pandemic, by pivoting to virtual and committee meetings. More than not, it was felt that this new format had a positive effect on meeting efficiency and effectiveness and board culture. However there are concerns regarding the impact of virtual meetings on director engagement and one’s ability to voice dissent or challenge management when necessary.

Figure 7
The virtual impact

In your view how has the shift to virtual board committee meetings impacted the following?



Shareholder communication

Strengthening stakeholder engagement

Despite the clear and present widening of the stakeholder groups that boards need to consider, the most immediate consideration remains the shareholders or members of an organisation. Directors highlighted the importance of close engagement and communication with this group. 57% indicated a member of the board had direct engagement with shareholders during the past 12 months. Of those, 9 in 10 were of the view that the board received valuable insights from the engagement, that the right investors were present at the meeting and that the impact to investing decisions is positive. Still, nearly 2 in 10 reported their board had no direct engagement with shareholders.

Strategy and management performance are top of mind for the directors surveyed. The main topics of the engagement with shareholders were strategic oversight and management performance. However, ESG is a much less prominent focus of discussions even though it's becoming increasingly important as a consideration for determining where institutional investors allocate their capital and to the wider stakeholder group to which boards will find themselves increasingly accountable.

Figure 8
The impact of direct engagement with shareholders

To what extent do you agree with the following regarding your board's direct engagement with shareholders?

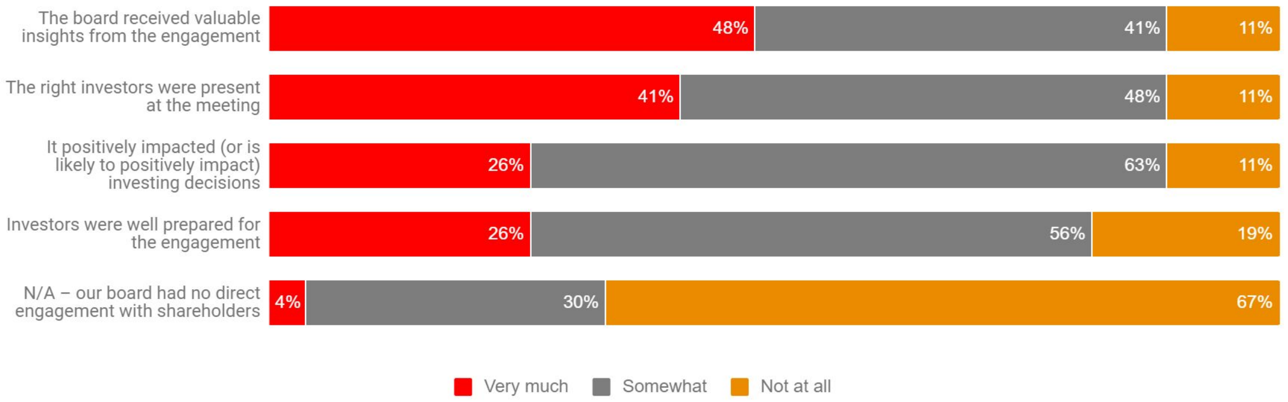
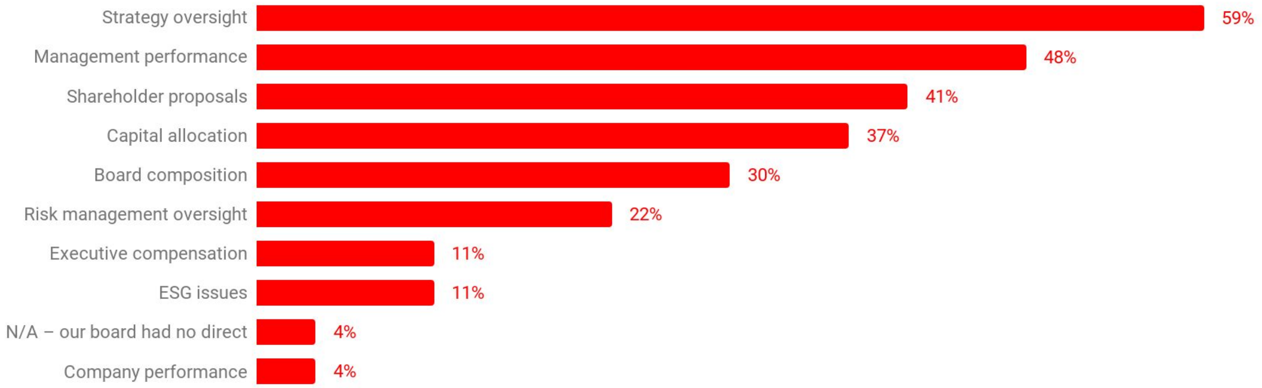


Figure 9
Key topics discussed with shareholders

On which of the following topics did a member of your board (other than the MD/CEO) engage in direct communications with shareholders?



Strategy, risk and ESG

Boards are connecting ESG and the organisation strategy, but may not fully grasp risks. 60% of directors agree that ESG issues are linked to the company's strategy, and 58% that ESG issues are part of their board's ERM discussions. Yet, 60% indicate that their board does not have a defined process for ESG oversight and only 11% thought that the board understood material ESG risks very well and even less so for ESG and sustainability messaging.

…only 30% of directors report that ESG issues are a regular part of the board's agenda.

Measuring the environmental, social, and governance performance of a company may have been initially for the purposes of gauging risk, however it is now a major force driving investment strategy. Despite increasing evidence that investors now look at ESG performance as closely as financial returns when choosing where to commit their funds and other stakeholders, like customers and employees, are gravitating more towards green and socially-conscious organisations, only 28% of directors surveyed agreed that shareholders care about ESG reporting disclosures and only 15% acknowledged the impact of ESG reporting disclosures on shareholder investment decisions.

Figure 10
Board proficiency

How well do you think your board understands the following as it relates to the company?

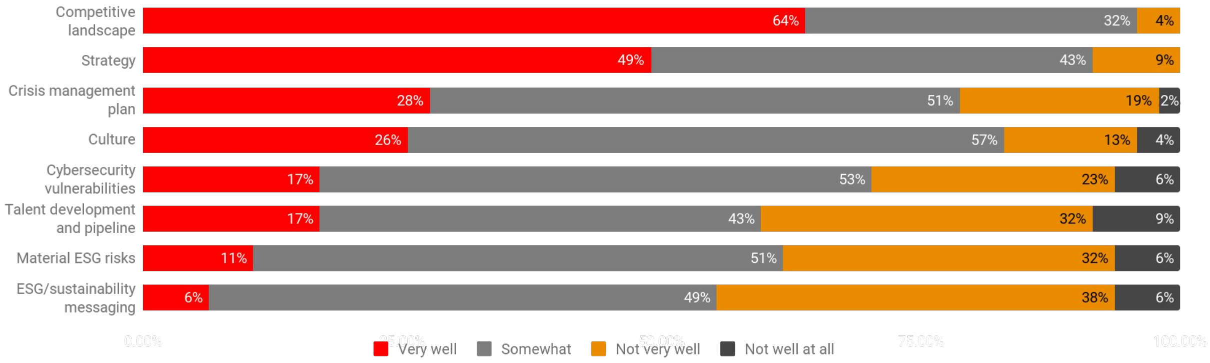
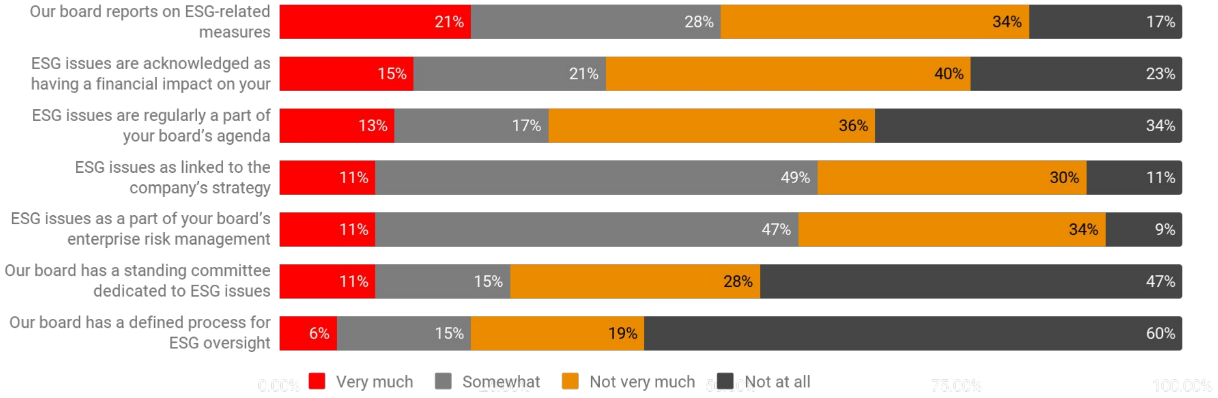


Figure 11
ESG's influence on strategy

To what extent do the following apply to your board with respect to ESG?



ESG-related activities are at a low level of maturity

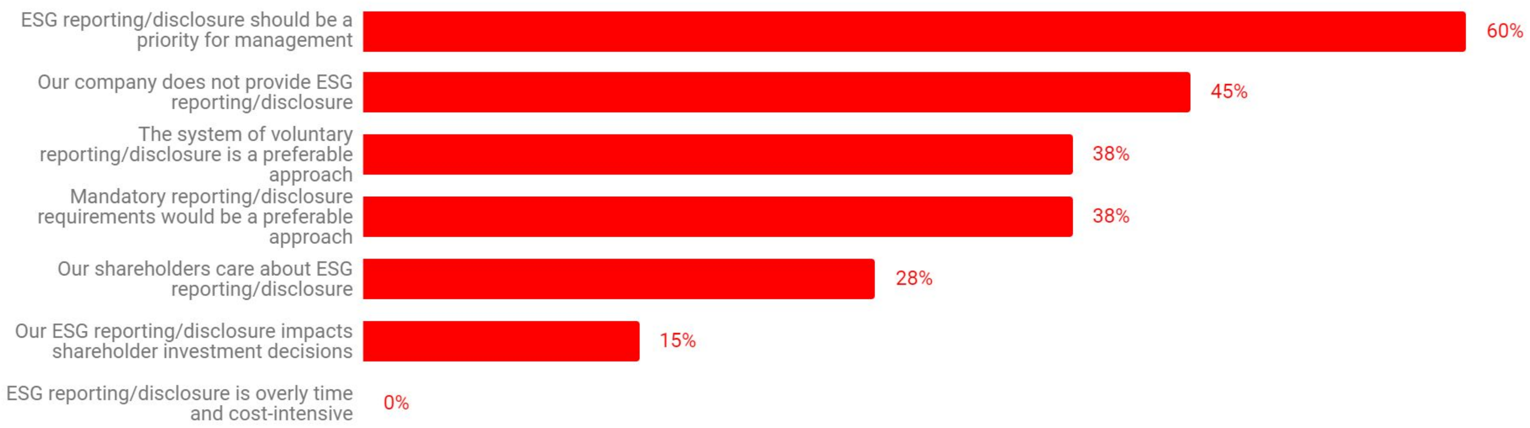
Although 60% of directors agree that ESG reporting/disclosure should be a priority, 45% revealed that their company does not provide for ESG as an integral part of the company's strategic framework. Only 26% of directors surveyed indicated that the board has a standing committee dedicated to ESG issues, only 21% reported having a defined process for ESG oversight.

Organisations will have to catch up to the curve very quickly. Already, the International Financial Reporting Standards (IFRS) Foundation Trustees have established an International Sustainability Standards Board (ISSB) which will promulgate sustainability-related standards. A prototype is already in place for sustainability-related financial disclosures. The ISSB will be working to fine-tune these to issue a standard that will apply to all organisations that utilise IFRS.

Sustainability-related financial disclosures will include reporting on environmental and social risks and opportunities and governance. Organisations will need to implement processes that will allow them to report on relevant matters which may include carbon emissions, social impact, water usage, among other areas.

Figure 12
Prioritising ESG

Which of the following do you agree with as it relates to ESG reporting/disclosure?



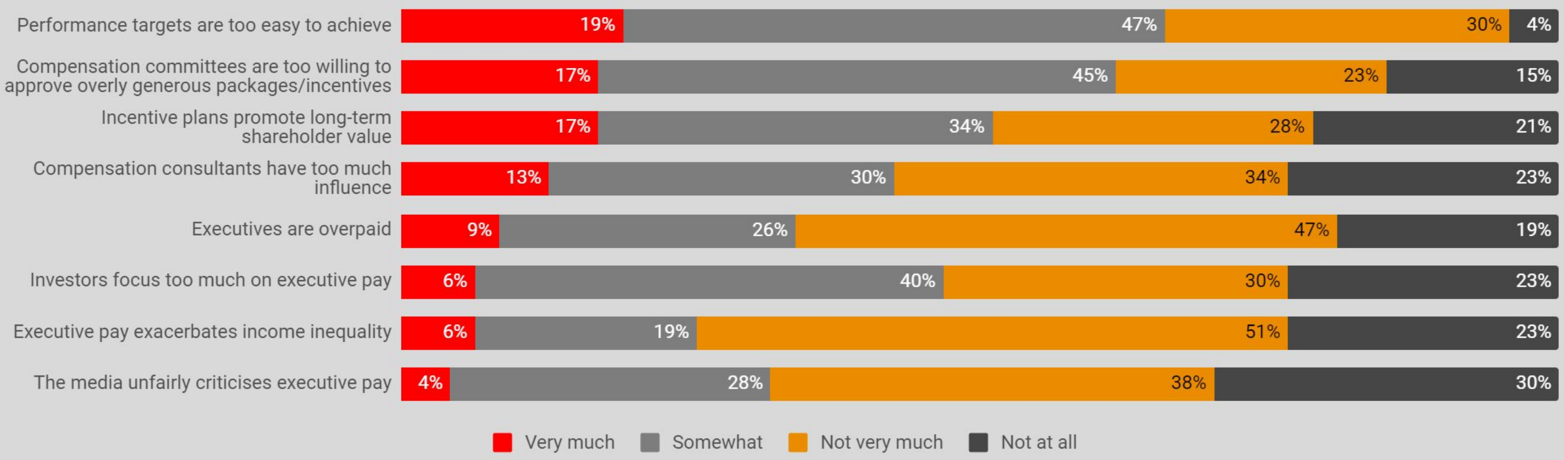
Executive compensation and talent management

There appears to be consensus around the idea that executive rewards are not commensurate with executive efforts. Two-thirds of the directors surveyed agree that performance targets are too easy to achieve and just over a third feel that executives are overpaid. When you consider the number of hours that directors spend yearly in their board oversight role, it’s not surprising perhaps that so many feel this way. And perhaps more worryingly, nearly half do not agree that current incentive plans promote long-term shareholder value.

