Picking up the pace

Caribbean Corporate Governance Survey 2022

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Introduction: The world has changed. Is your organisation keeping pace?

Welcome to **PwC in the Caribbean's Corporate Governance Survey 2022:** *Picking up the pace*, our exploration of boardroom readiness for a changing world.

Whatever happens with COVID-19 over the coming year, one thing is certain – there's no going back to where we were before the pandemic. Public attitudes and business realities have undergone an irrevocable shift.

What's driving the transformation? Small island developing states (SIDS) like ours in the Caribbean are not large contributors to global greenhouse gas emissions, but are disproportionately affected by their impact. Notwithstanding the gap between Caribbean emissions and climate change impacts, we cannot simply point our fingers to the international community to change; it is incumbent on us to be part of the solution while still holding international communities accountable.

While recognition of the threats has been growing for some years, 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've 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.

As board members, many of you have embraced these environmental, social and governance (ESG) priorities as both the right thing to do and a commercial imperative. However some are more sceptical, while others are saying "I don't have time for this right now. I just need to keep my business afloat."

Far from being just altruism, ESG impinges on the most pressing issues on the boardroom agenda, from talent gaps to winning back customers. ESG also holds the key to forging stronger and more sustainable business prospects as we emerge from the pandemic.

Stakeholders, such as consumers and employees are gravitating towards green and socially-conscious organisations. A standout record on ESG could also help your organisation to become a magnet for talent. This includes attracting the socially and environmentally conscious generations coming out of education and into the workforce, who want to work for organisations they see as being forces for good within society.

In turn, many investors now look at ESG performance as closely as financial returns when judging where to commit their funds. 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.

The flipside is significant risk. Fall short of stakeholder expectations, and your organisation could lose key talent, customers and investment.

Governance is key to delivering ESG

As environmental, financial and societal pressures converge, today's leaders must solve for a new equation. Driving the E (environment) and S (social) in ESG is the G (governance). Strategic oversight, accountability, transparency and other key aspects of corporate governance are critical in making sure that organisations determine, drive and live up to their promises on ESG. This includes determining how much time and attention is devoted to ESG as part of the central strategy of the enterprise, and aligning these commitments with day-to-day decisions and operations. This acknowledges that the value of an organisation will more and more be determined not only in financial terms, but also by the non-financial metrics being brought into focus. As such our boards need to think in a more integrated manner to be effective.

Introduction: The world has changed. Is your organisation keeping pace?

Are Caribbean organisations living up to the stakeholder expectations? To find out, we surveyed 193 directors from private and public sector organisations across the region. The results offer fascinating insights into progress, emerging challenges and how to bring corporate 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, more than 90% of the directors in our survey believe that companies should have a social purpose. Over 80% believe that companies should be doing more to promote gender and racial diversity in the workplace. Despite this, whether its 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 Caribbean 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 the corporate community on our islands.

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.

...boardroom oversight and accountability are critical in making sure that organisations live up to their promises on ESG.

Snapshot

ESG on the board agenda

More than 60% report that ESG is at least somewhat linked to their company's strategy and acknowledge its financial impact. Yet less than a third of directors report that ESG issues are a regular part of the board's agenda and only around **10% believe that their board understands ESG risks very well.**

Focusing in not out

When asked about areas that need more time and attention in the boardroom, succession planning (41%) came out on top. ESG isn't far behind (38%), but may need more oversight and challenge given its impact on strategy, governance and risk.

Directors want boards refreshed

Around half of the directors believe that at least one fellow board member should be replaced. **Of these, nearly 30% would replace two or more fellow directors.**

30% would replace two or more fellow directors

Snapshot

60%

plan to take action to address diversity issues

70%

support incentive plans

Board diversity struggles to get off the ground

Despite the need for broader perspective and representation, less than 1% of directors feel their boards are already diversified and 40% haven't taken any action to strengthen diversity over the past two years. **However, nearly 60% have or plan to take action to address diversity issues through investing in upskilling or retraining.**

Virtual board meetings take their toll

Nearly half of the directors believe that virtual meetings positively impact meeting efficiency. At the other end of the spectrum, **over 30% feel there has been a negative impact on director engagement and the ability to voice dissent.**

The paradox of compensation

More than 70% of the directors support incentive plans as a way to enhance long-term shareholder value. However, more than half think that executives are already overpaid. Over 40% believe that compensation committees are too willing to approve overly generous packages/incentives and more than 30% feel that performance targets are too easy to achieve.

The view from the boardroom

From the diversity of the board to oversight of new and emerging ESG risks, directors are coming under increasing pressure to rethink governance and decision making processes. **How are they responding?**

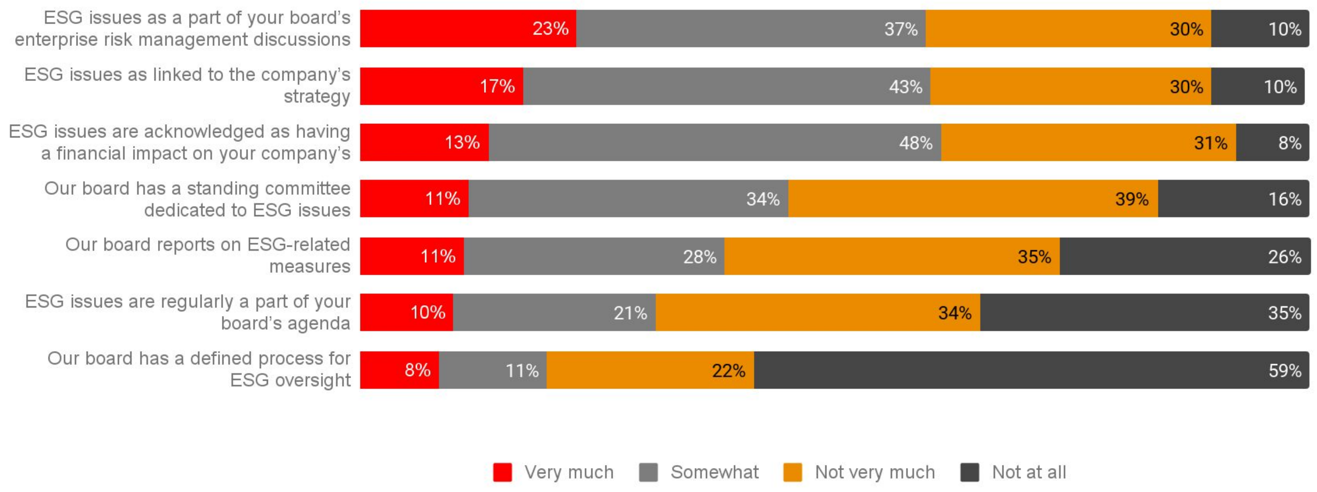
Note: As a result of rounding percentages, some response totals may not add up to 100%.
Some questions allowed respondents to select more than one option.
Not all respondents answered all questions.

Building ESG into business strategy

ESG is beginning to move up the strategic agenda. More than 60% of the directors in our survey report that ESG is at least somewhat linked to their company's strategy and acknowledge its financial impact (*see Figure 1*)**. Notwithstanding, less than a third report that ESG issues are a regular part of the board's agenda.**

Figure 1
ESG's influence on strategy

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



...less than a third of directors report that ESG issues are a regular part of the board's agenda.

Most directors take a number of ESG-related factors into account when developing their strategy including resource scarcity, climate change and human rights (see Figure 2). Yet income inequality barely registers when developing strategy, despite the fact that this is the macro trend that causes the directors most concern (see Figure 3).

Figure 2
What matters when developing strategy

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

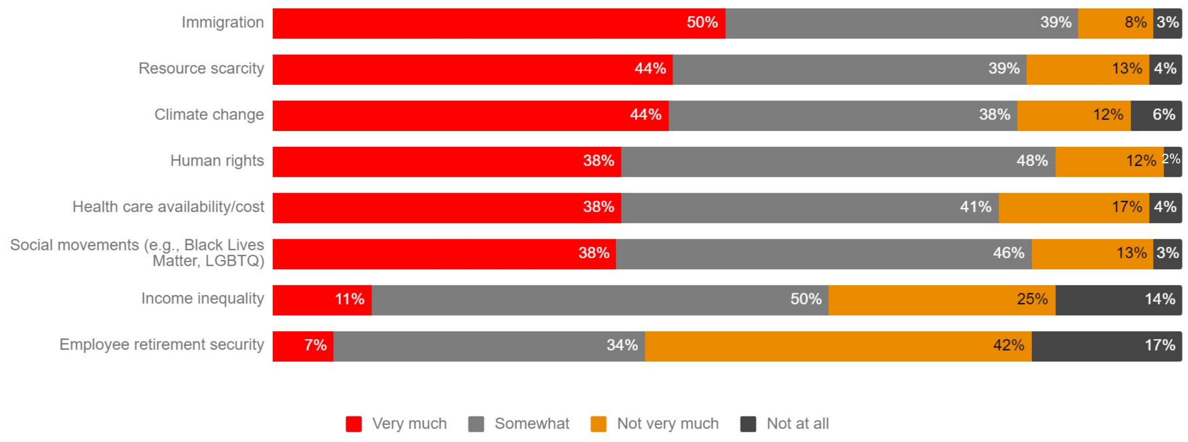
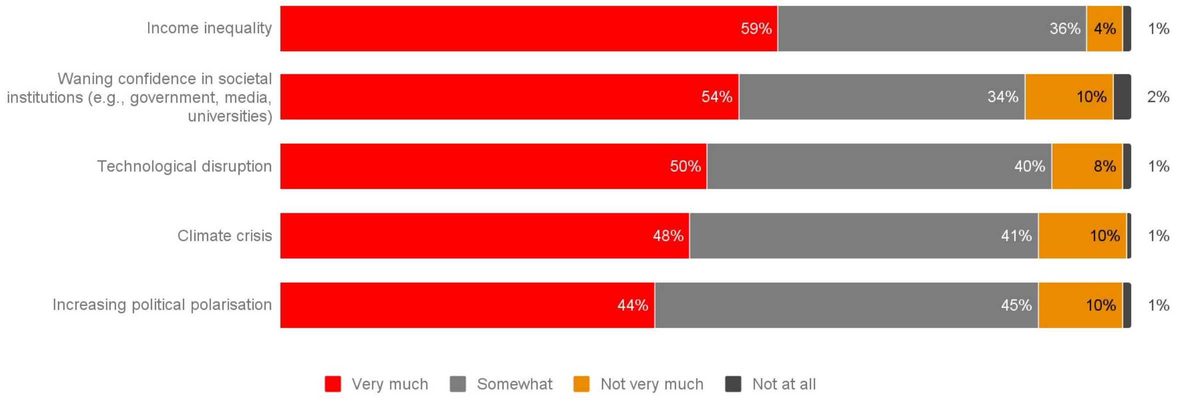


Figure 3
The macro trends keeping boards awake at night

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

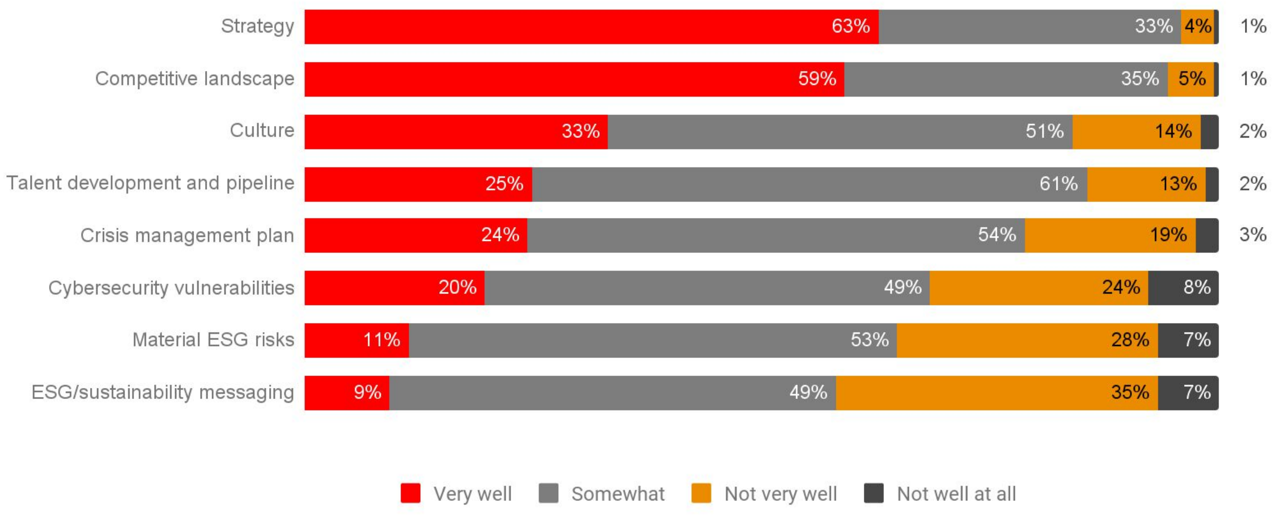


Recognising a new set of strategic risks

The business leaders in our survey show a reassuring degree of confidence in their board's understanding of core considerations including strategy, corporate culture and the competitive landscape (see Figure 4).

Figure 4
Board understanding

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



Why isn't ESG as high up the boardroom agenda as some might expect? It's clear that some executives still doubt or downplay the potential impact of climate change on our economies, our communities and their businesses, though scientific analysis would suggest otherwise. The same can be said for the ongoing impacts of the pandemic and the associated risks to economies, jobs, supply chains and inflation along with other societal factors that stakeholders increasingly expect businesses and other organisations to help tackle. The wider stakeholders of every organisation expect, and increasingly demand, that the strategy and the purpose of any business be developed and executed in a manner that seeks profitability but only while decisively helping to solve the social and environmental issues facing us.

These include the economic divide, diversity and inclusion, health and a myriad of others. The responses show that some of our directors recognise the medium to long-term threats posed by unhealthy societies and a climate ravaged planet, but don't believe it's their most pressing priority as they grapple with more immediate business issues and difficult economic conditions. But with the stakeholder focus on ESG increasing and the associated risks becoming ever more evident, there is now a compelling case for moving ESG higher up the agenda. Gone are the days of a purely financially focused approach to strategy that fails to take the needs of stakeholders, not just shareholders, into account, since business as usual will not mitigate the climate crisis or bridge the socioeconomic divide. As laid bare in our 25th Annual Global CEO Survey, now is the time for bold leadership to build and deliver sustained outcomes.

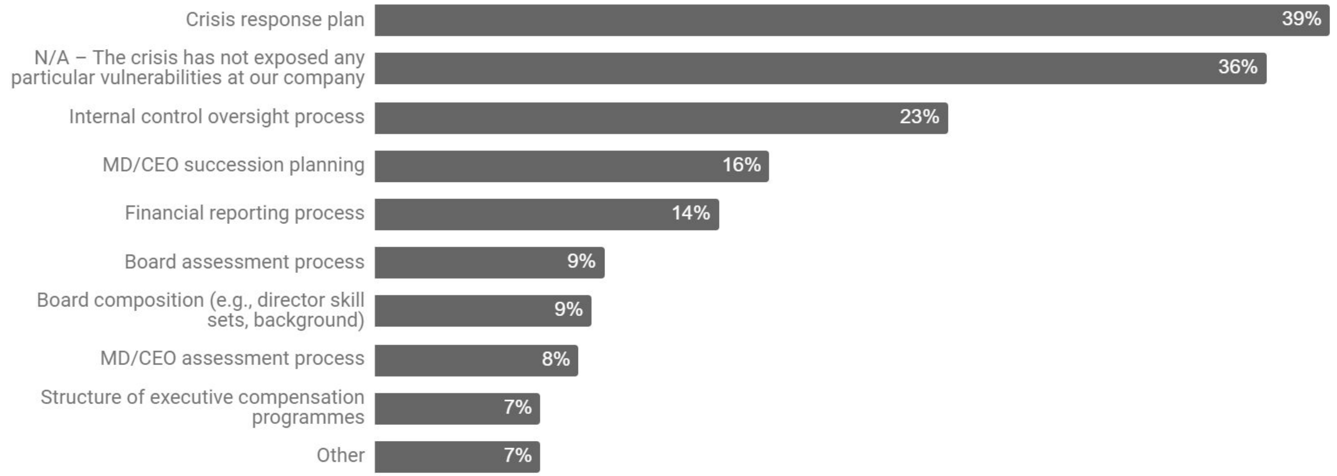
Less familiar ESG risks and their strategic implications aren’t as well understood however. The risks stretch from the impact of climate change and regulation to address it, to reputational damage and resulting loss of customers, talent and investment. While six in ten directors acknowledge that ESG issues form part of their enterprise risk management (ERM) discussions, only around one in ten believe that their board understands material ESG risks and ESG/sustainability messaging very well. Less than 20% report that their board has a defined process for ESG oversight. These findings underline the need to broaden risk scrutiny and expertise, rather than confining the focus to ‘known knowns’.

Further questions centre on lessons learned from COVID-19. Nearly 40% of directors feel that the pandemic highlighted vulnerabilities in their crisis response plan, though nearly as many don’t believe that any weaknesses were exposed (see Figure 5). 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 underrepresented in leadership positions.

Less than 20% of directors report that their board has a defined process for ESG oversight.

Figure 5
Vulnerability to crisis

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)



Strengthening diversity, perspective and readiness to challenge

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.

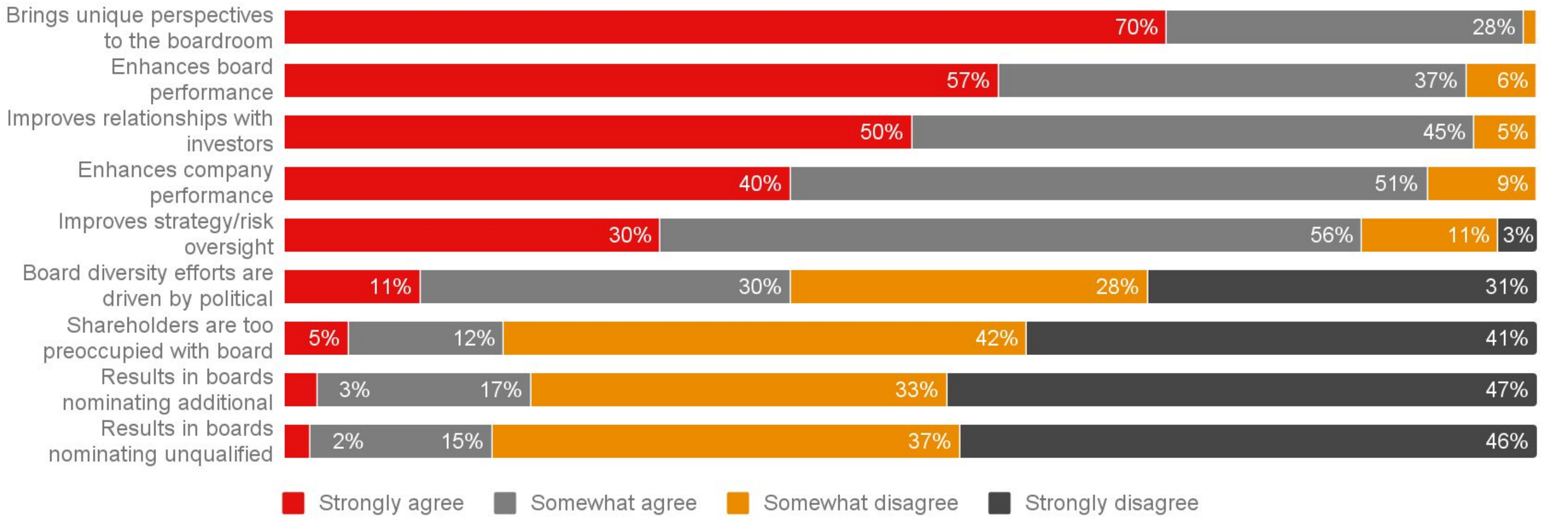
The directors in our survey largely agree. More than 90% believe that board diversity brings unique perspectives to the boardroom, improves relationships with investors and enhances board and overall company performance (see Figure 6). In spite of this, less than 1% feel their boards are already diversified and 40% haven't taken any action to strengthen diversity over the past two years. It's perhaps telling that the directors in our survey are overwhelmingly male and over 50.

...less than 1% of directors feel their boards are already diversified and 40% haven't taken any action to strengthen diversity over the past two years.

Figure 6

The benefits of board diversity

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



More than half of the directors in our survey believe that their board needs refreshing. Another sign that some boards may be becoming somewhat complacent, over 15% of our directors also report concerns over a reluctance to challenge management. It would appear that boards still prefer to recruit directors in their image and hence new members still largely come from the same historical networks and skill sets.

Directors see industry and risk management expertise as being far more important than diversity when selecting a new director (*see Figure 7*). They also acknowledge that an 'over-reliance on executive networks to source candidates' remains the top impediment to increasing board diversity (*see Figure 8*).

What is evident from the organisations that are in fact moving forward on board diversity is that willing and suitable candidates from under-represented groups are available if the will exists to reach out to them. What moving the dial on board diversity demands, but lacks right now, is the willingness to challenge and change the status quo. There are clear exceptions to this in the region, with some key players having positively demonstrated what can be achieved and the benefits to be derived from boldly embracing diversity at the board and executive level. What is now needed is greater effort by the majority in following these very positive examples.

Figure 7

Most important factors in executive search and selection

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

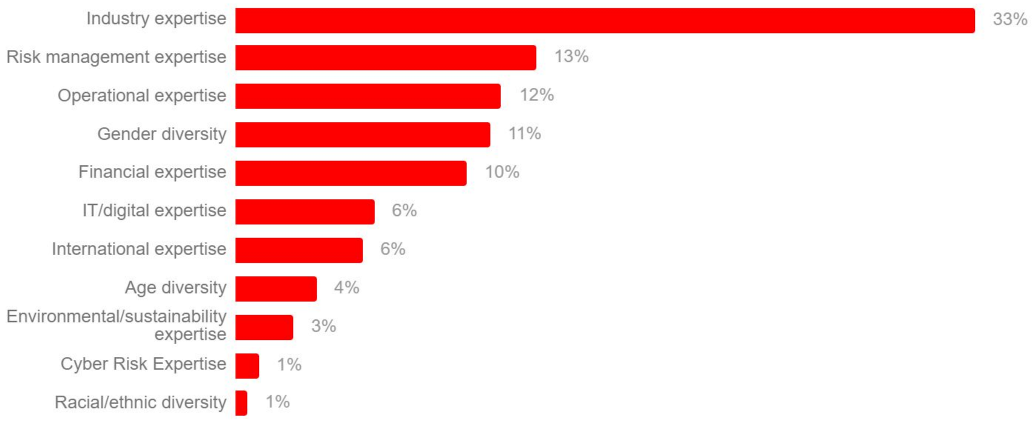
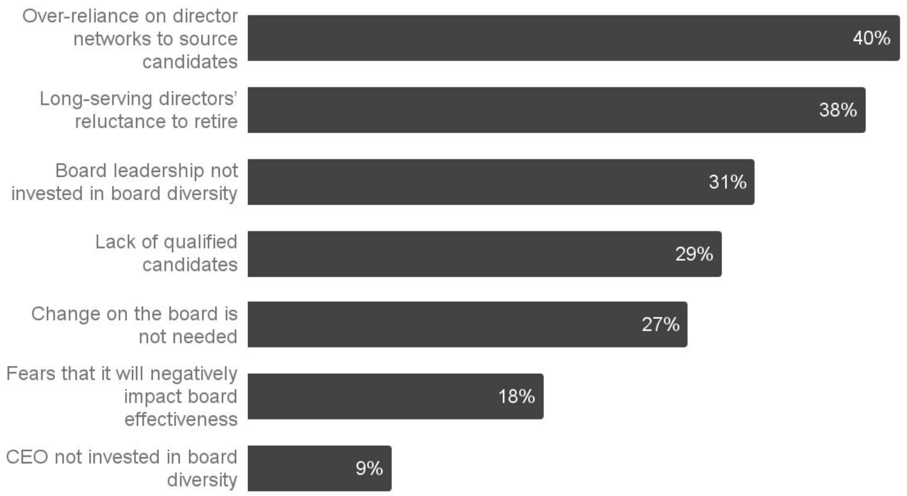


Figure 8

Sticking with who you know

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)



Making the time for proper oversight

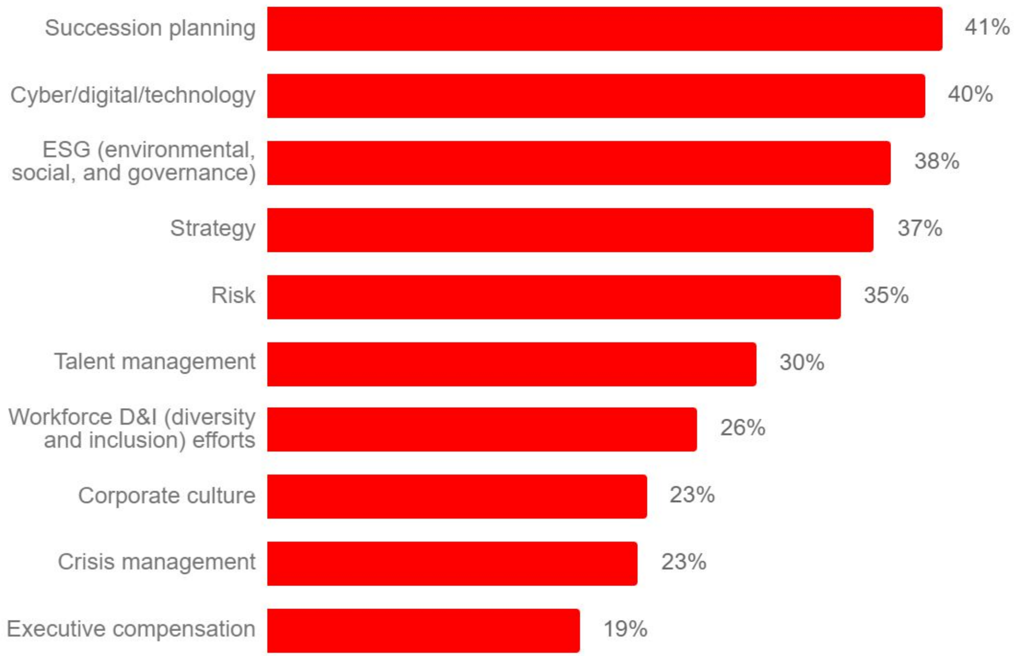
Many directors acknowledge that they're stretched for time and are therefore finding it hard to deliver an appropriate level of oversight.

Two-thirds of directors spent less than 150 hours a year in their board oversight role and a third less than a 100. When asked what areas of oversight fail to receive sufficient time and attention, succession planning came out on top, followed by cyber/digital/technology and ESG (see Figure 9).

Two-thirds of directors spent less than 150 hours a year in their board oversight role and a third less than a 100.