Figure 13

The truths around executive compensation

To what extent do you agree with the following regarding executive pay in your territory?



There's increasing evidence in the academic literature that sustainability has a positive impact on the bottom line and on shareholder value. In a recent global survey, more than three-quarters of board members and senior executives agreed strong ESG performance is a key contributor to financial performance and financial incentives can help drive the ESG agenda. Nearly half of the FTSE 100 companies set measurable environmental, social, and governance targets for their CEOs, and have begun to introduce ESG targets in executive compensation packages. Including ESG metrics in executive pay packages is a tangible way to close the say–do gap for a sceptical audience, but is not without its challenges.

For our directors, customer satisfaction (83%), ethical behaviour (79%) and employee engagement and attrition rate (74%) are the top 3 non-financial metrics that directors feel should be included in executive compensation plans. 38% of the directors surveyed are of the view that diversity and inclusion should be a metric.

Pay follows strategy; it doesn't drive strategy. But once the factors important to an organisation are integrated into the strategy, linking them to pay can be a natural next step, particularly as a tool for mobilising the organisation behind a new set of priorities.

Pay follows strategy; it doesn't drive strategy

Figure 14

Executive Key Performance Indicators (KPIs)

Which of the following non-financial metrics do you think should be included in executive compensation plans?

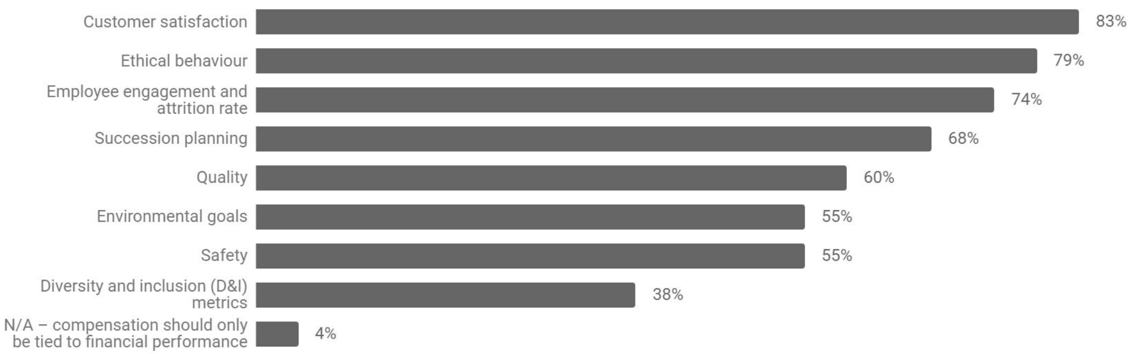
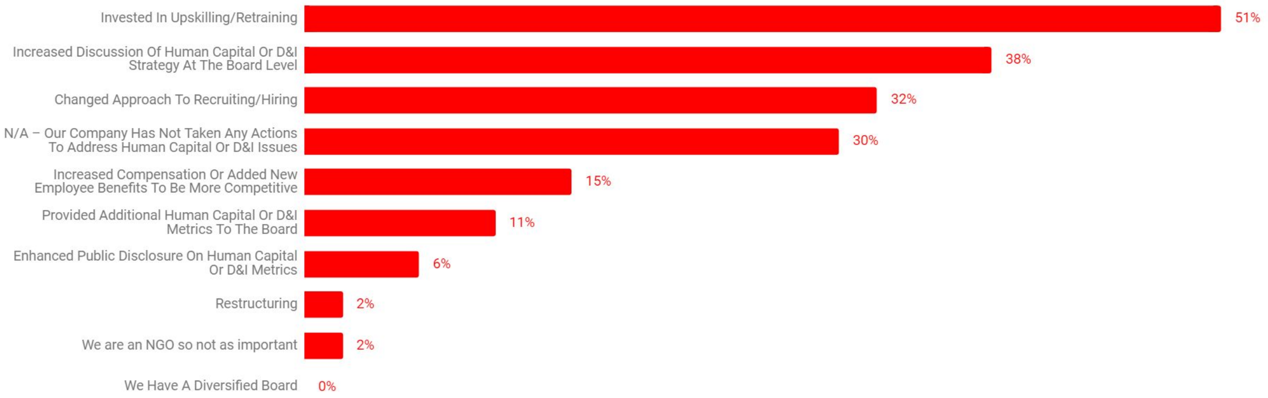


Figure 15

Plans to address human capital and D&I

Which of the following steps has your company/board taken, or plans to take, to address human capital and diversity and inclusion (D&I) related issues?



The broader environment

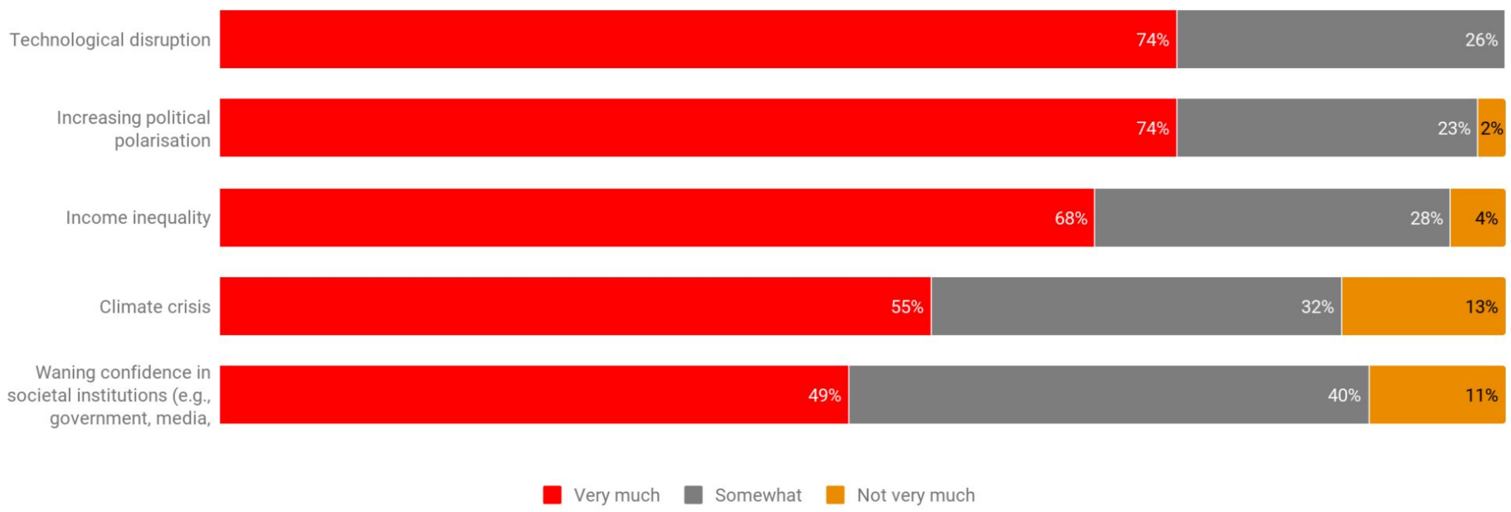
Directors buy-in to social purpose

ESG speaks to an organisation's impact on the environment and society, and how good governance helps to make this impact positive. The directors we surveyed are naturally concerned about the macro issues affecting our world: technological disruption (100%), increasing political polarisation (97%), income inequality (96%), climate crisis (87%) and waning confidence in societal institutions (89%). It is encouraging then that there seems to be a recognition of the role businesses play in addressing these societal issues.

Figure 16

Macro trend prioritisation topics

To what extent are you concerned about the business societal impact of the following macro trends?

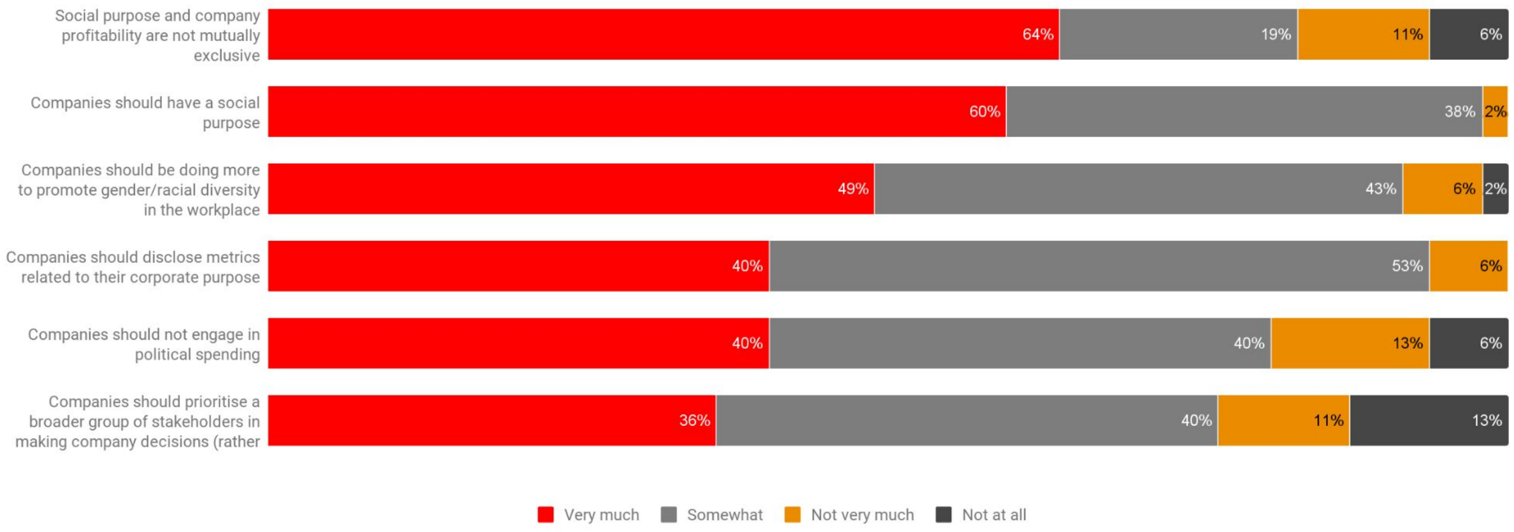


Nearly all the directors in our survey agreed that companies should have a social purpose and more than 9 in 10 feel that companies should disclose metrics related to their corporate purpose. In acknowledging the need for a purpose beyond the financial goals of an organisation, it's necessary to clarify that this additional purpose is as a result of the need to take the interests of the wider stakeholder group, including the environment and society into account, as they too provide different forms of capital to an enterprise. In our private sector boardrooms we've acknowledged the need for wider goals for many years, but haven't truly made this central to our strategies. This is reflected in the fact that only just over a third of our directors agree strongly that companies should prioritise a broader group of stakeholders in making company decisions. Perhaps encouragingly though, another 40% agree at least somewhat. The organisation of tomorrow and arguably of today, must in fact, prioritise a broader group of stakeholders in decision-making as this goes to the heart of achieving sustainable outcomes.

Figure 17

Impressions around ESG

To what extent do you agree with the following:



The way forward: A plan for governance in a new world

1 It's time to tackle board diversity

As much as diversity is an issue generating a significant amount of coverage and discussion, it appears that boards are yet to aggressively address this significant issue. The importance of board diversity is apparent and is fundamental for effective governance. However, the data collected suggest that this key requirement is not embraced as an obligation or an opportunity by most boards. Less than 10% of directors surveyed think that their board pays attention to diversity of any type, with no focus whatsoever on ethnic/race diversity. Although 100% of directors see the positive impact that board diversity will have on their organisation, 43% still have not made any changes in this regard in the past 2 years. Having a diverse board should be more than just checking a box; well rounded conversations and decision making require a breadth of perspective that is also diverse.

2 Board composition needs an upgrade

The above is further emphasised by the fact that 55.3% of directors think a change in board composition is needed. Boards are still operating under the mindset of "it's not what you know, it's who you know". While networks bring a wide range of benefits to any board, whether it be because of business or government contacts, directors should also be capable of adding value through expertise, unique thinking and contribution to discussions through diverse opinions. Networking is an important way of accessing key resources, however, there is also a vital need to attract outside resources to achieve organisational goals.

3 ESG warrants a bigger seat at the table

The call to boards of directors to navigate the challenges presented by climate change, racial injustice, economic inequality and numerous other issues are still being ignored. We saw that 51% of directors interviewees don't think that ESG receives sufficient board time and attention.

The way forward: A plan for governance in a new world

4 Double down on board assessments

Board overstepping, reluctance to challenge management, decrease in performance and unpreparedness at meetings are some of the areas where board members need to improve. Consistent board evaluations can help improve both board and company performance. Some directors are of the view that assessments are ineffective, limited and result in insufficient follow-up. Regular performance evaluations should be conducted and areas of improvement identified, in order to maximise the benefit that the company obtains from the board. This is important not only to enhance the efficiency and effectiveness of the board, but also to develop individual directors to enable them to better add value. Board evaluations can also provide reassurance to stakeholders that board members are serious about their responsibilities.

5 Executive compensation needs another look

Pay follows strategy; it doesn't drive strategy. But once ESG factors are integrated into the strategy, linking them to pay can be a natural next step, particularly as a tool for mobilising the organisation behind a new set of priorities. When defining performance measures around board compensation packages, it is imperative that these include both financial and non-financial indicators. Customer satisfaction, ethical behaviour, employee engagement and focus on ESG should be some of the factors used in determining the compensation packages for board members.

Conclusion:

The corporate landscape is continually evolving and increasingly challenging and the fundamental question to ask is no longer whether to change, but how quickly the change can be effected.

This is particularly evident as businesses continue to navigate the changes resulting from the COVID-19 pandemic and prepare for the challenges to come, increasingly surrounding environmental and social matters. These new challenges, and their inherent opportunities, need the appropriate attention from the board, and directors will need to reimagine their role to meet shifting demands.

Consumers want to give their business to companies that care for the environment and support their local communities. People want to work for organisations that share their values. Investors want to commit their capital to businesses with a sustainable future. We have a few key players who are leading the way, governing boards who understand the need for accountability, transparency and the need to remain agile and ever-learning. These boards use their governing skills to better understand and embrace the need for longer term visions of sustainability that accept environmental and societal challenges and thus responsibilities on the part of their enterprises that benefit from the resources provided by both. Others need to catch up. This is not to deny the realities of our challenging economic environment, or the ever present push and pull of investors with competing goals.