Figure 9
Areas in need of more oversight

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



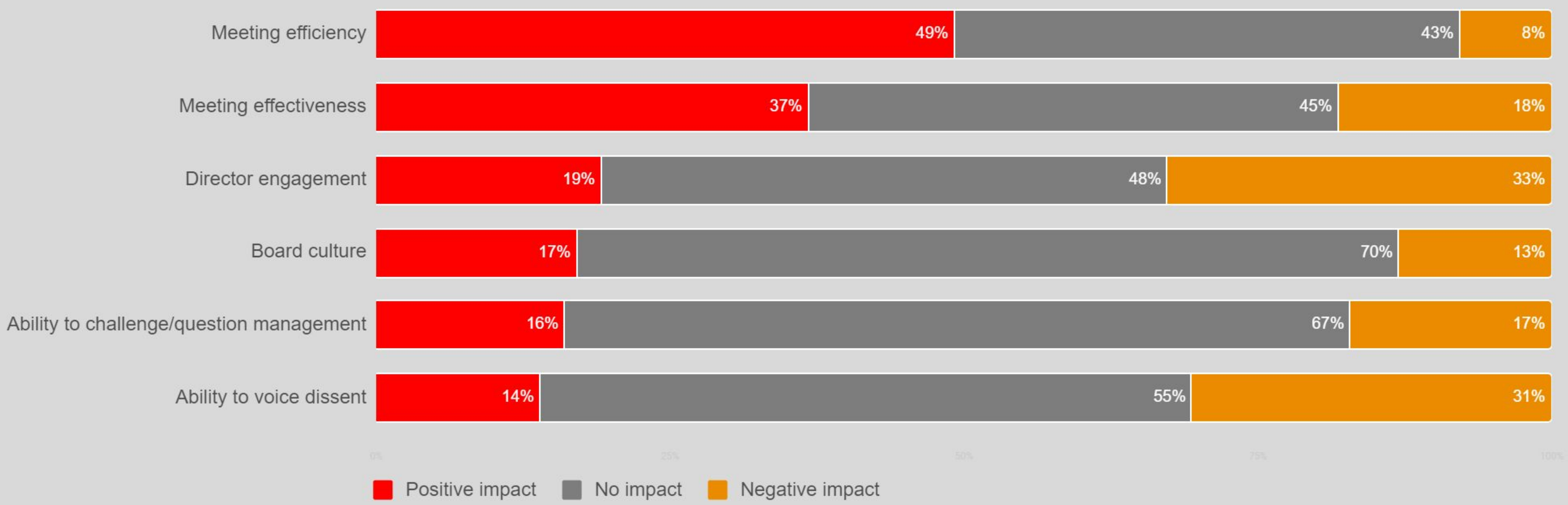
Views on virtual engagement are mixed. Nearly half of directors believe that virtual meetings positively impact meeting efficiency *(see Figure 10).* At the other end of the spectrum, over 30% feel there has been a negative impact on director engagement and the ability to voice dissent.

The pressure on directors' time reinforces the need for widening the pool, especially as many directors sit on multiple boards. Broadening the recruitment pool beyond today's narrow networks would clearly help. The new and emerging risks facing boards should also encourage the recruitment of more directors with specialist knowledge in areas such as ESG, digital transformation and cyber risk.

Figure 10

Impact of virtual meetings

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



Let’s be frank

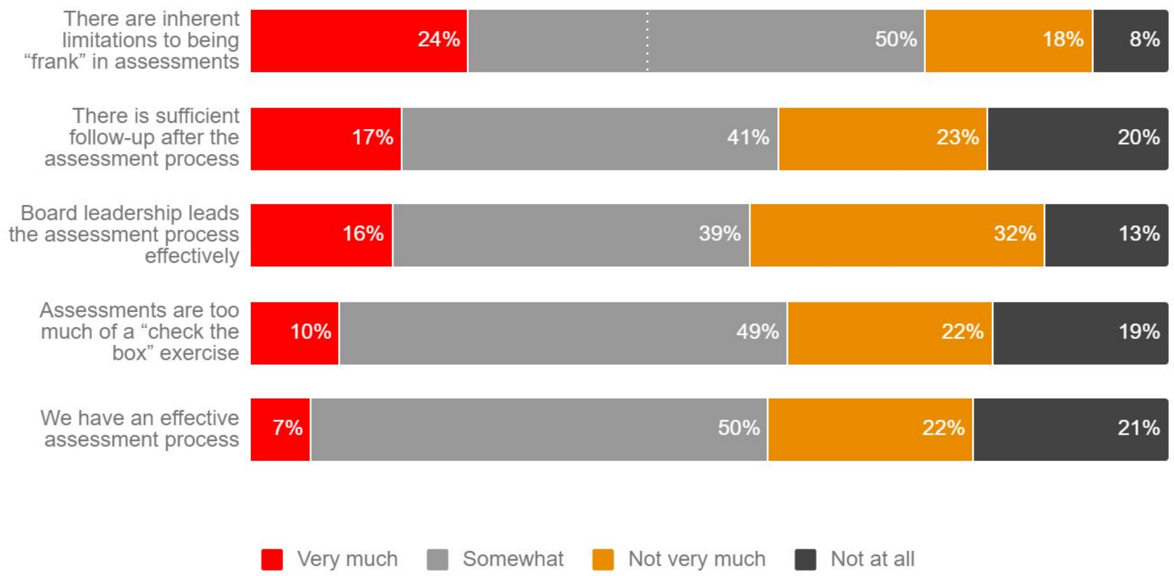
A well-executed board assessment can help provide real insights into how effectively directors carry out their duties and work with one another. If carried out properly, the assessment should identify actionable improvements. Too often though, board assessments are still considered a compliance exercise that adds little value.

Just under a half of the directors in our survey report that their boards have carried out an assessment in the past year. Most of these were self-assessments rather than independent evaluations. The survey highlights significant concerns over the effectiveness of these assessments (see Figure 11). Nearly three-quarters of directors believe that it’s difficult to be sufficiently frank within the assessments, possibly because these are run internally rather than allowing a framework for directors to speak candidly to independent evaluators, even if on a two or three year cyclical basis. Nearly 60% believe that assessments are too much of a ‘check the box’ exercise and 45% don’t believe that board leadership leads the assessment process effectively.

A successful board assessment process requires that leadership clearly understands and articulates the motivation behind, and goals of, the exercize. 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.

Figure 11
Board assessments aren’t delivering

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



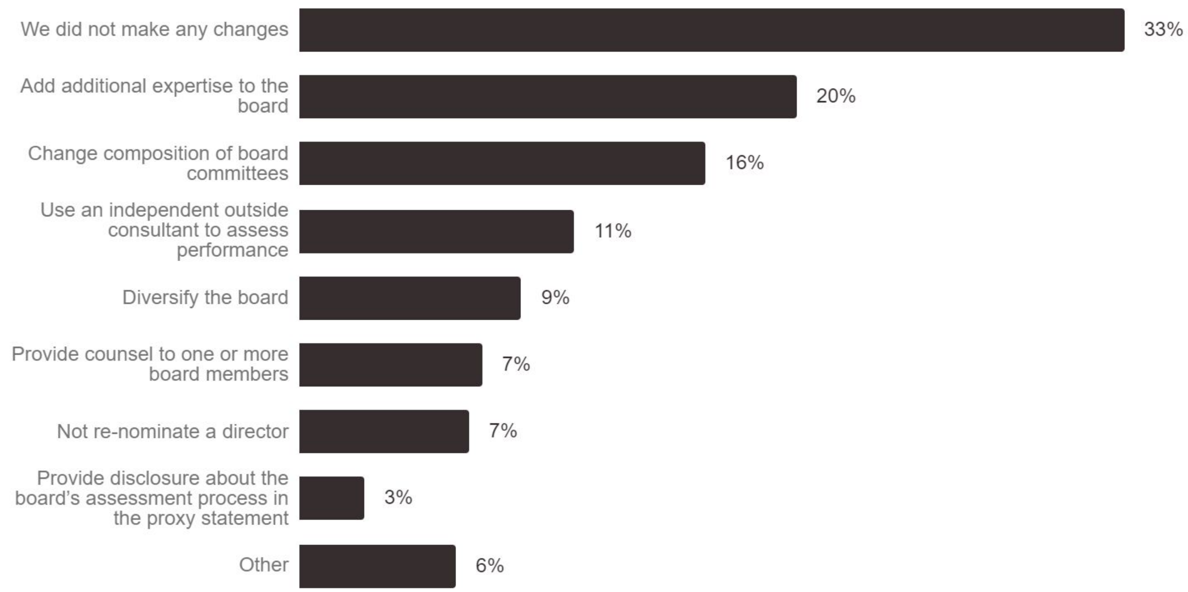
Nearly three-quarters of directors believe that it’s difficult to be sufficiently frank within the assessments.

Less than 60% believe there is sufficient follow-up after the assessment process and that the assessment process is effective overall (see Figure 11), suggesting that there's room for improvement in the roles some Chairs and Company Secretaries play in having board evaluations be truly effective. This also demands that directors generally understand the benefits that the process can yield. In response to the results, less than 10% sought to diversify the board and just 3% provided disclosure about the board's assessment process in a proxy statement (see Figure 12).

The findings underline the need to take board assessments more seriously and ensure the confidentiality and readiness to respond needed to make them credible. It's also vital that there's accountability by the Chair and others to take decisive and deliberate actions stemming from the results of assessments.

Figure 12
Taking action

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)

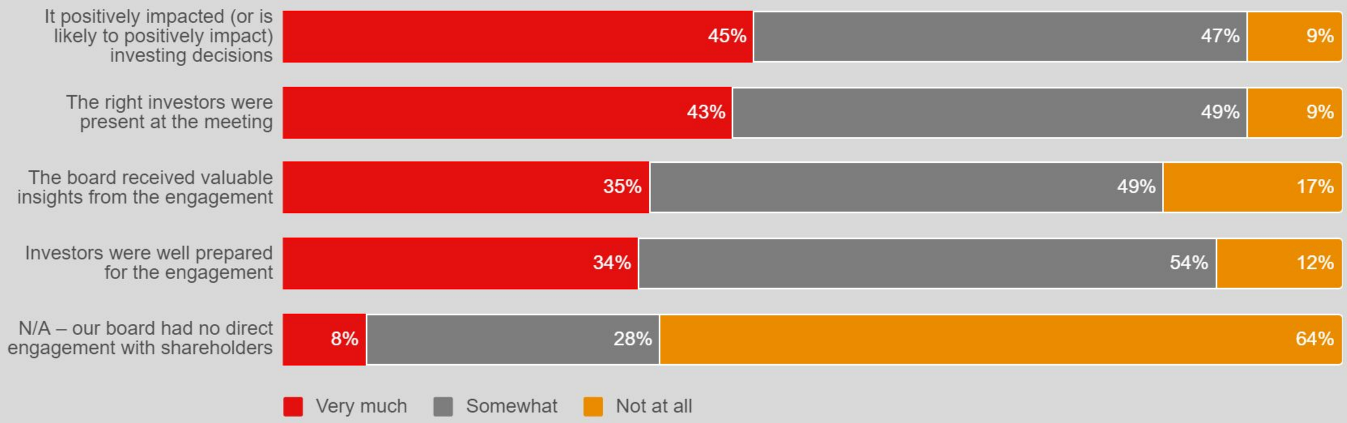


Strengthening stakeholder engagement

Directors highlight the importance of close engagement and communication with investors. The vast majority believe that discussions with shareholders have had or are likely to have a positive impact on investment decisions and that the right investors were present at the meeting *(see Figure 13).* More than 80% believe that the board received valuable insights from these contacts.

Figure 13
The value of shareholder engagement

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

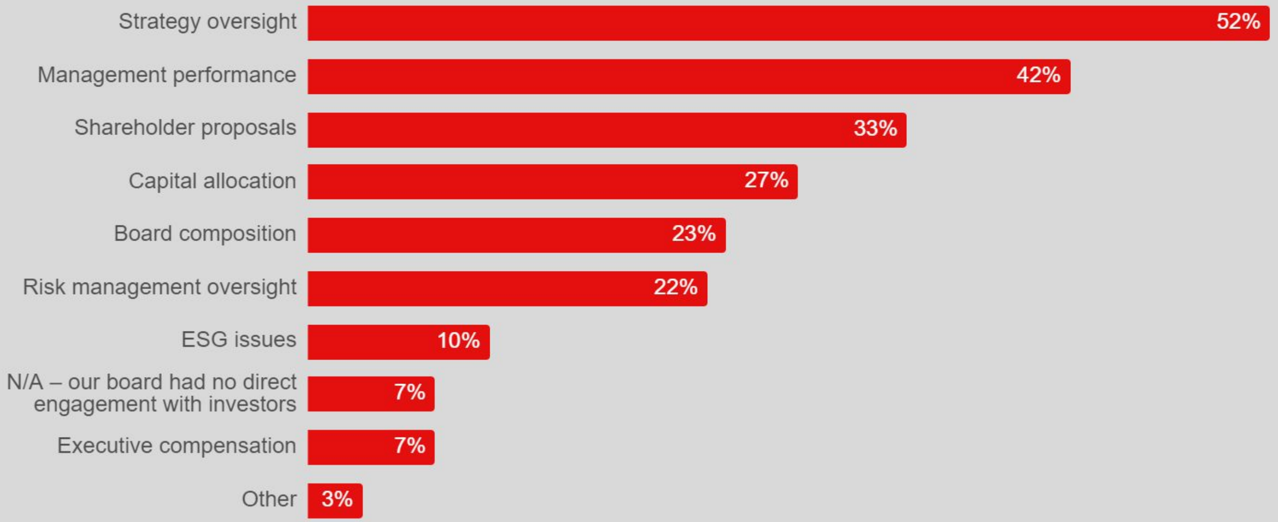


Strengthening stakeholder engagement

The main topics of the engagement with shareholders were strategic oversight and management performance (*see Figure 14*). As Figure 14 highlights, however, ESG is low down the focus of discussions even though it's becoming increasingly important in determining where investors allocate their capital.