It is instead a reminder that our organisations have a vital role to play in ensuring that economic recovery is built on a strong foundation, creating a future that is more sustainable and resilient for the benefit of us all.

Boards should both lead and be part of the change, in the diversity of their membership, the time they devote to new world priorities and the performance objectives and incentives to help drive this. They should also be ready to challenge assumptions, talk openly about what they're getting wrong and be willing to address this. Now is the time to pick up the pace and make the transition to a more sustainable business model.

About the survey

In late 2021, **we surveyed 193 public and private sector directors from six Caribbean countries and a cross-section of organisation sizes, types and industries, including 47 respondents from Trinidad and Tobago. The questions sought to discover current governance practices, attitudes within boards and priorities for the future.**

Our thanks to all of these directors for kindly sharing their time and insights.

How PwC can help

To have a deeper discussion about how these topics might impact your business, please get in touch.

Tonika Wilson-Gabriel
ESG Leader
PwC Trinidad and Tobago
tonika.wilson@pwc.com

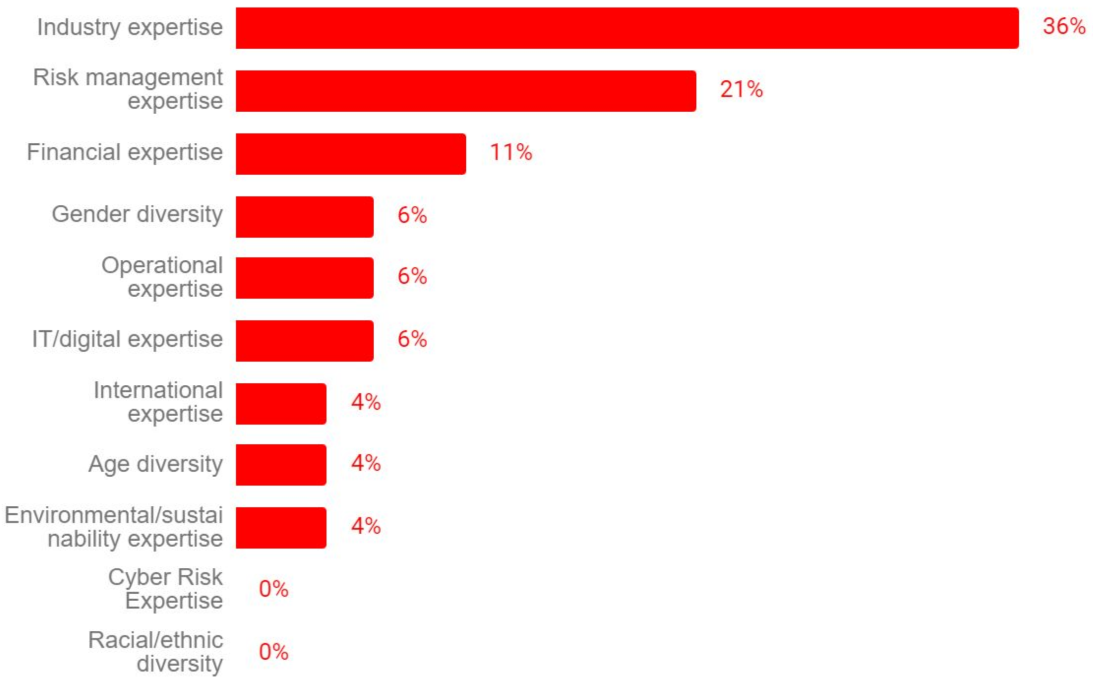
Appendix

Appendix

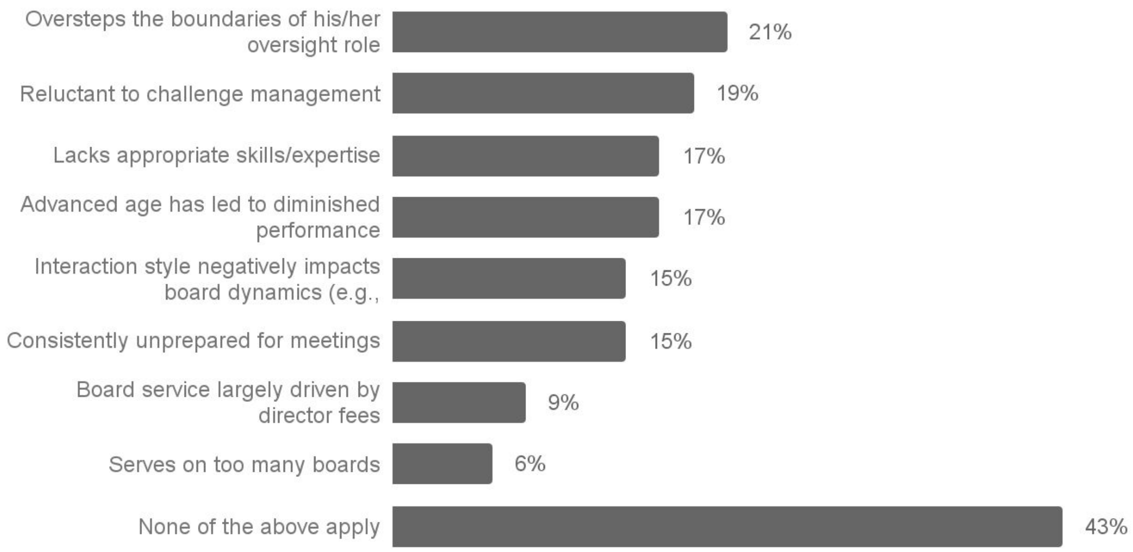
Complete survey findings

Board composition/diversity

1. When your board recruits its next director, what is the single most important attribute your board will prioritise in the search? (select only one)



2. Do you believe any of the following about any of your fellow board members? (select all that apply)

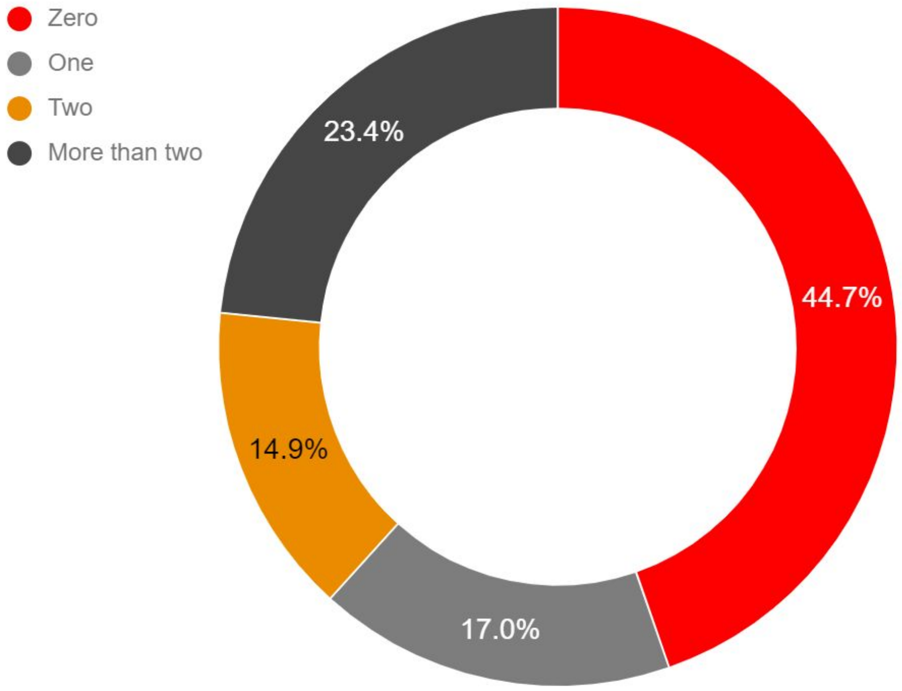


Appendix

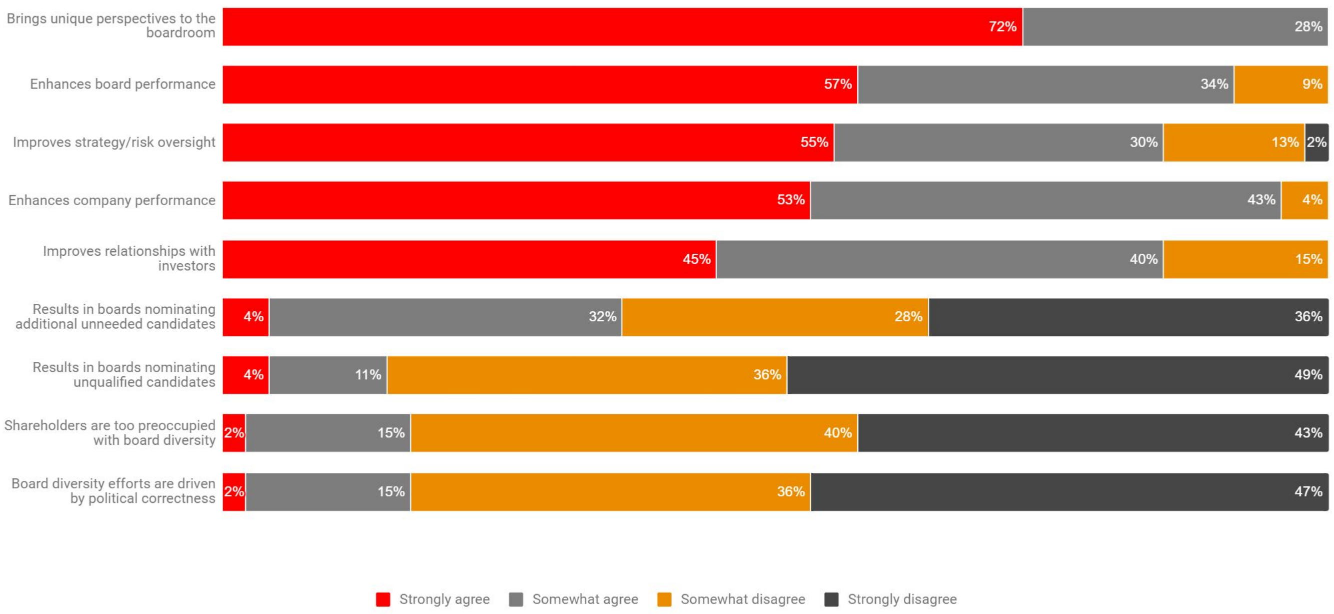
Complete survey findings

Board composition/diversity

3. In your opinion, how many directors on your board should be replaced? (select only one)



4. To what extent do you agree with the following statements about board diversity?

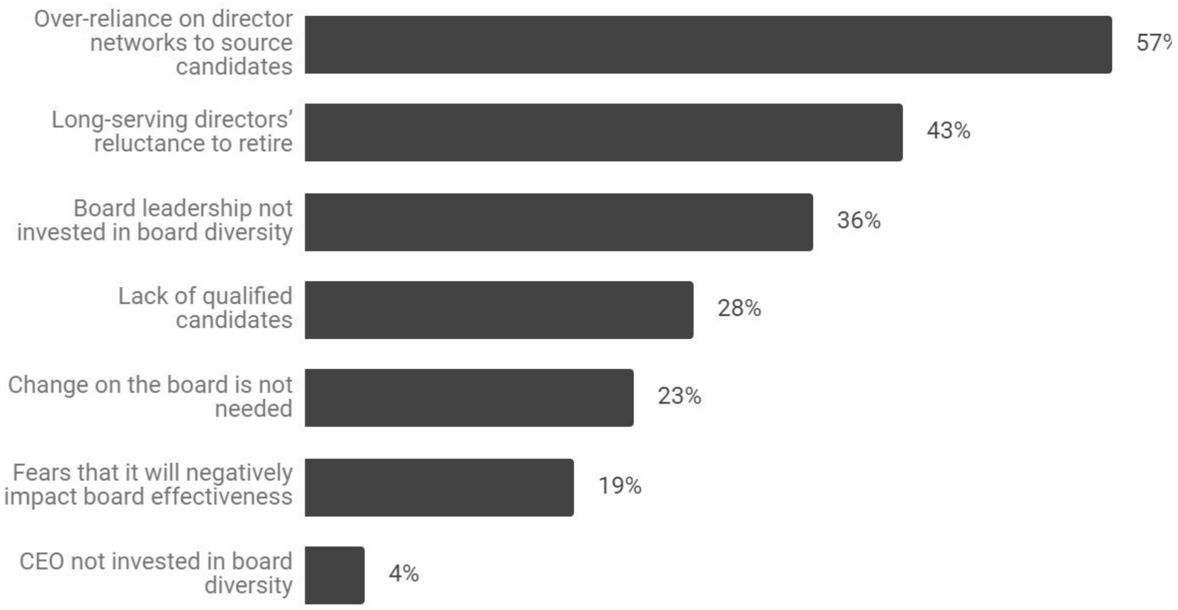


Appendix

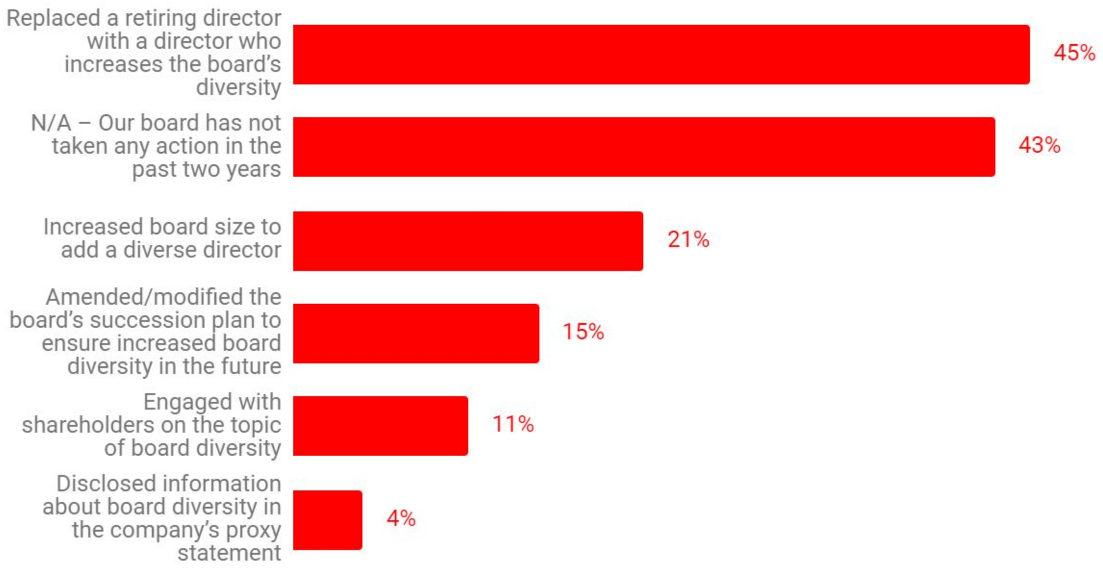
Complete survey findings

Board composition/diversity

5. In your opinion, what has impeded efforts to increase board diversity in general (i.e., why haven't boards become diverse more quickly)? (select all that apply)



6. Which of the following actions has your board taken over the past two years regarding board diversity? (select all that apply)

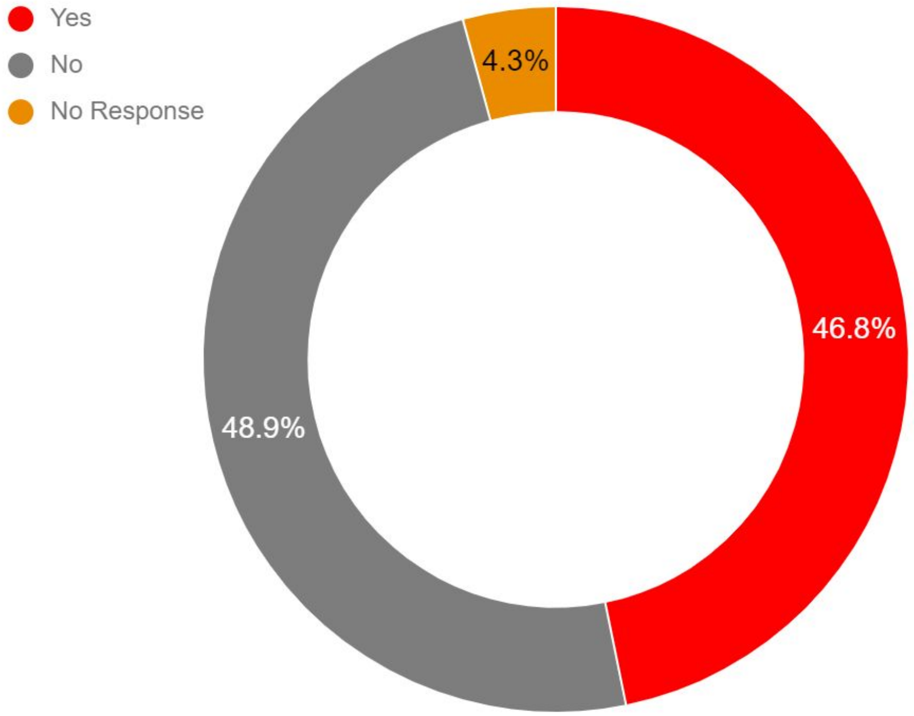


Appendix

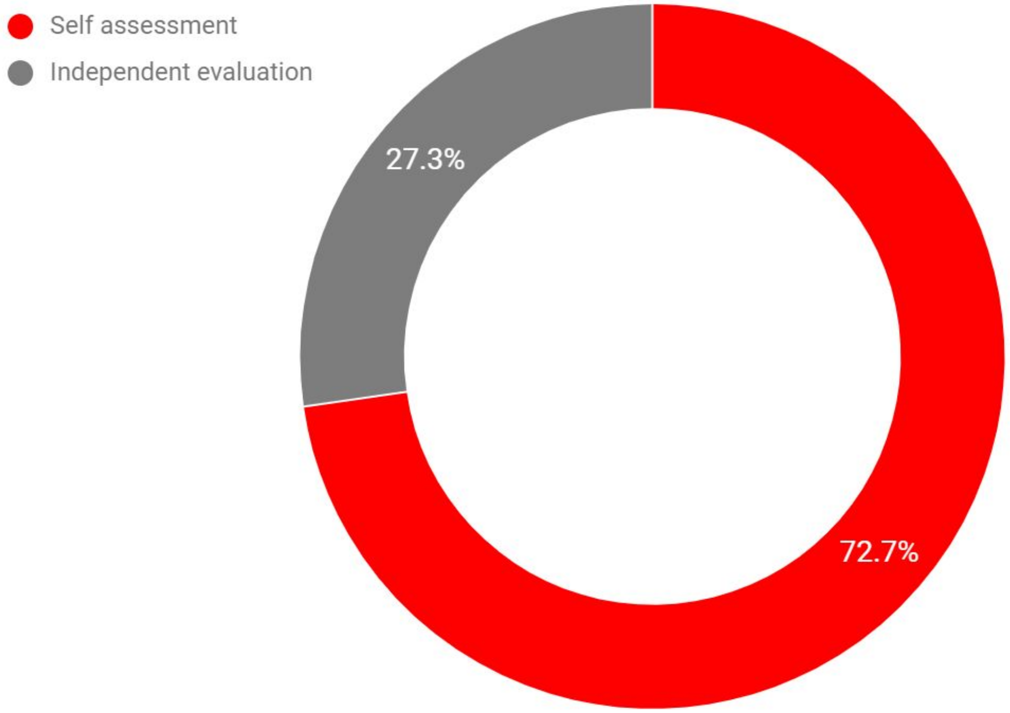
Complete survey findings

Board practices

7. Has your board had an assessment in the past year?



7a. If your Board has done an assessment, was it a self assessment or independent evaluation? (Please select one)

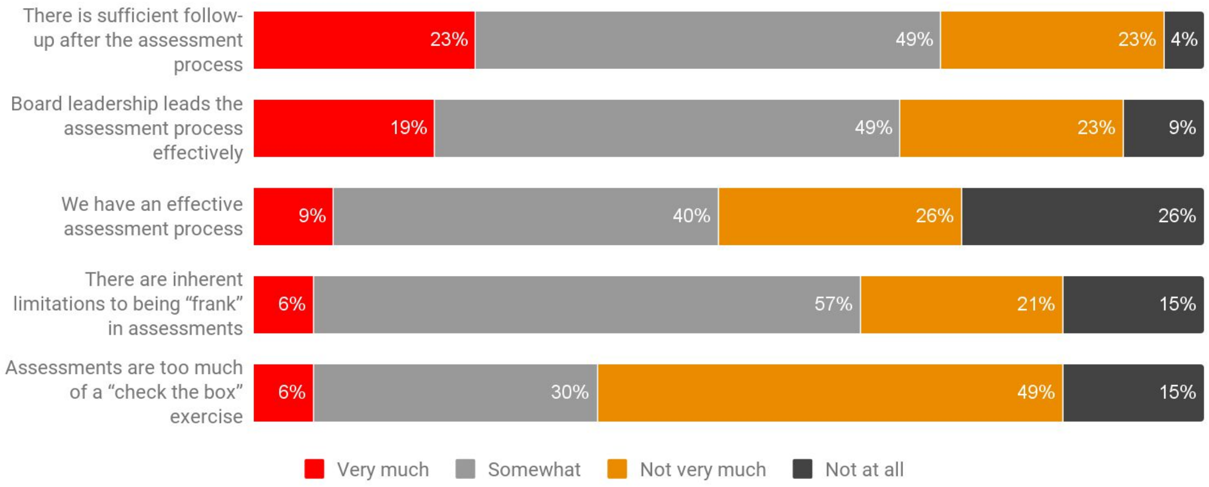


Appendix

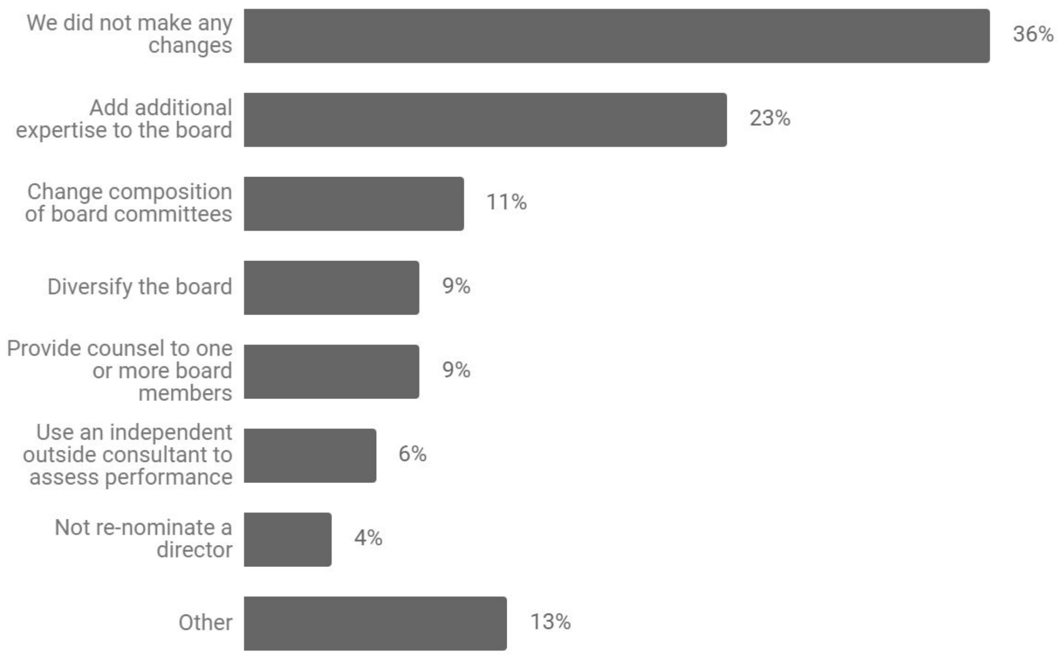
Complete survey findings

Board practices

8. Regarding board/committee self-assessments, to what extent do you believe the following?



9. In response to the results of your last board/committee assessment process, did your board/committee decide to do any of the following? (select all that apply)

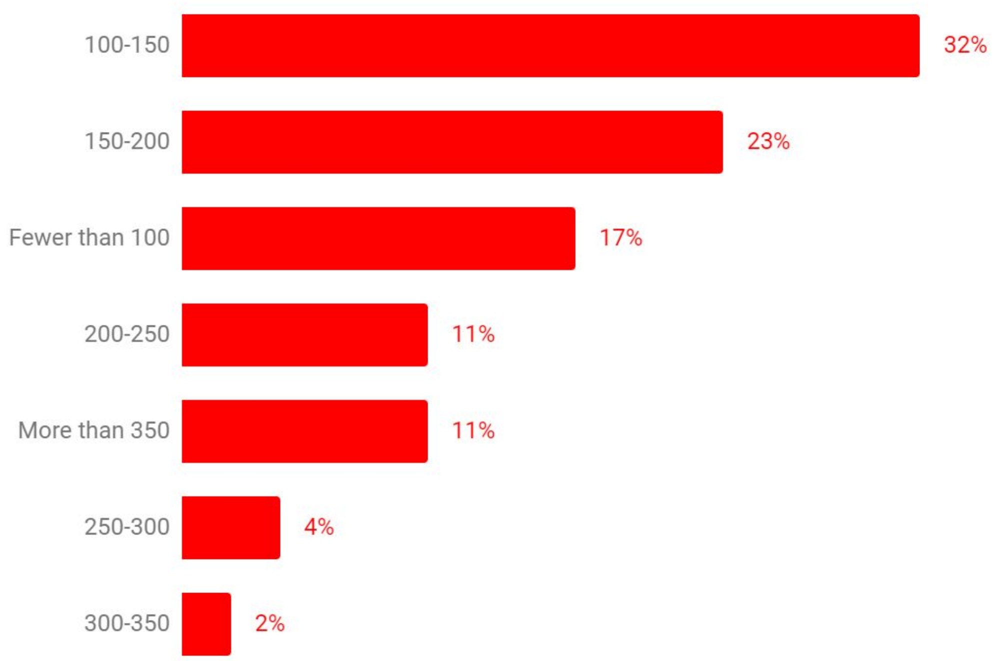


Appendix

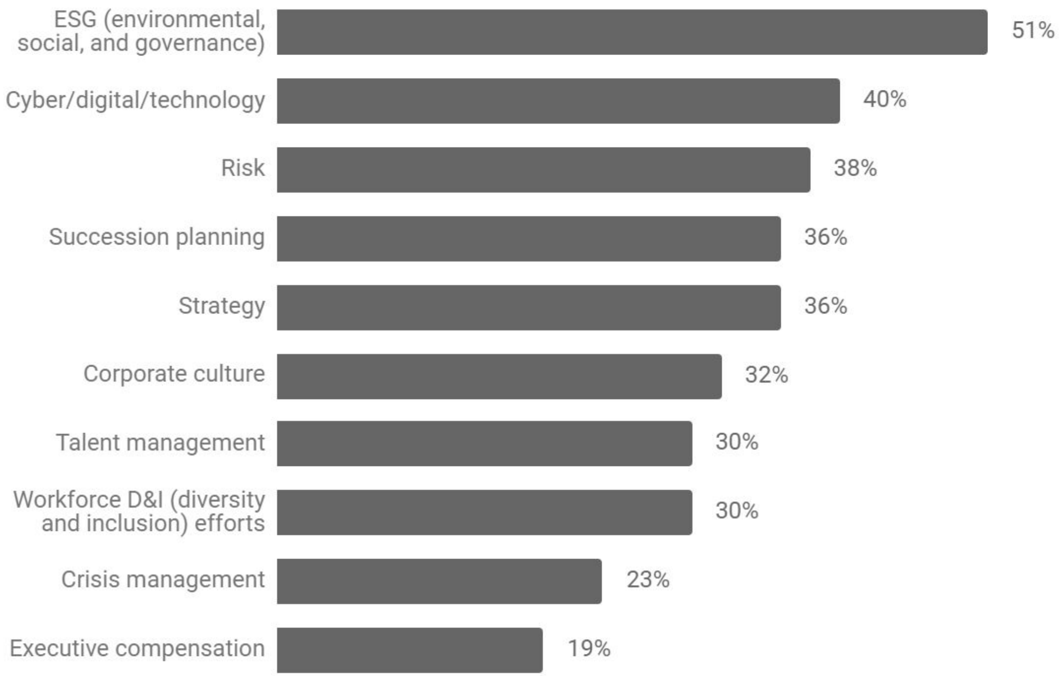
Complete survey findings

Board practices

10. Approximately how many hours per year do you spend in your board oversight role (including preparation and committee service)?