Figure 14
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? (select all that apply)

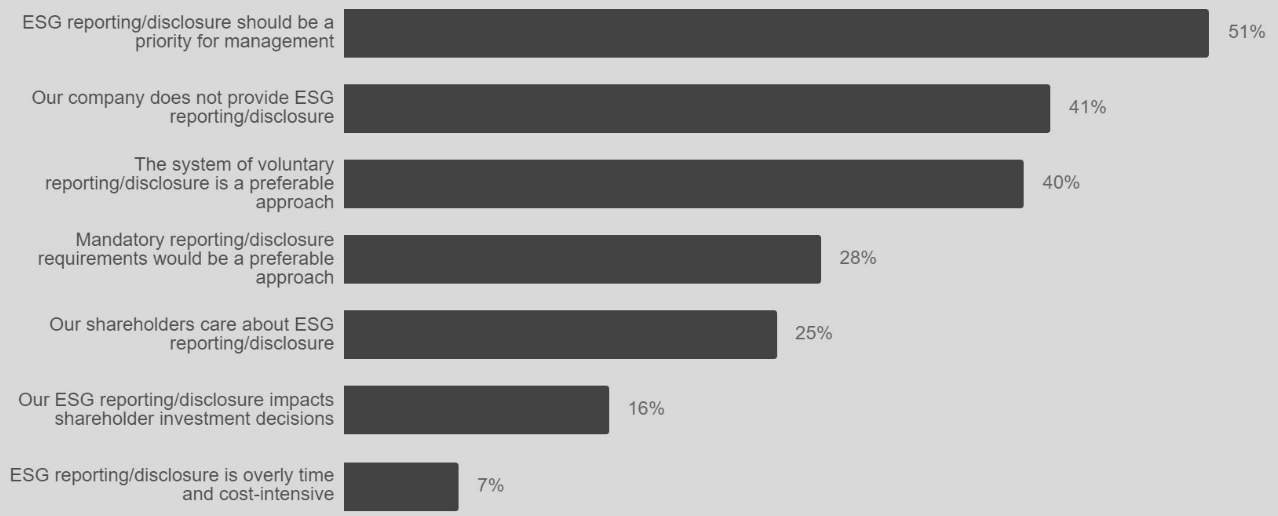


More than half of our surveyed directors believe that ESG reporting should be a priority for management (see Figure 15) but over 40% don't provide this. Directors also favour voluntary over mandatory disclosure. However, pending compliance requirements on sustainability reporting could be introduced in the Caribbean following the setting up of the International Sustainability Standards Board (ISSB) by the IFRS foundation, which is slated to be fully formed in 2022. The ISSB aims to create a global baseline of sustainability disclosure standards to run alongside IFRS financial disclosure. The result will be heightened global scrutiny of ESG strategy and performance. In the European Union, UK and elsewhere regulations are rapidly being developed to address all elements of ESG.

These already speak to the liability of directors for ensuring compliance, and it's likely that this global trend will impact Caribbean organisations in the medium term. This is therefore an opportune time for organisations leading the way to gain the credit for their efforts. Failure to comply with future reporting requirements or regulations, or even prior to these, simply failing to take initiative and ownership in this space at this critical juncture, could put businesses at a competitive disadvantage and reduce their ability to attract investment and talent. Just as damaging would be false or misleading disclosures, which would expose a company to accusations of 'greenwashing'. It's therefore important for boards to take the lead in developing clear ESG commitments that form part of their overall strategy and that are central to their purpose, putting in place the monitoring, oversight and accountability needed to ensure that these are met.

Figure 15
ESG reporting

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



More than half of directors believe that ESG reporting should be a priority for management. However, over 40% don't provide this.

Support for incentives comes up against concerns over excessive pay

Directors' views on rewards present something of a paradox. More than 70% support incentive plans as a way to enhance long-term shareholder value (see Figure 16), but over half believe that executives are overpaid. More than 40% are concerned that compensation committees are too willing to approve overly generous packages/incentives and over 30% feel that performance targets are too easy to achieve.

Directors see customer satisfaction as the most important non-financial metric in determining their compensation plans, followed closely by ethical behaviour and employee engagement and attrition rate (see Figure 17).

Stronger governance that seeks to make some of these important non-financial and sustainability metrics central to an organisation's strategy, could help to bridge the disconnect between the level of executive rewards and their ability to drive improved performance. This includes more exacting targets and aligning objectives more closely with changing competitive demands and new priorities in areas such as diversity and net zero commitments. The need to have satisfied customers is a given, but good governance and oversight must always seek to drive ethical behaviour at the executive level to the fullest extent. Unfortunately 22% of our respondents don't consider the reinforcement of this demand via compensation as necessary.

Figure 16

A fair reward

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

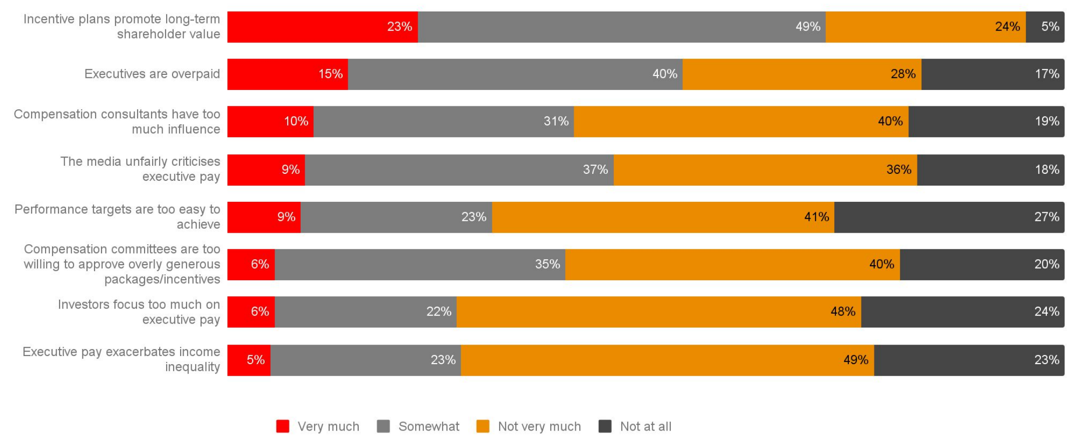
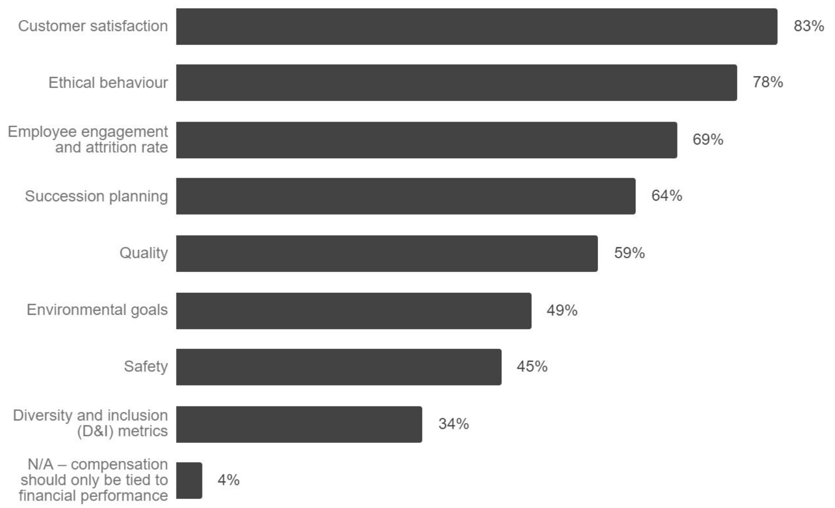


Figure 17

Non-financial metrics driving incentives

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



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

If organisations are struggling to turn intention into action, how can they pick up the pace of change? Drawing on the findings from our survey and our work with boards and businesses across the Caribbean, our five-point plan offers a way forward.

1 Re-examine board priorities

When asked which areas of board oversight demand more time and focus, there was no standout priority. Rather, there are a number of demands competing for attention, from succession planning through to ESG. This underscores the need to forge a clearer consensus on where to focus in this fast-changing business landscape and how to ensure these priorities receive sufficient discussion and challenge.

2 The right people

The board plays a critical role in all aspects of corporate governance. Its stamp stretches from setting the right ‘tone at the top’ and developing the right strategy to maintaining and monitoring business controls, from rewarding appropriate behaviour to communicating credibly and transparently with stakeholders.

Our survey highlights concerns about whether boards are equipped to fulfil this broad and vital remit. Activities are disconnected and time is limited, exposing boards to the risks of missing threats and allowing problems to spiral unchecked. Many directors expressed the view that their boards lack sufficient skills and a willingness to rigorously challenge management.

This is unsustainable. With change rapidly occurring, boards need to be able to pivot, applying the right risk lens to every decision and action. To achieve this, it’s important to have the right people on the board – experienced, inquisitive, with diverse perspectives and with the willingness to constructively challenge. Board members also need to have the time needed to understand both today’s fluid risk landscape and their legal and ethical responsibilities.

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

3 ESG warrants a bigger seat at the table

Strategy, and performance on ESG as part of that strategy, increasingly hold the key to brand reputation, stakeholder long term value creation and access to capital and talent. Identification and management of ESG issues are also essential elements of resiliency and risk mitigation.

Yet our survey indicates that social and environmental issues are still second order priorities within board discussions. It's therefore important to bring ESG further up the agenda. Ways to sharpen the focus include building ESG factors into board and executive team performance metrics and incentives.

4 It's time to tackle board diversity

Now more than ever, diversity on corporate boards is a business imperative. Employees and other stakeholders expect it. The opportunity to bring in fresh perspectives and connect more closely with customers makes board diversity a clear competitive differentiator.

So far, however, change has been far too slow. We therefore need real progress rather than words. A good starting point would be setting clear goals for board diversity and developing a diverse pipeline of candidates, as is already being done by key governance leaders in our markets.

However, simply adding new directors from diverse backgrounds to the board isn't enough. In order to benefit from their perspectives and experiences, boards should invest in inclusion as well. That means opening the conversation up and changing the tone in boardrooms. It's also important to invest in board education to raise awareness of unconscious biases and other boardroom dynamics that reinforce conformity and discourage debate and dissent.

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

5 Double down on board assessments

Boards need to be able to work together, challenge decisions and raise red flags. Regular board assessments are a critical part of ensuring that these foundations are in place, contributing to robust oversight while driving continuous improvement in board operations and performance.

Through both quantitative and qualitative evaluation, a well-executed assessment can provide real insights into how a board operates, how Chairs and directors work with one another and any problems that need to be addressed. The results are actionable takeaways that can make a real difference.

Yet barely half of the directors in our survey report that their boards have carried out such an assessment in the past year. Most of these were internal, which they recognise can impede frank discussions and effective follow-up and action.

There needs to be openness, clear direction and, ideally, independent evaluation at least on a two or three year cyclical basis, to make board assessments work for the good of the board and the business.

Conclusion:

No time to lose

The fundamental question is no longer whether to change, but how quickly you can achieve it.

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.

There are Caribbean organisations out in front which clearly appreciate this and have already taken decisive and meaningful steps, reorienting their businesses toward a value creation ecosystem that adds environmental sustainability, employee engagement, external partnerships, and broader societal impact to financial imperatives as measures of success, leading the way in this area. They don't just talk about change but also deliver. However many others need to act now or risk being side-lined.

Boards must 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 must also be ready to challenge assumptions, talk openly about what they're getting wrong and be willing to address this.

The result may not be the boardroom that fits the traditional mold, but it will be a more relevant, more credible and better performing board.

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. 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.

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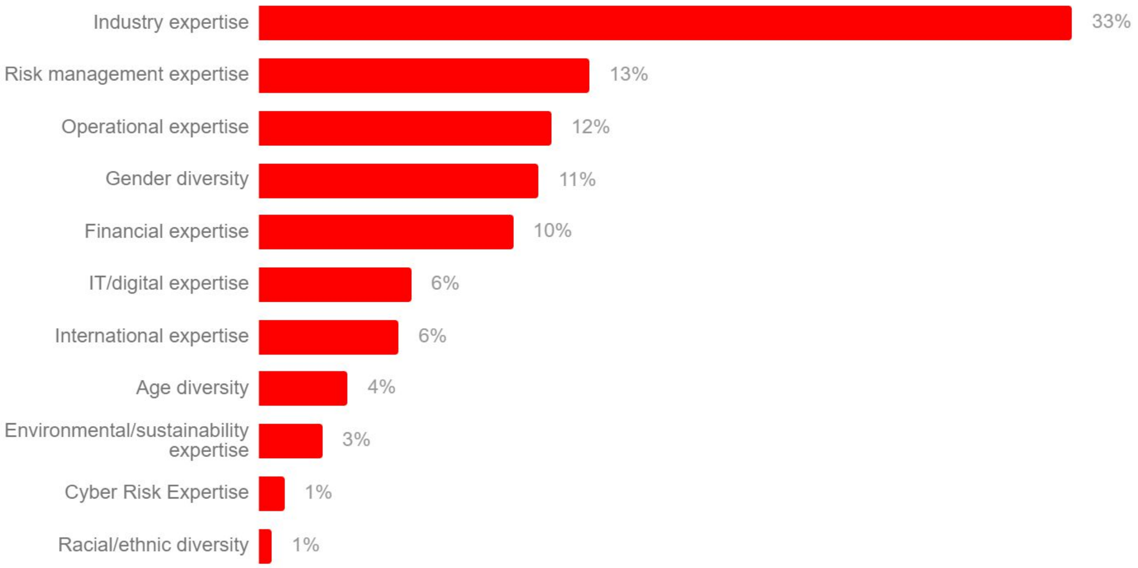
Appendix

Appendix

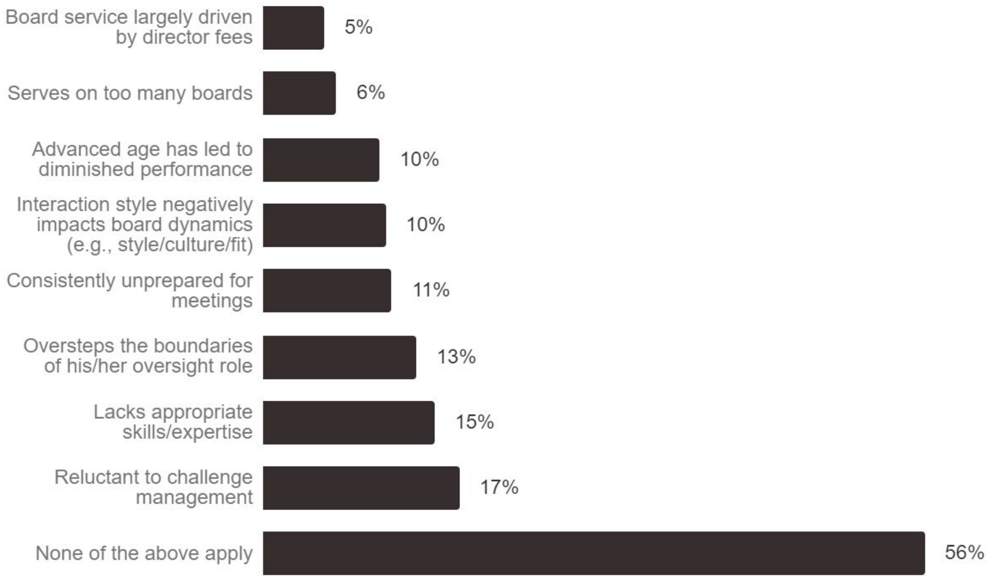
Complete survey findings

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)

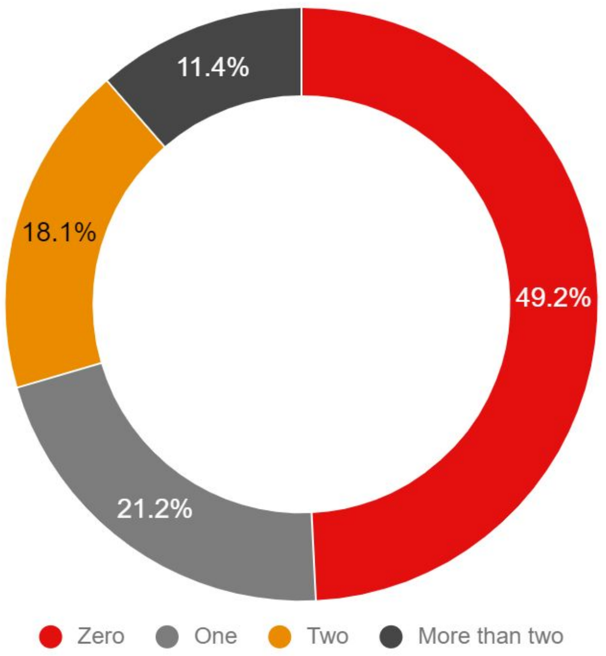


Appendix

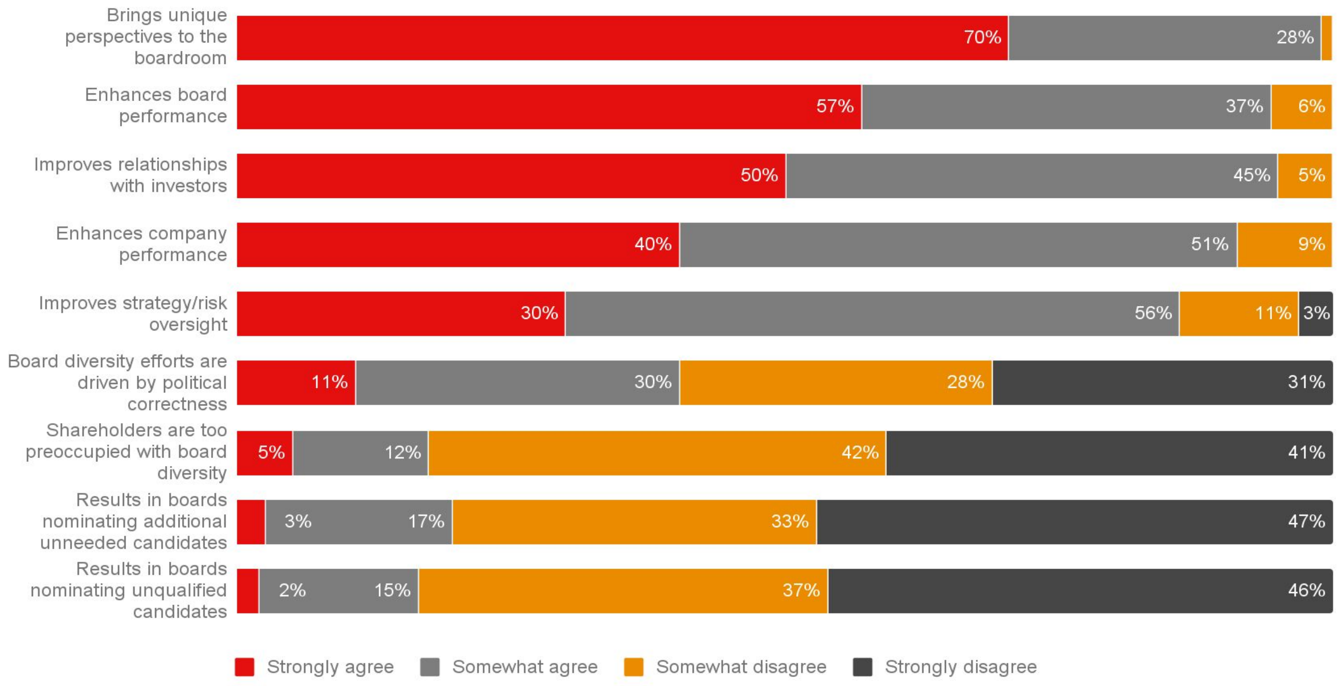
Complete survey findings

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?

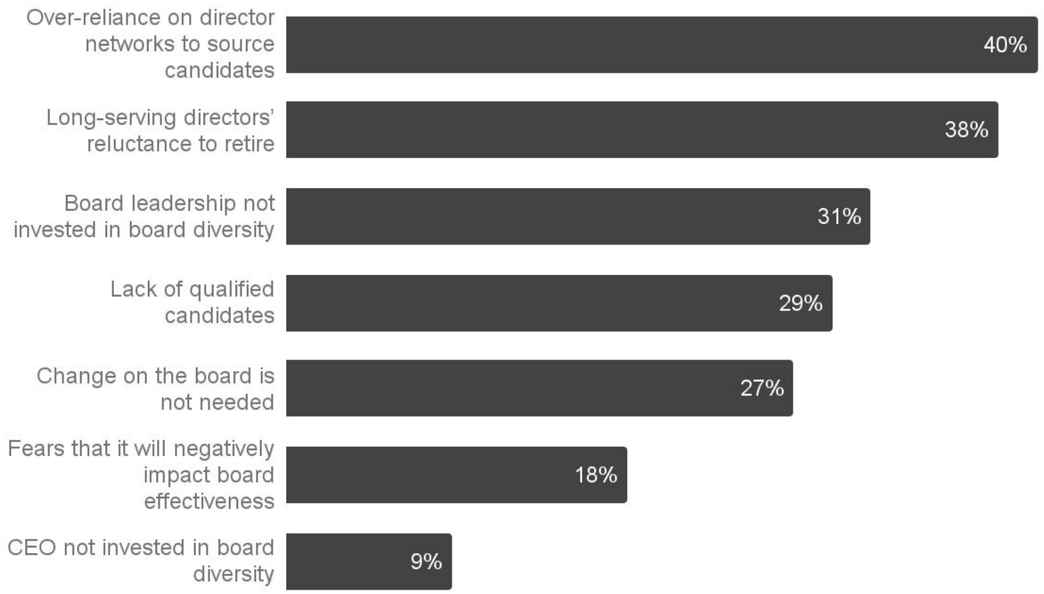


Appendix

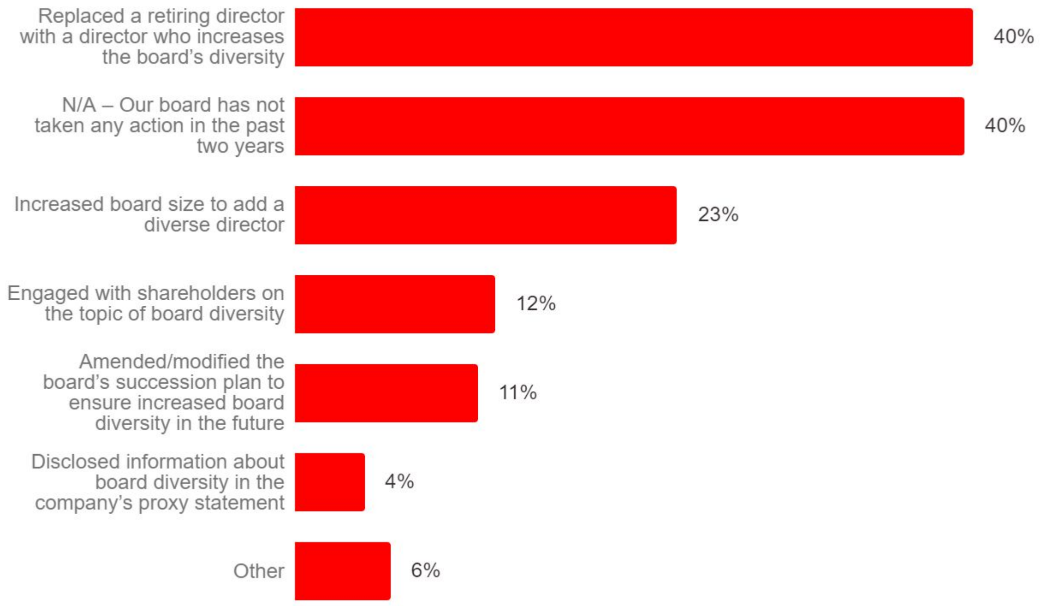
Complete survey findings

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)

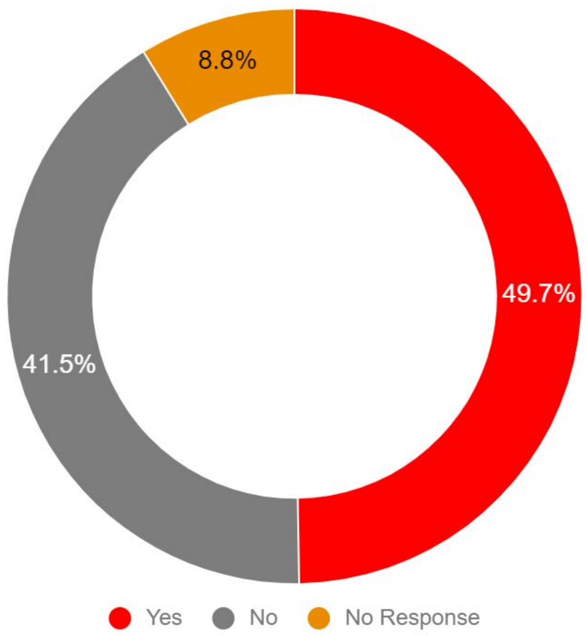


Appendix

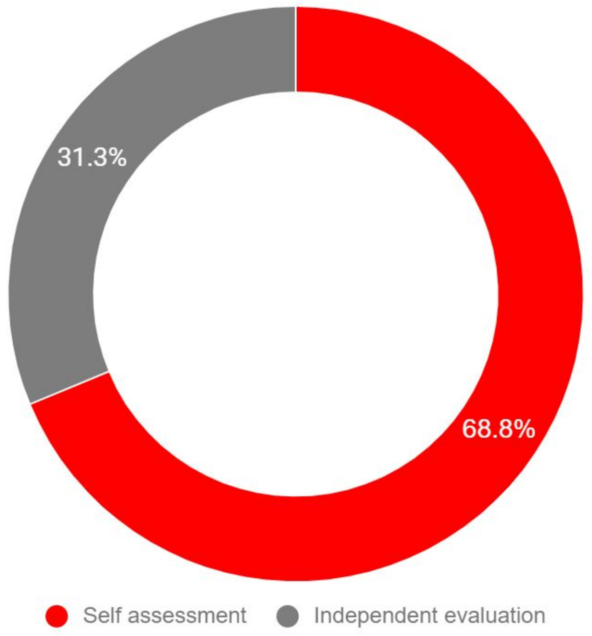
Complete survey findings

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)