11. In your opinion, which of the following areas of oversight do not receive sufficient board time/attention? (select all that apply)

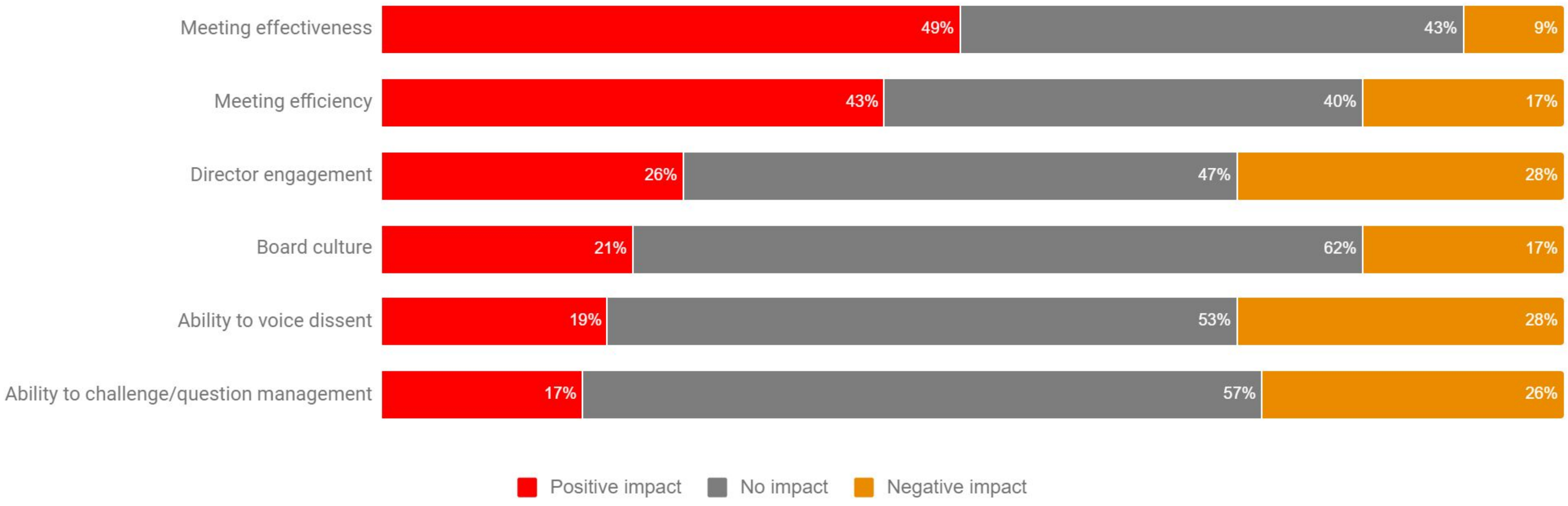


Appendix

Complete survey findings

Board practices

12. In your view, how has the shift to virtual board/committee meetings impacted the following?

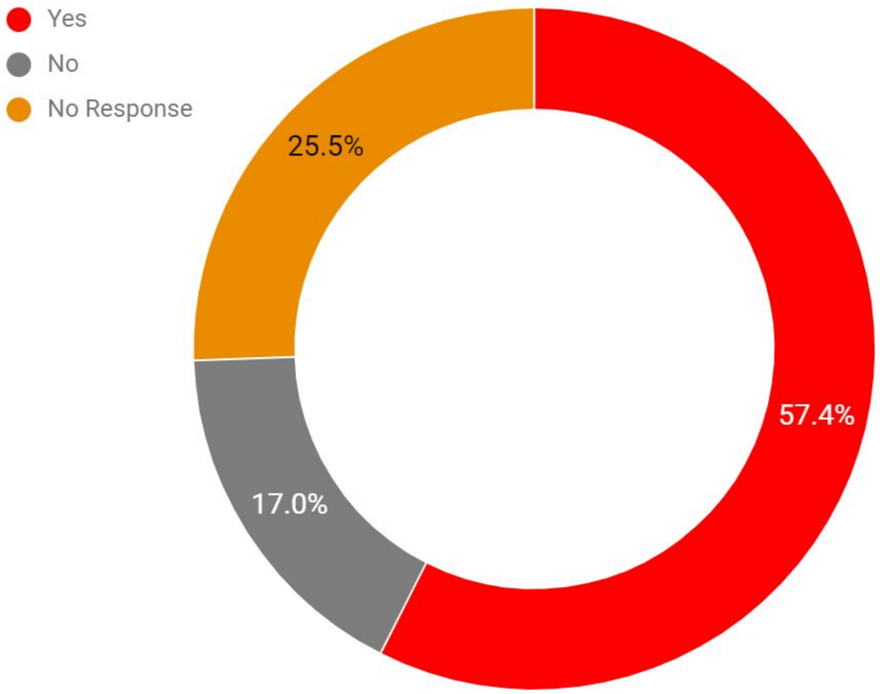


Appendix

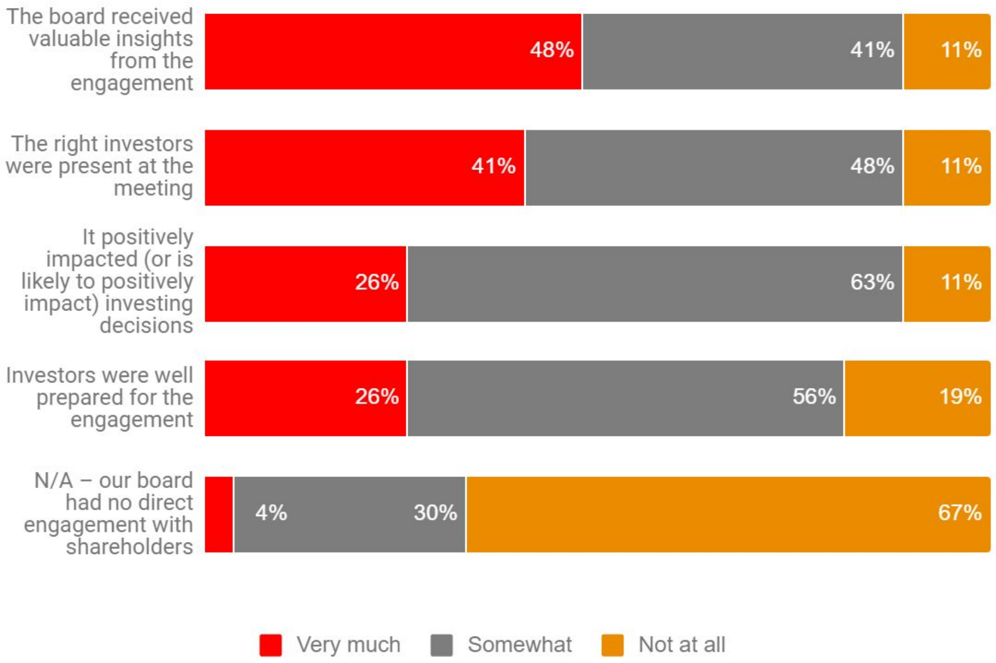
Complete survey findings

Shareholder communication

13a. Has a member of your board (other than the MD/CEO) had direct engagement with shareholders during the past 12 months?



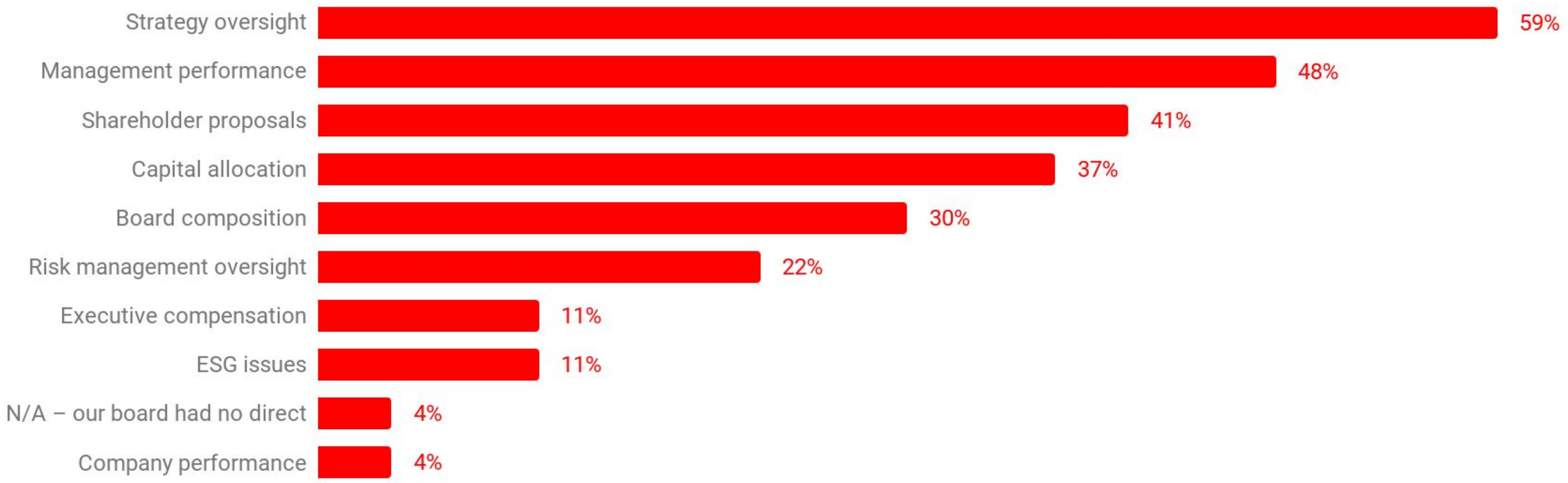
13b. If you answered yes to question 13a, to what extent do you agree with the following regarding your board's direct engagement with shareholders?



Appendix
Complete survey findings

Shareholder communication

13c. If you answered yes to question 13a, on which of the following topics did a member of your board (other than the MD/CEO) engage in direct communications with shareholders? (select all that apply)

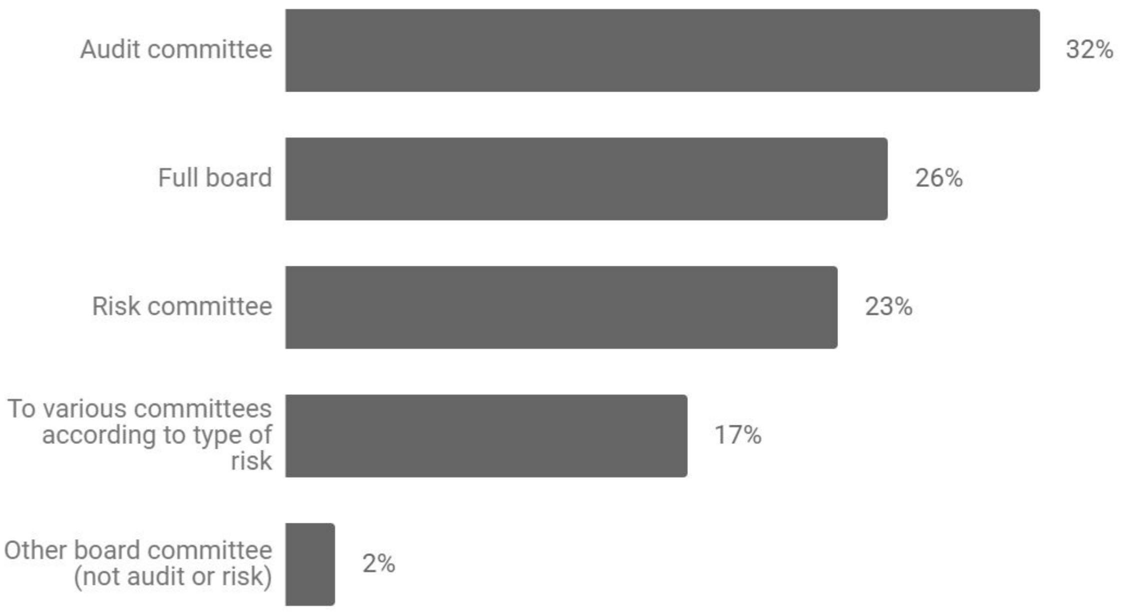


Appendix

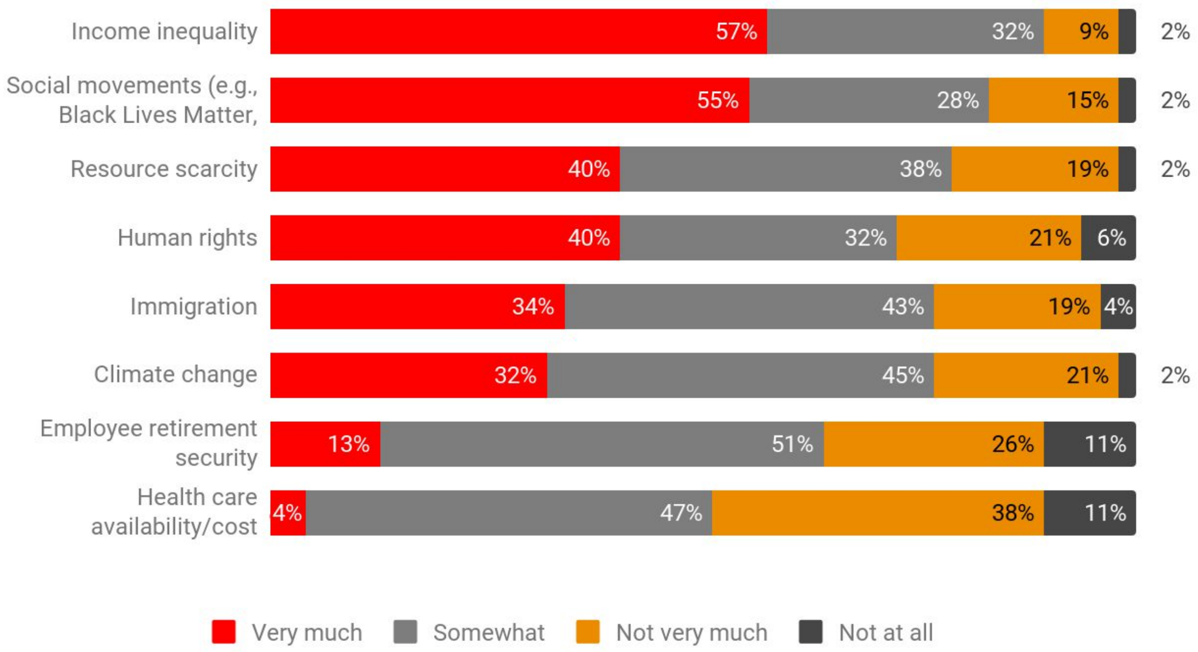
Complete survey findings

Strategy/Risk/ESG

14. How does your board primarily allocate oversight of risk? (select only one)



15. To what extent do you think your company should take the following issues into account when developing company strategy?