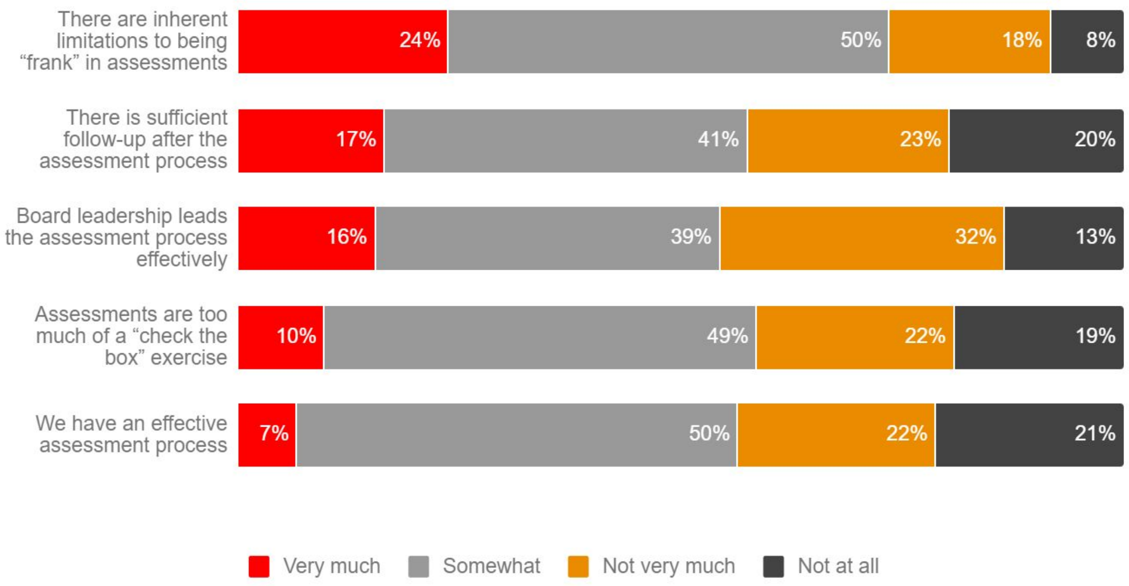


Appendix

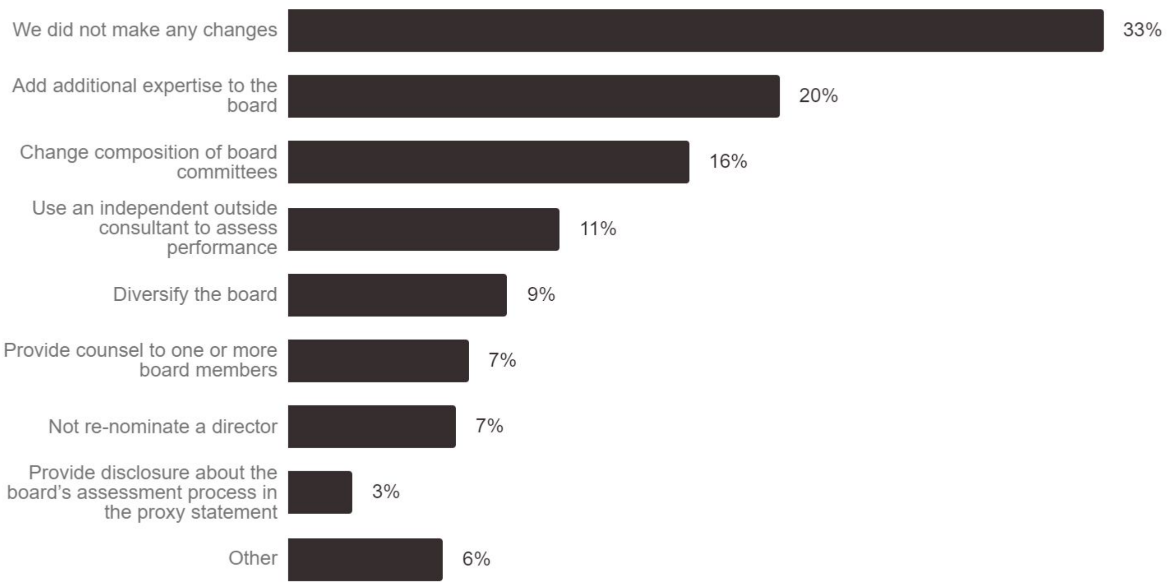
Complete survey findings

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)

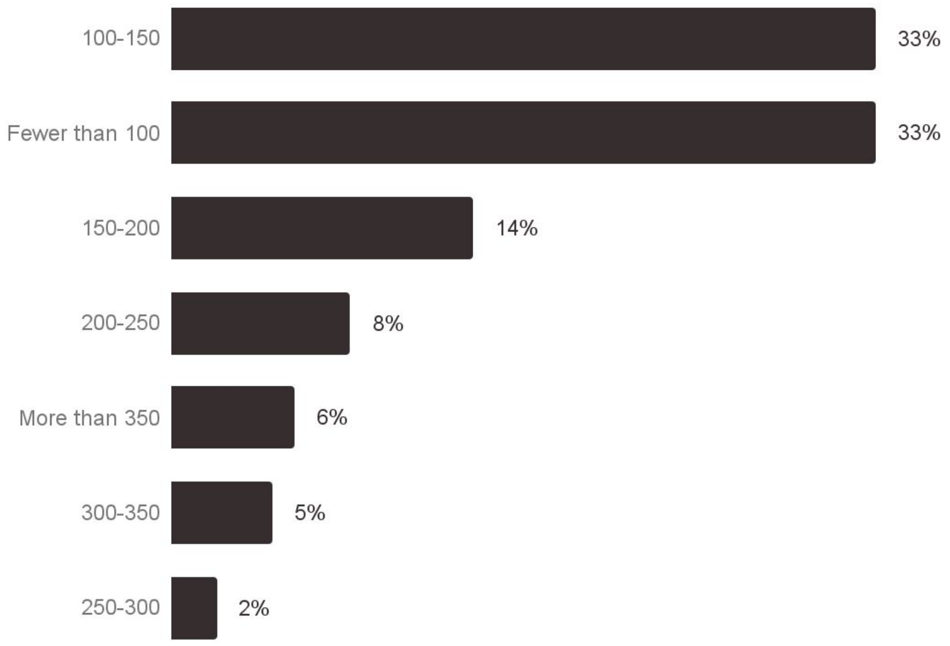


Appendix

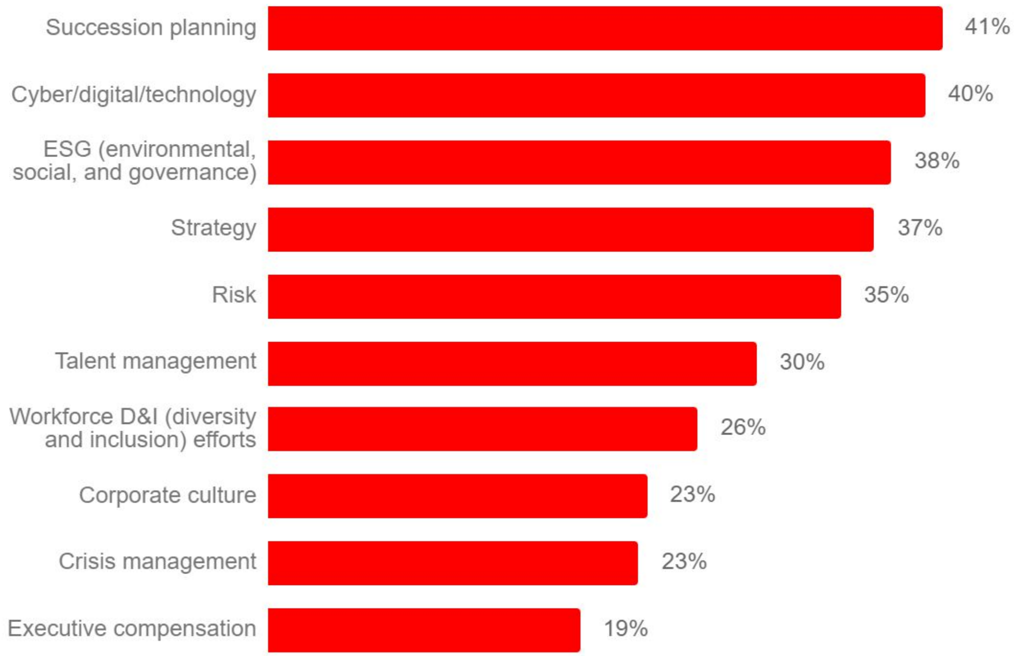
Complete survey findings

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)

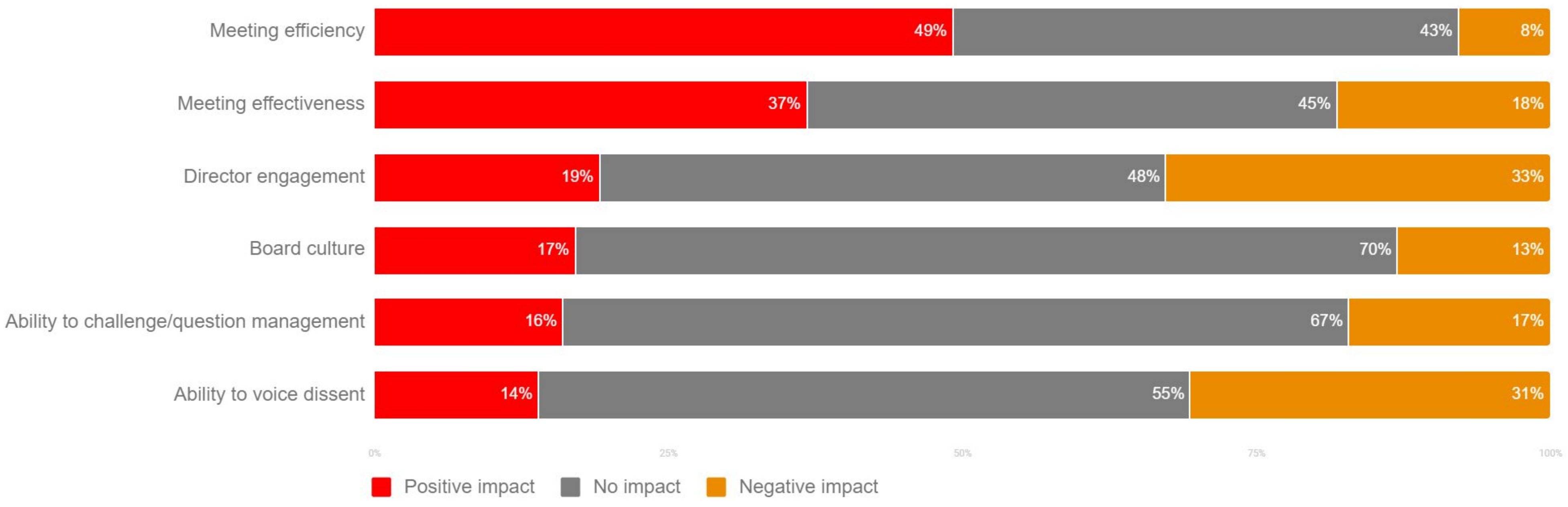


Appendix

Complete survey findings

Board practices

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

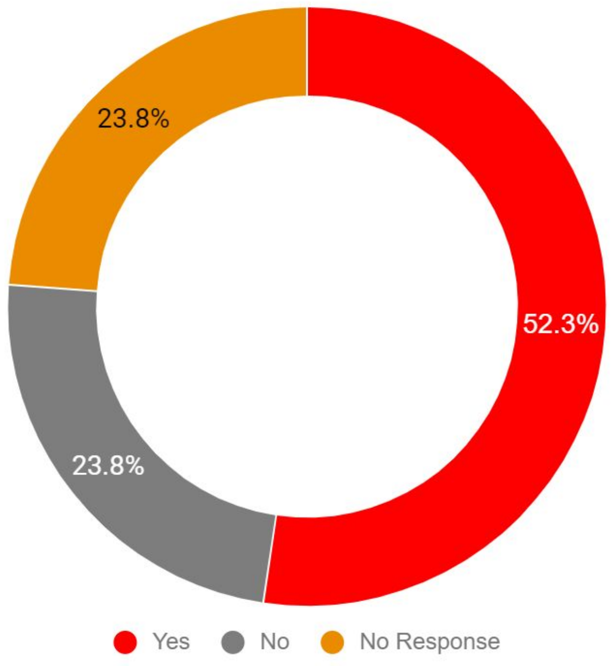


Appendix

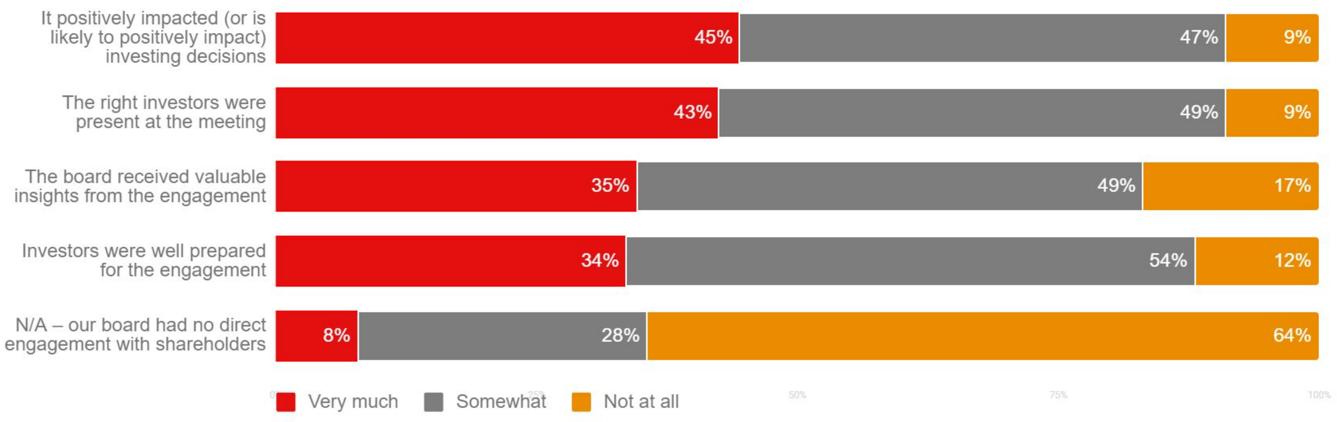
Complete survey findings

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?

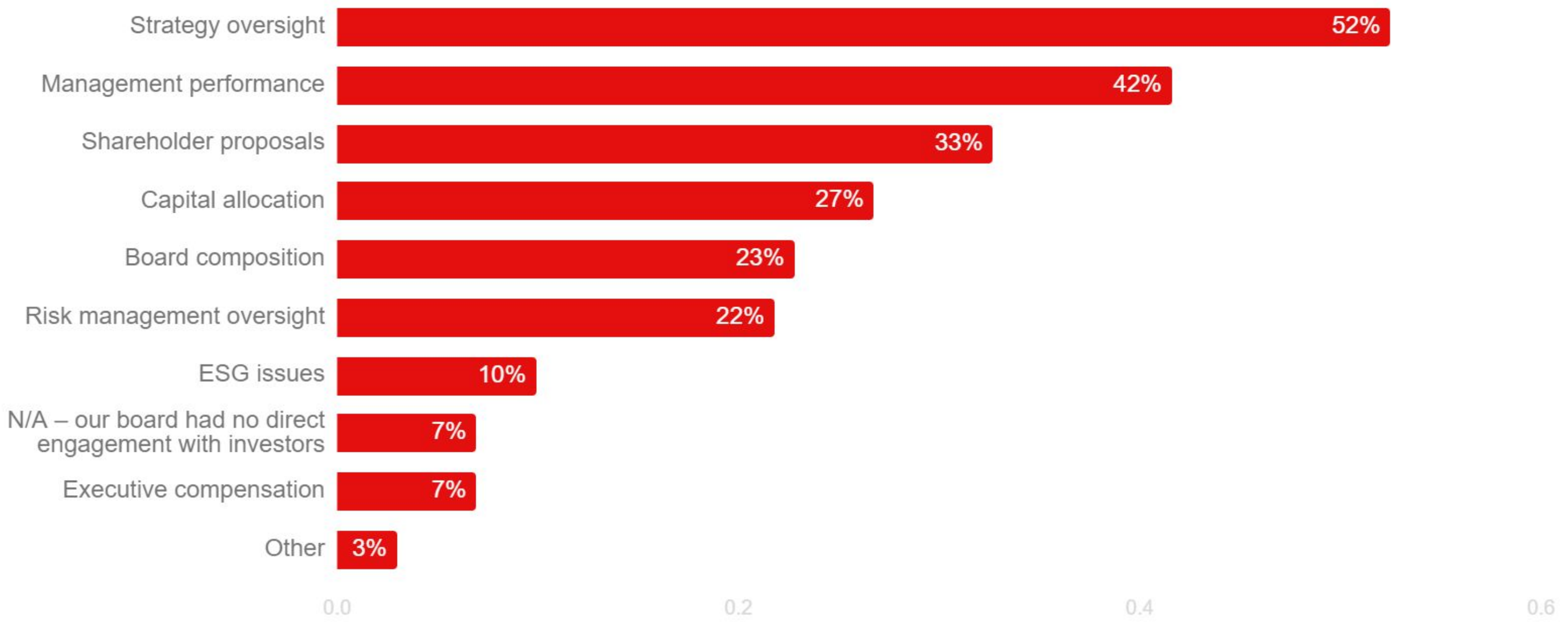


Appendix

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)

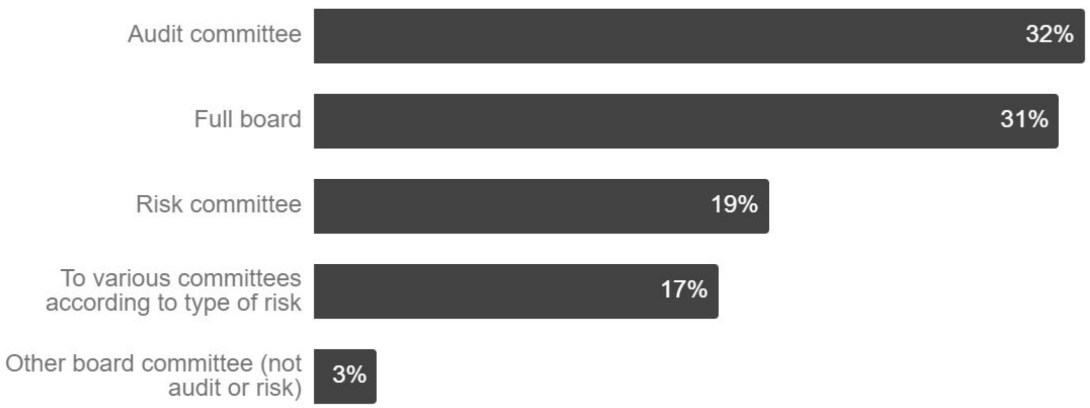


Appendix

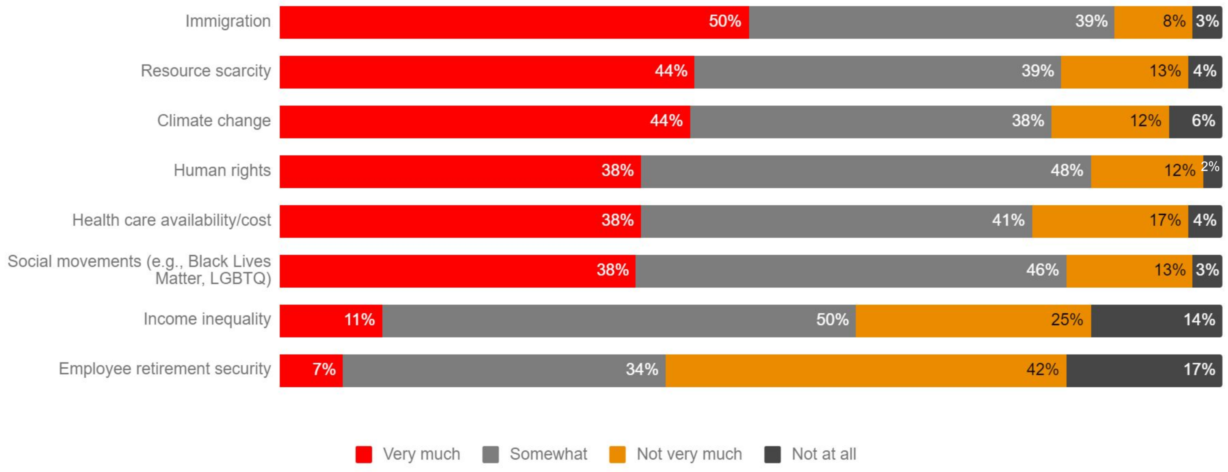
Complete survey findings

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?

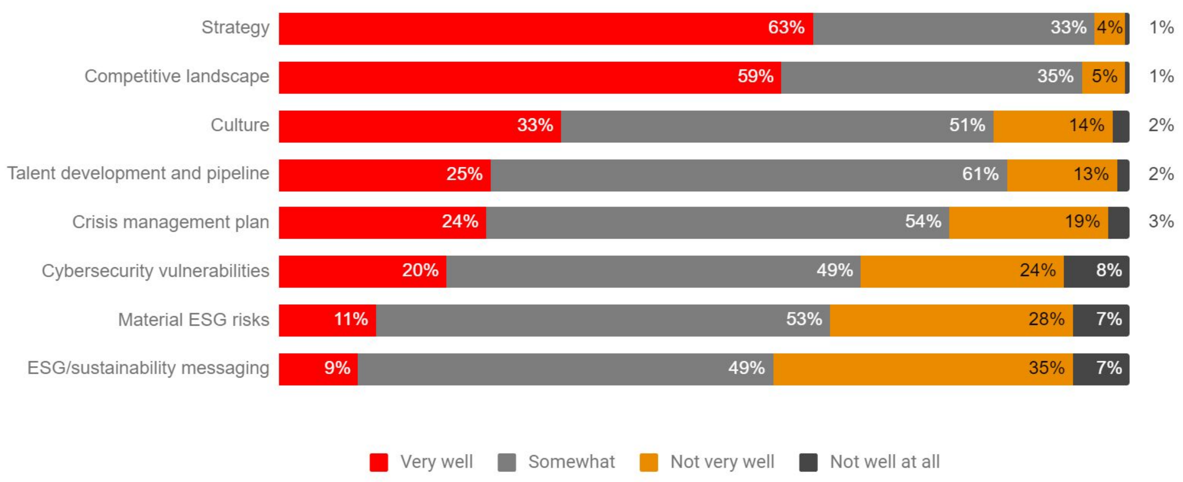


Appendix

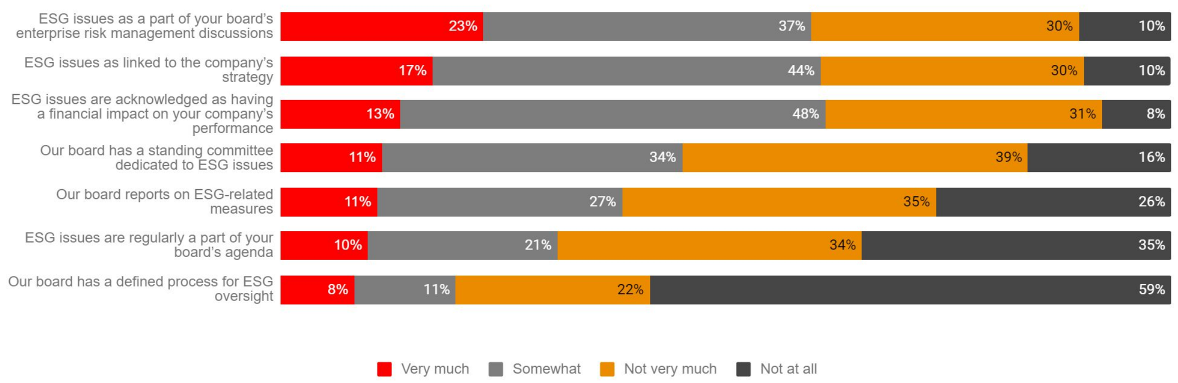
Complete survey findings

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:

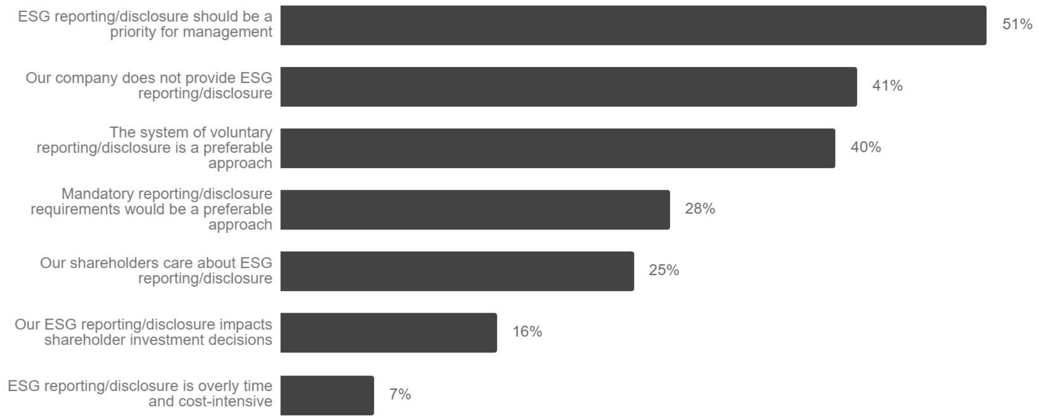


Appendix

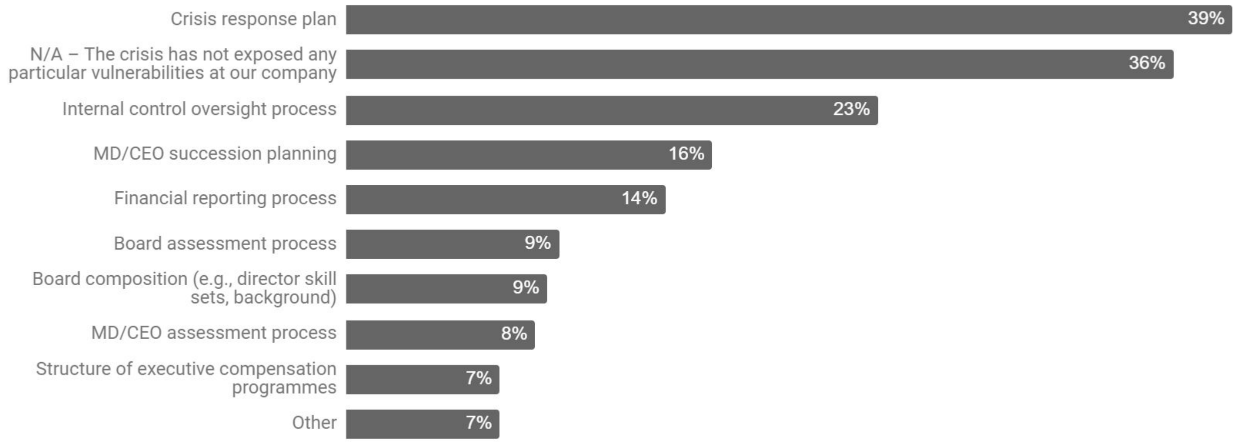
Complete survey findings

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)