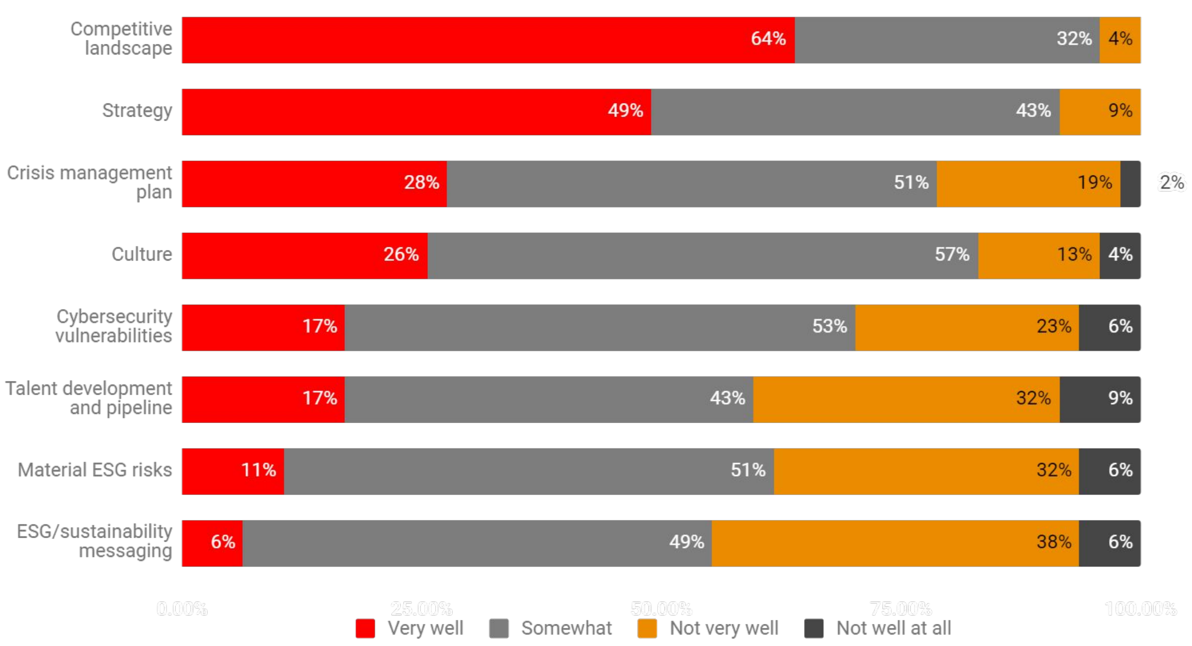


Appendix

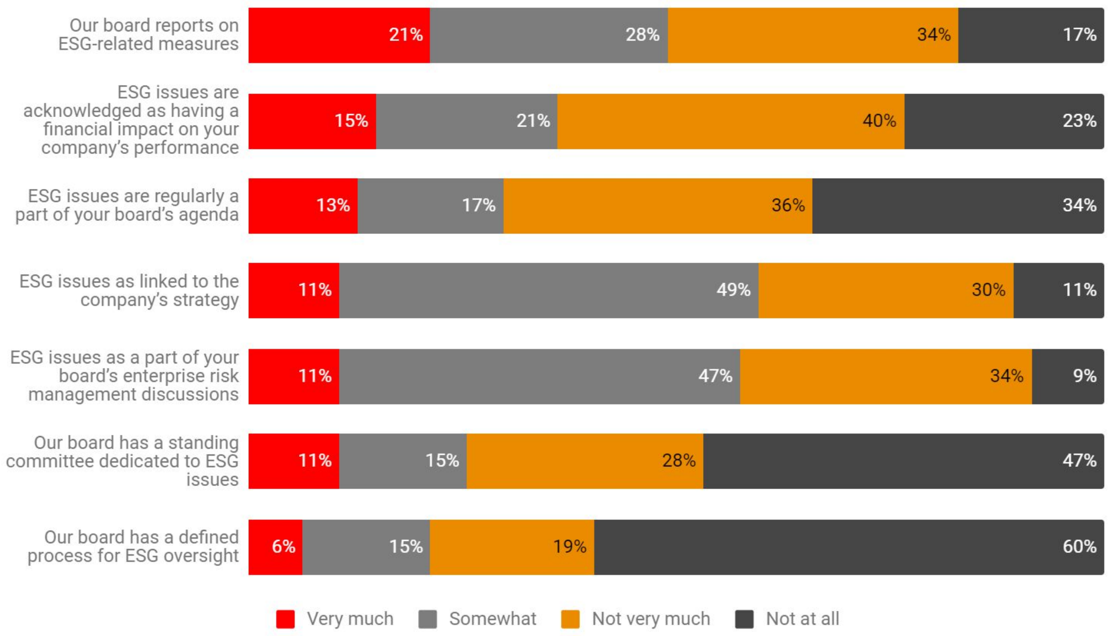
Complete survey findings

Strategy/Risk/ESG

16. How well do you think your board understands the following as it relates to the company?



17. To what extent do the following apply to your board with respect to ESG:

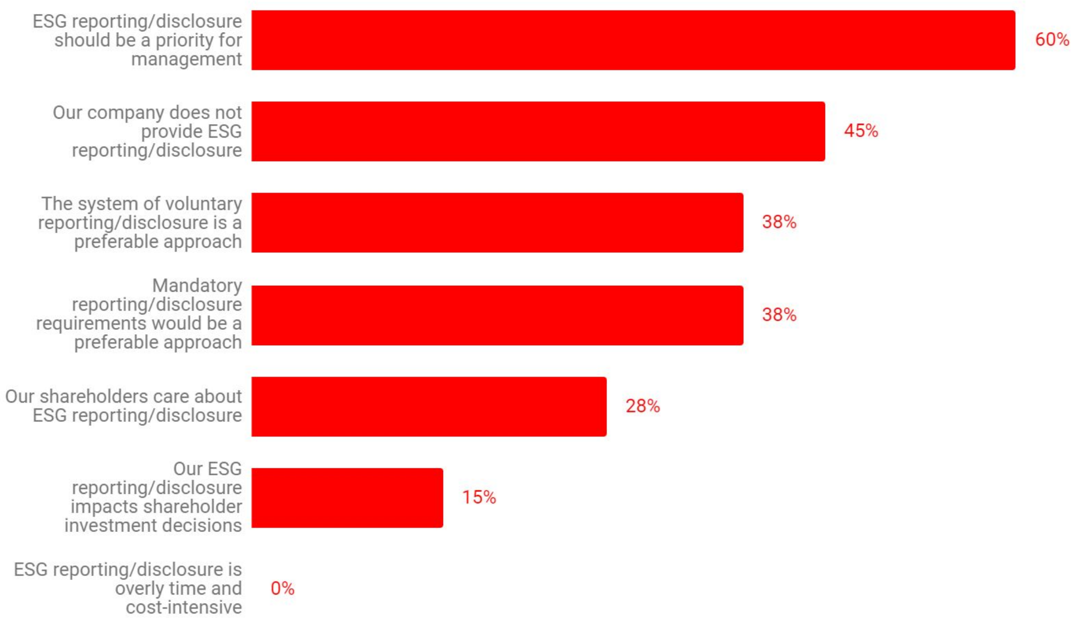


Appendix

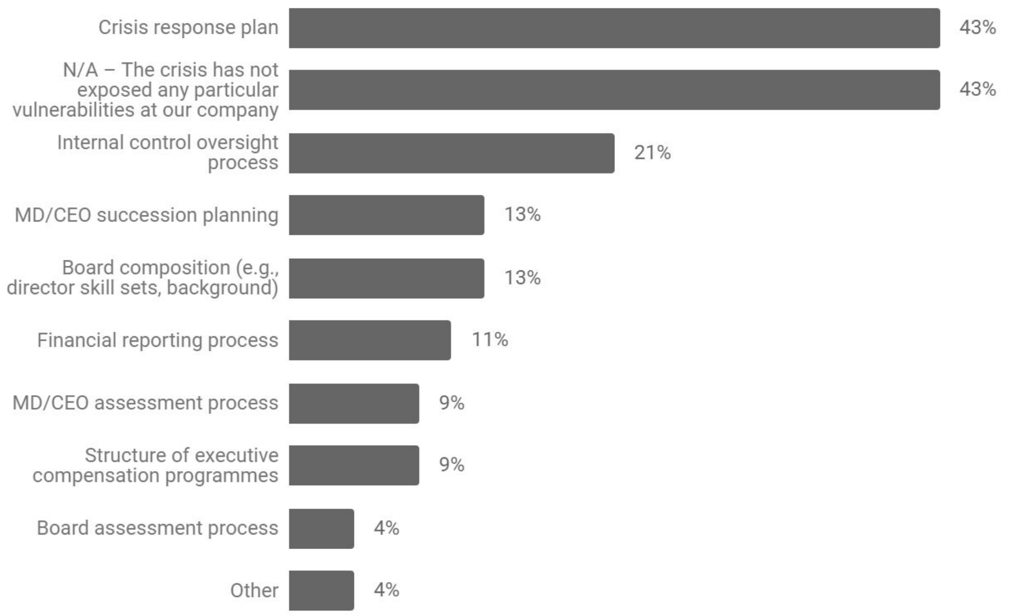
Complete survey findings

Strategy/Risk/ESG

18. Which of the following do you agree with as it relates to ESG reporting/disclosure? (select all that apply)



19. In your opinion, has the COVID-19 pandemic and associated business disruptions exposed vulnerabilities at your company in any of the following areas? (select all that apply)

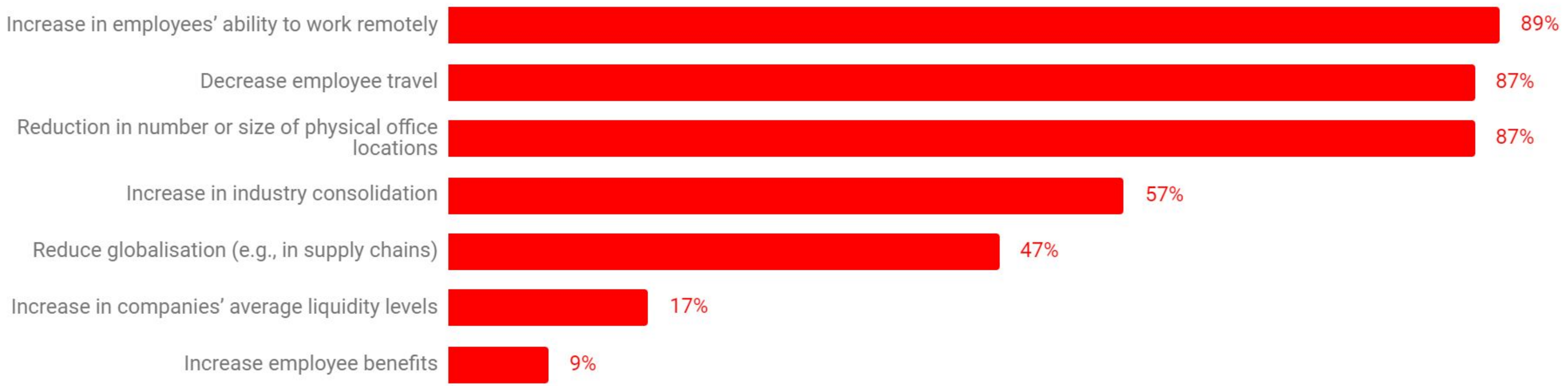


Appendix

Complete survey findings

Strategy/Risk/ESG

20. Do you believe COVID-19 will have any of the following long-term structural impacts on business in general? (select all that apply)

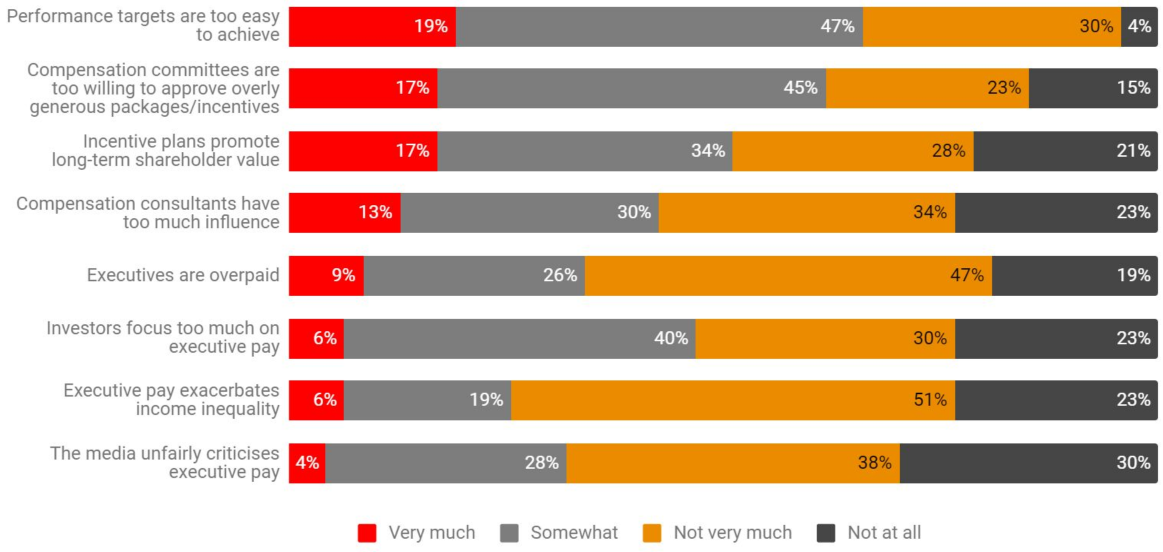


Appendix

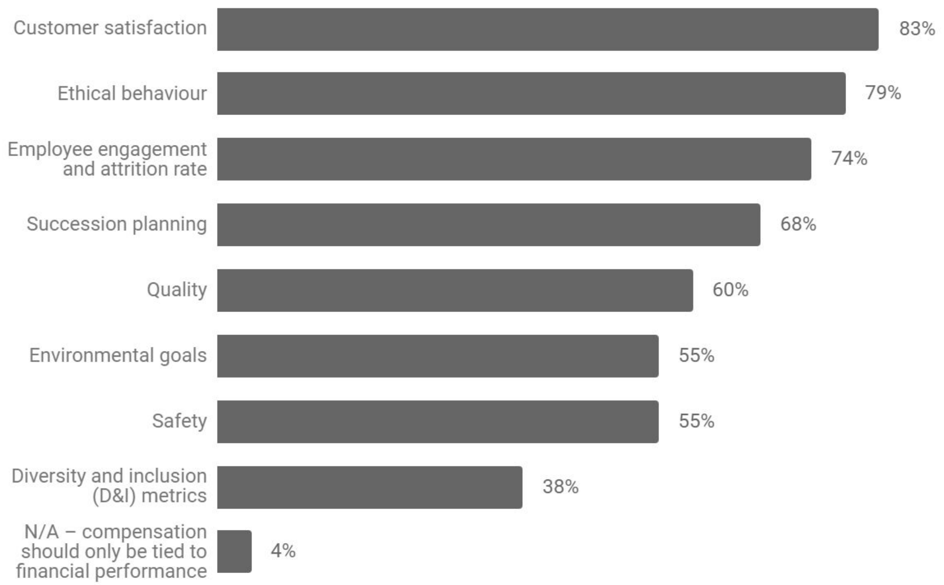
Complete survey findings

Executive compensation/Talent management

21. To what extent do you agree with the following regarding executive pay in your territory?



22. Which of the following non-financial metrics do you think should be included in executive compensation plans? (select all that apply)

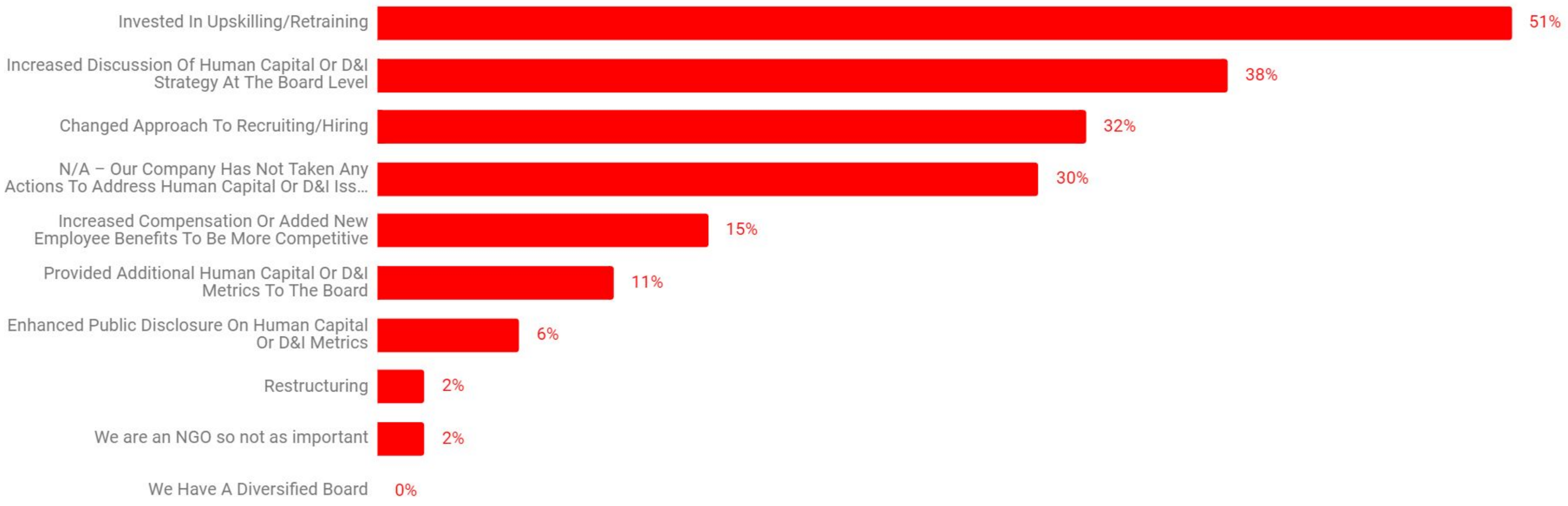


Appendix

Complete survey findings

Executive compensation/Talent management

23. Which of the following steps has your company/board taken, or plans to take, to address human capital and diversity and inclusion (D&I)-related issues? (select all that apply)

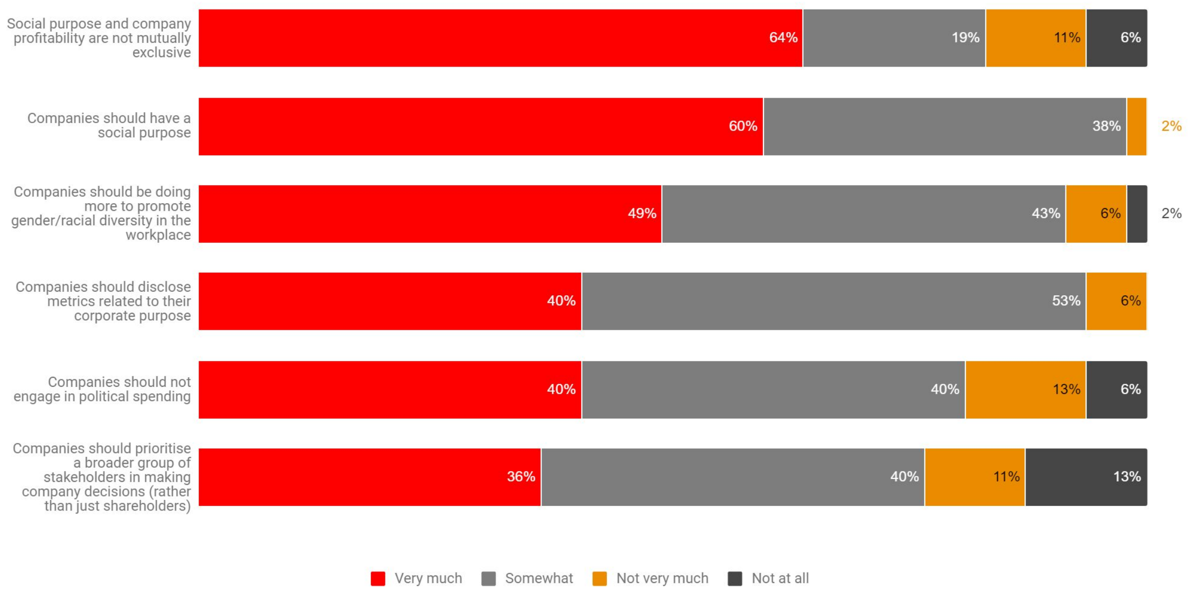


Appendix

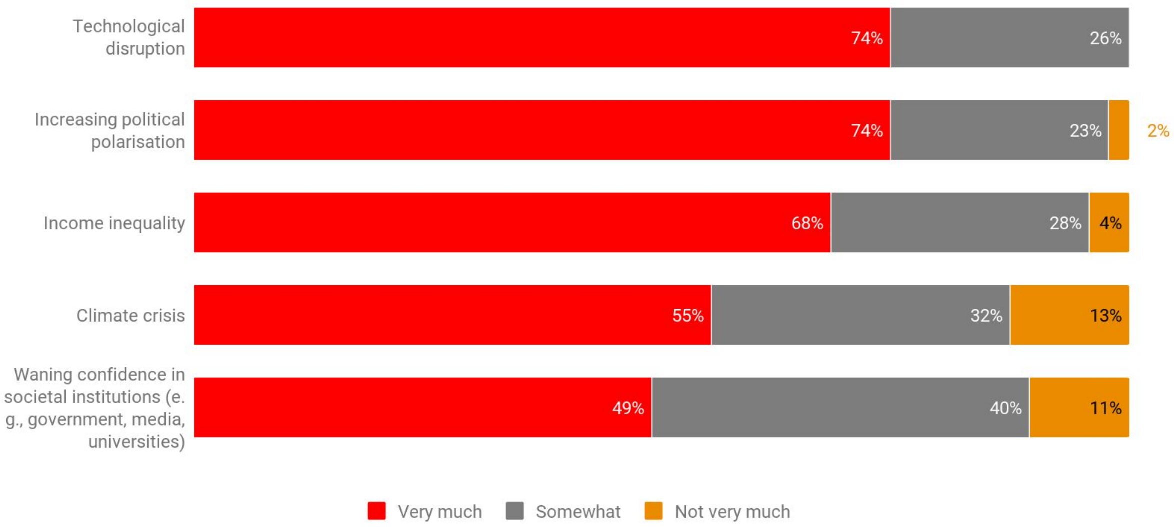
Complete survey findings

The broader environment

24. To what extent do you agree with the following?



25. To what extent are you concerned about the business/societal impact of the following macro trends?

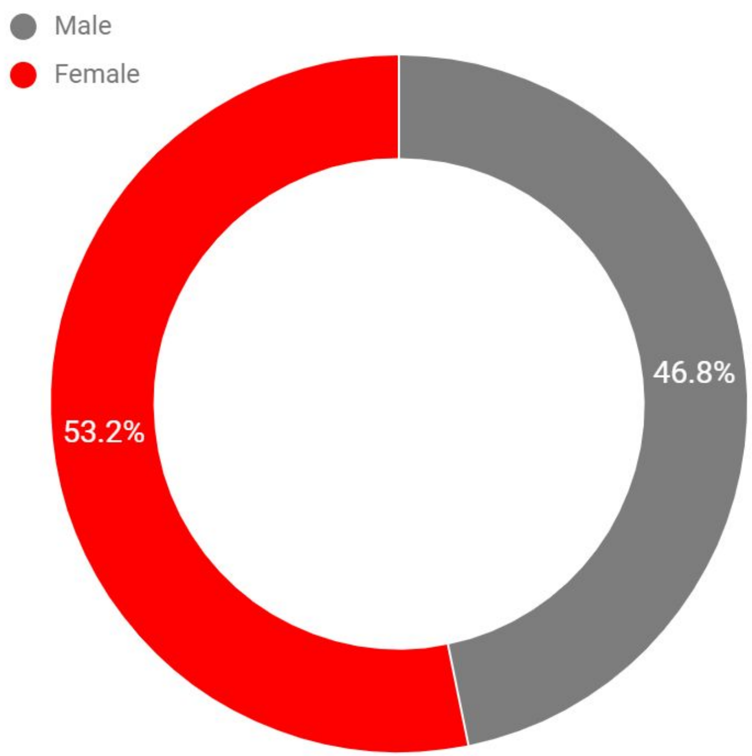


Appendix

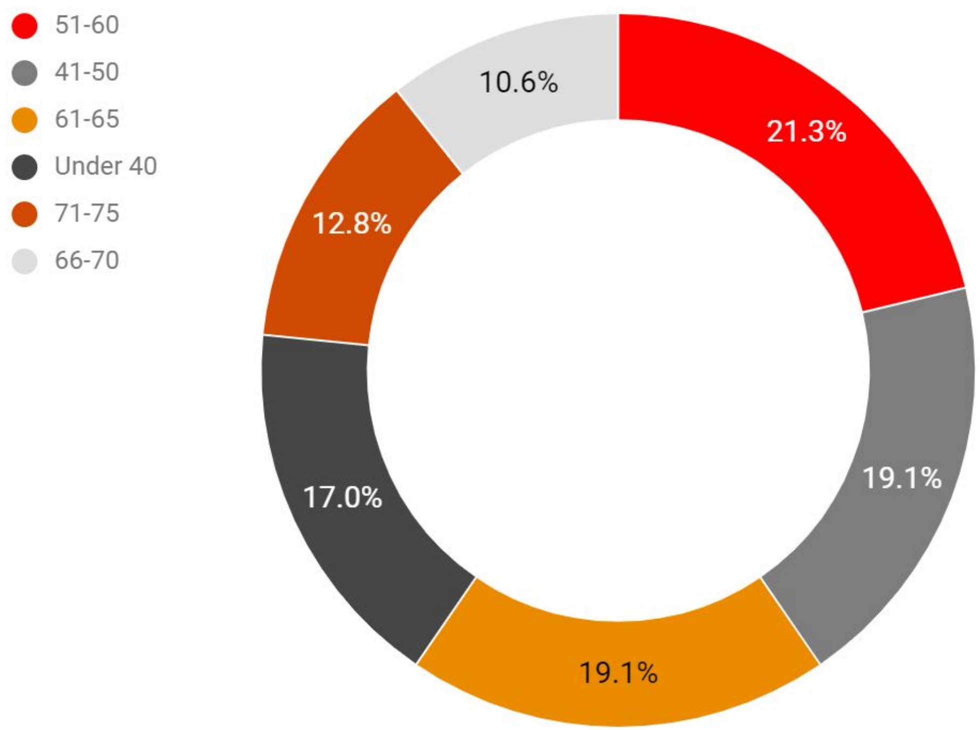
Complete survey findings

Demographics

Gender:



Age:

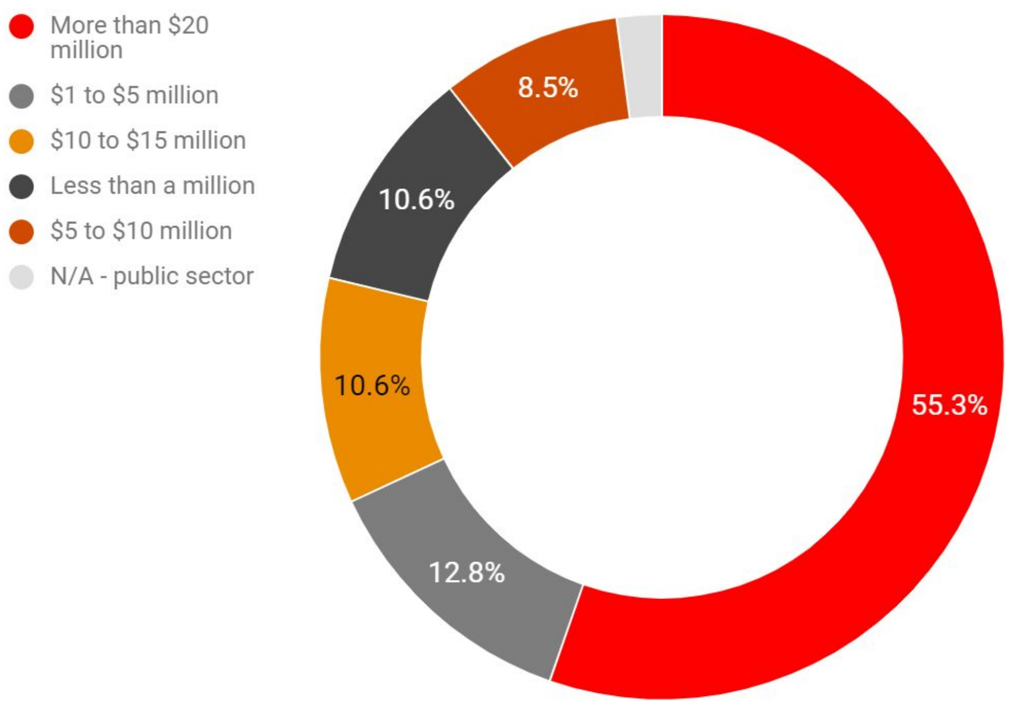


Appendix

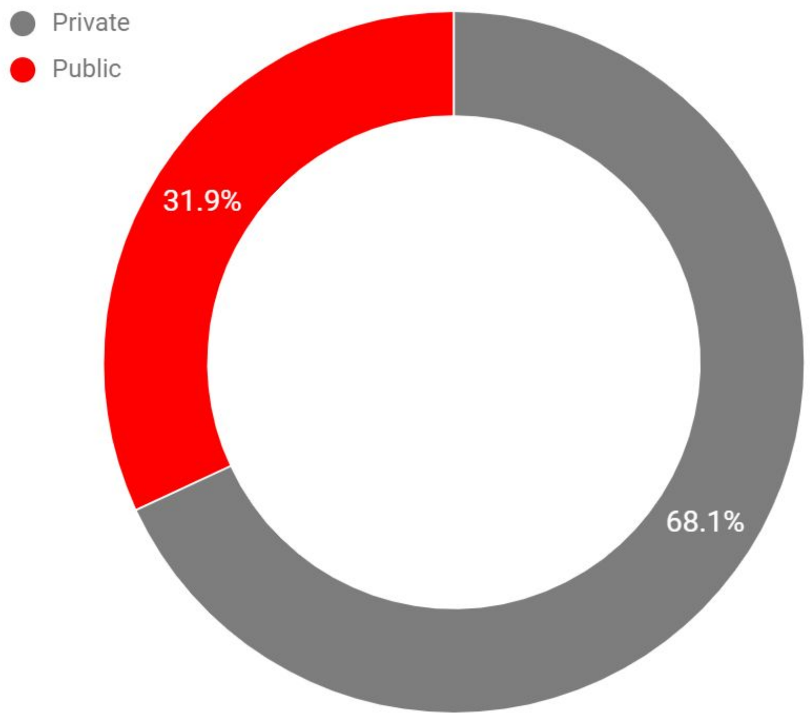
Complete survey findings

Demographics

What are the annual revenues (USD) of the largest company on whose board you serve?



Do you serve on a private sector or public sector board (please select)?

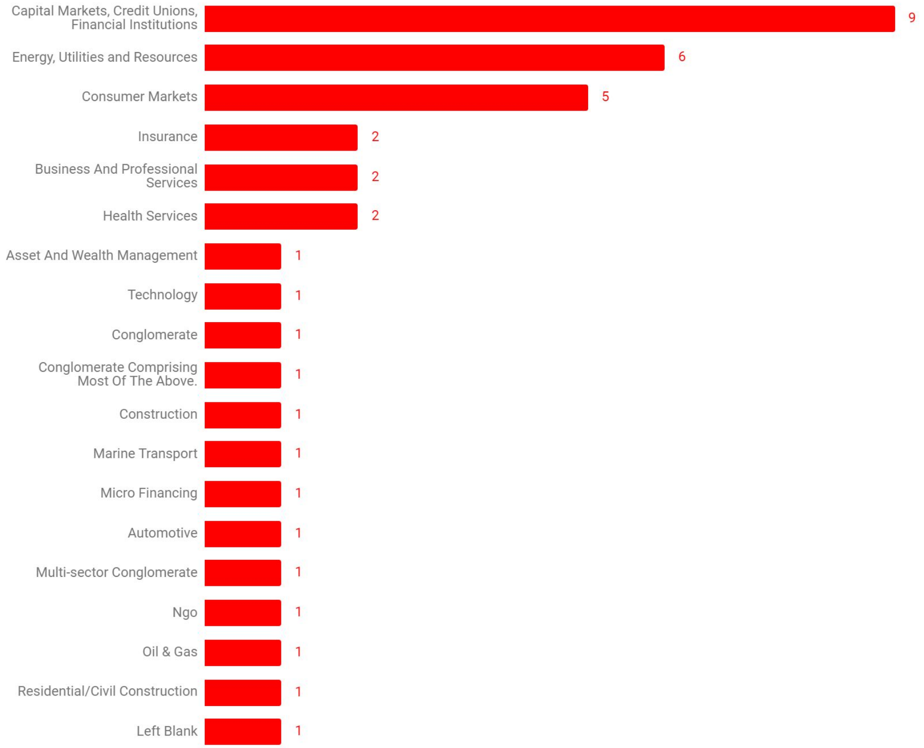


Appendix

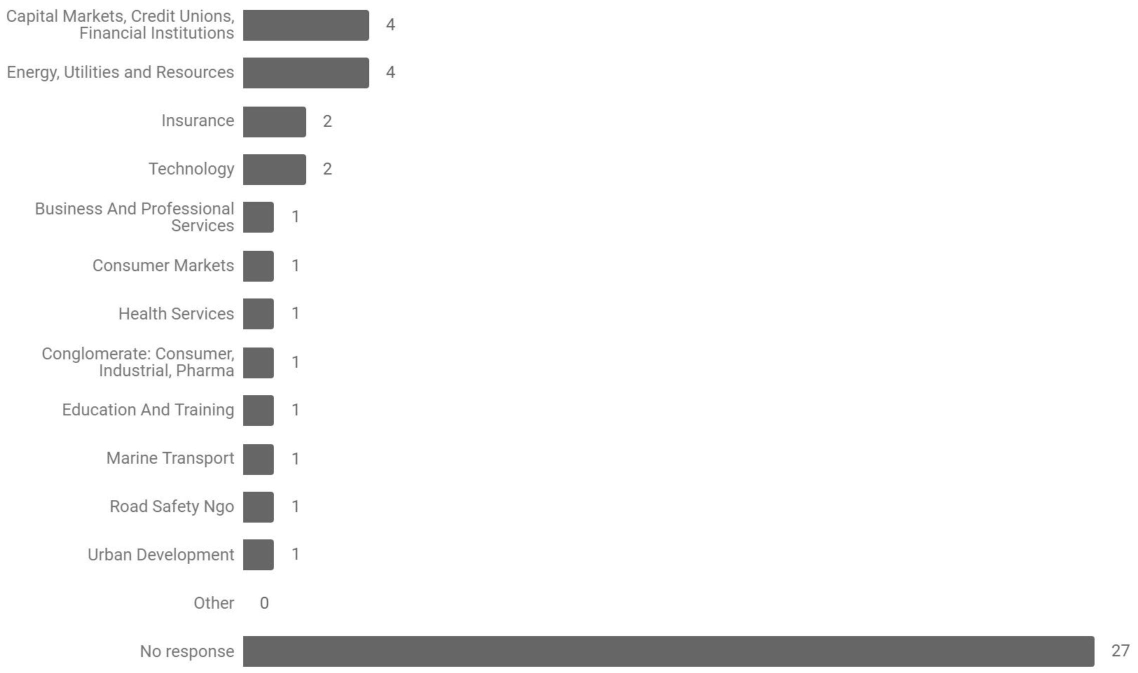
Complete survey findings

Demographics

Private sector - which of the following best describes that company's industry? (select only one)



Public sector - which of the following best describes that company's industry? (select only one)

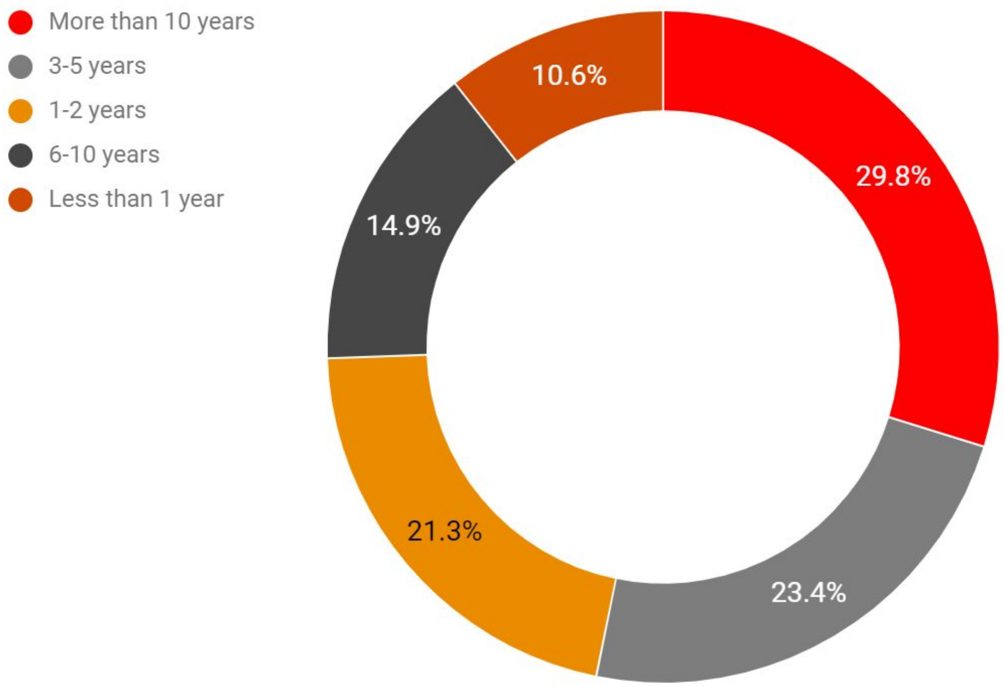


Appendix

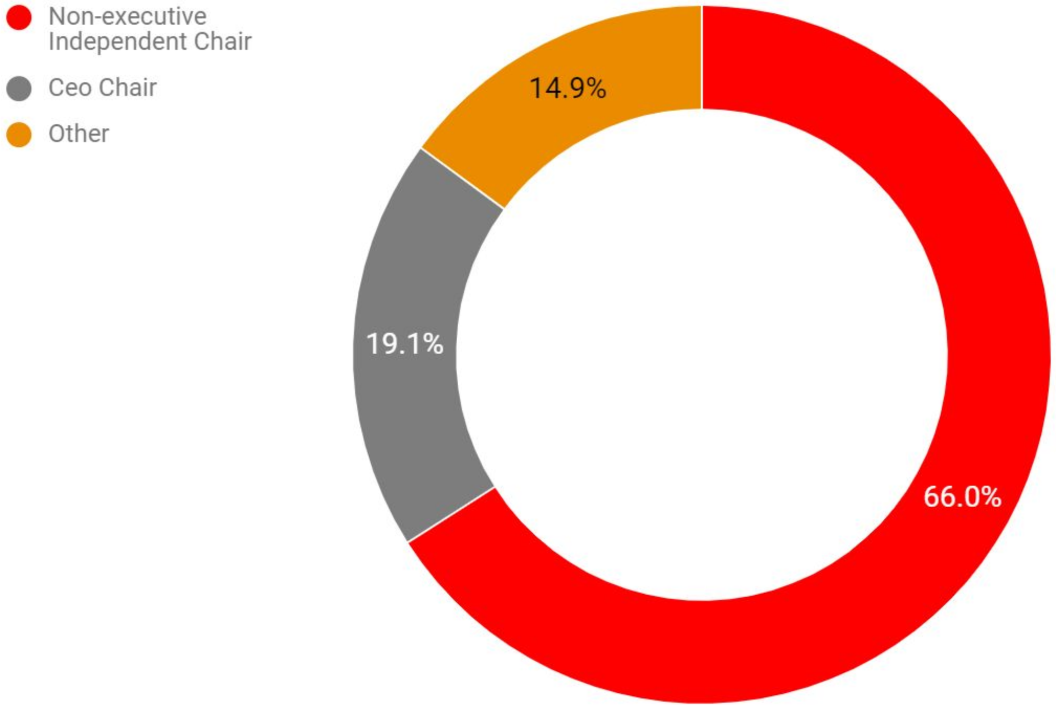
Complete survey findings

Demographics

How long have you served on this board?



Which of the following describes that board's leadership structure?

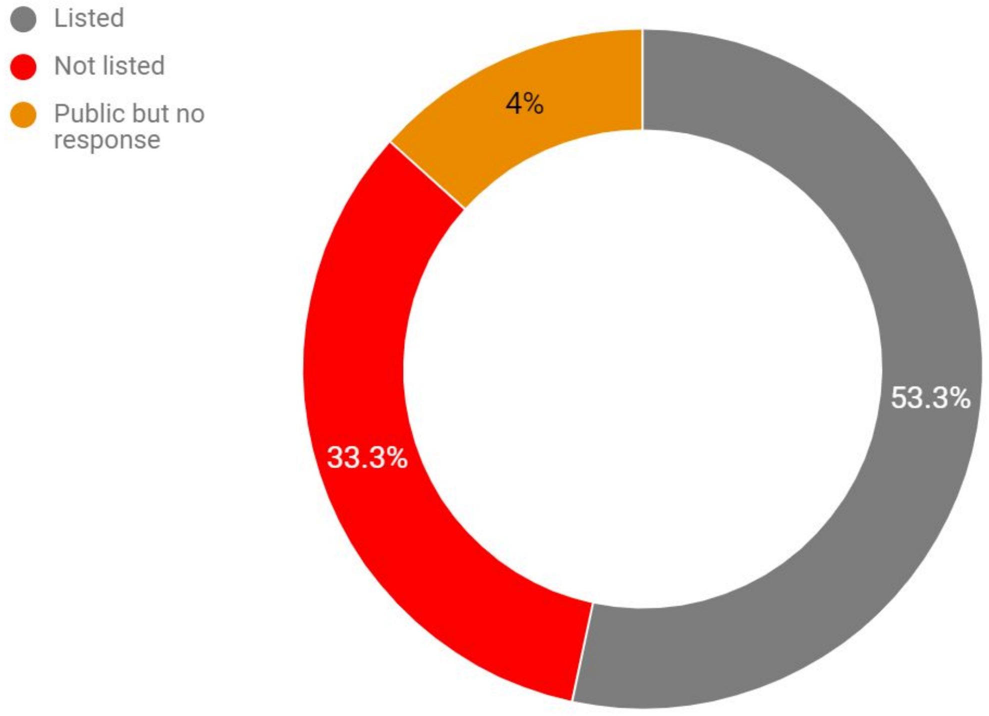


Appendix

Complete survey findings

Demographics

If you serve on a public company board, is it listed or not?



On how many publicly listed company boards do you currently serve?