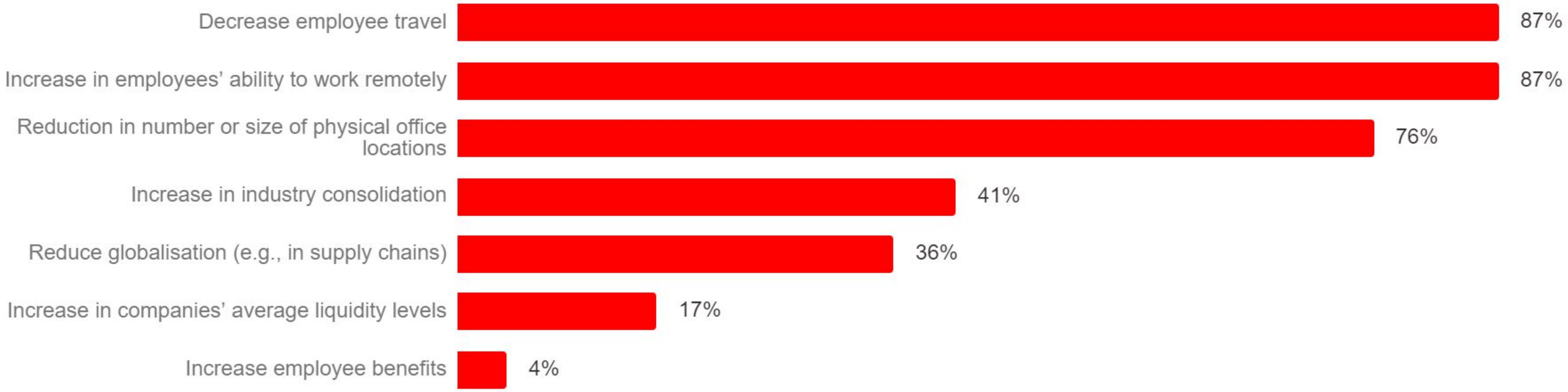


Appendix

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)

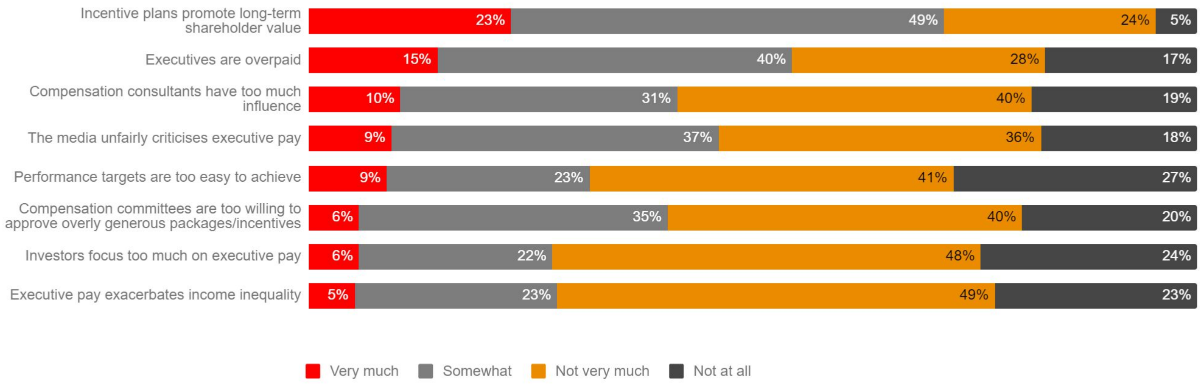


Appendix

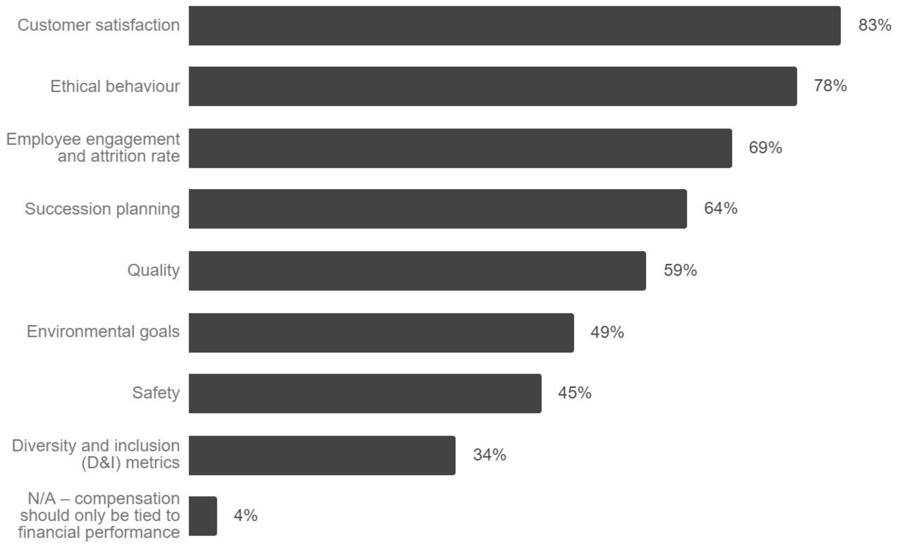
Complete survey findings

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)

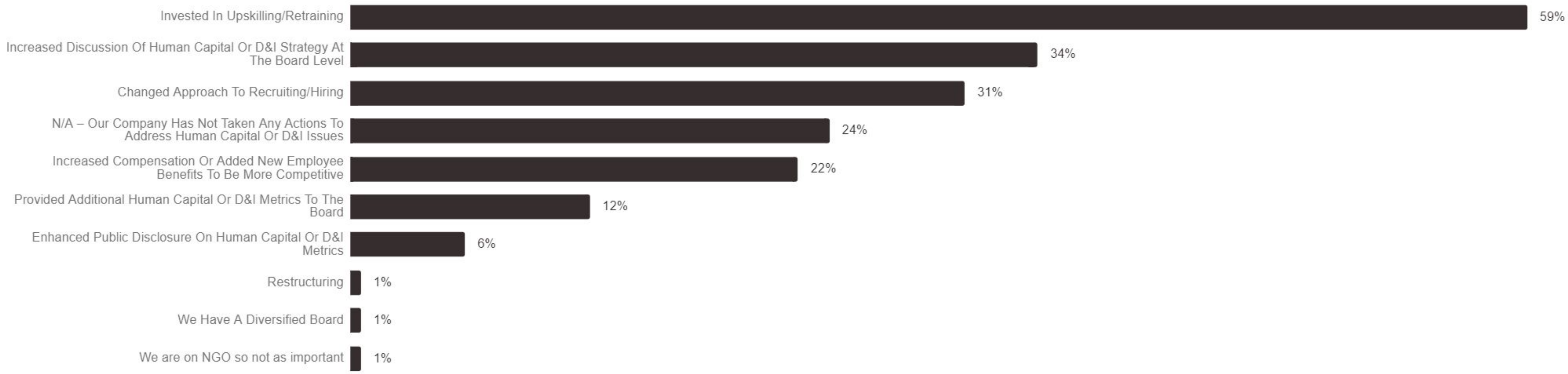


Appendix

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)

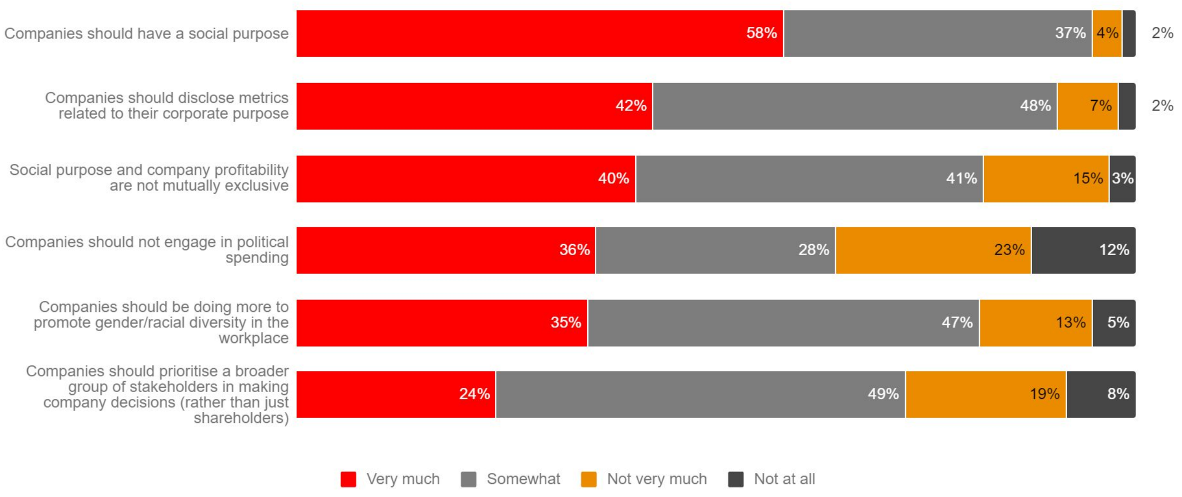


Appendix

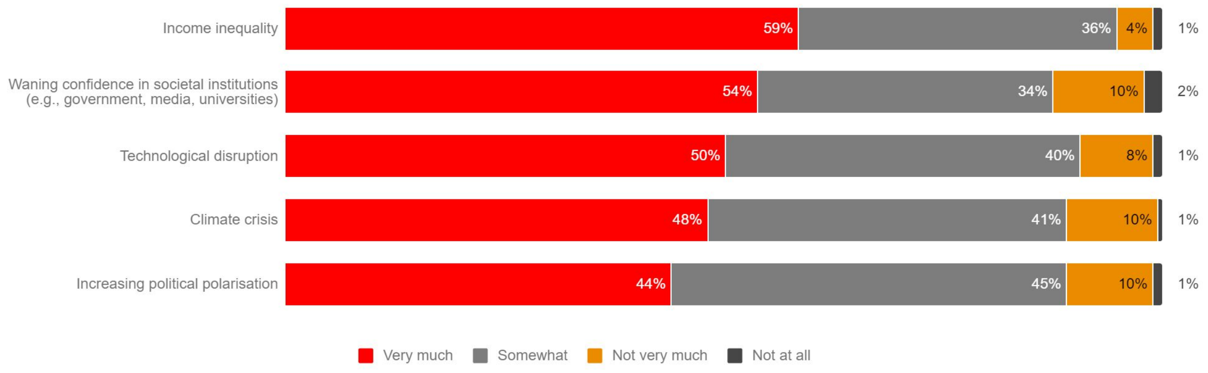
Complete survey findings

The broader environment

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



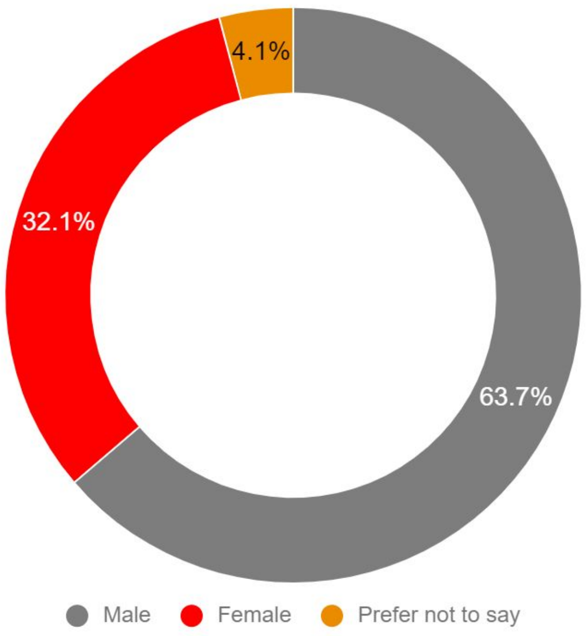
25. To what extent are you concerned about the business/societal impact of the following macro trends?



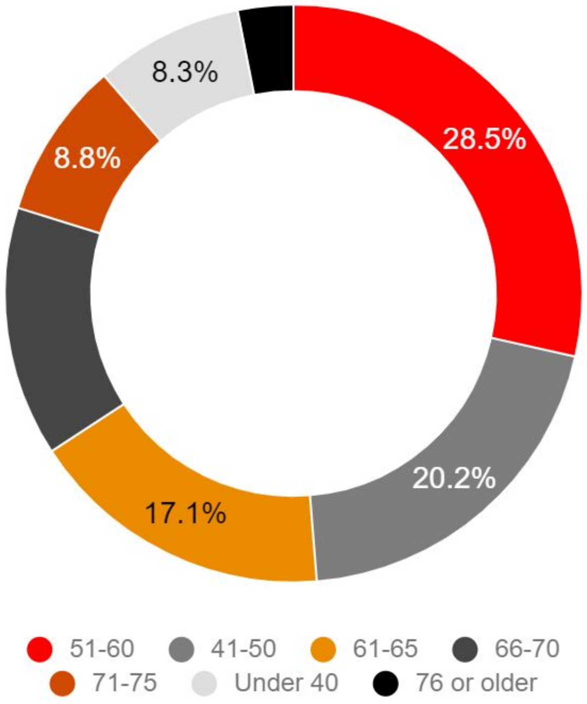
Appendix
Complete survey findings

Demographics

Gender:



Age:

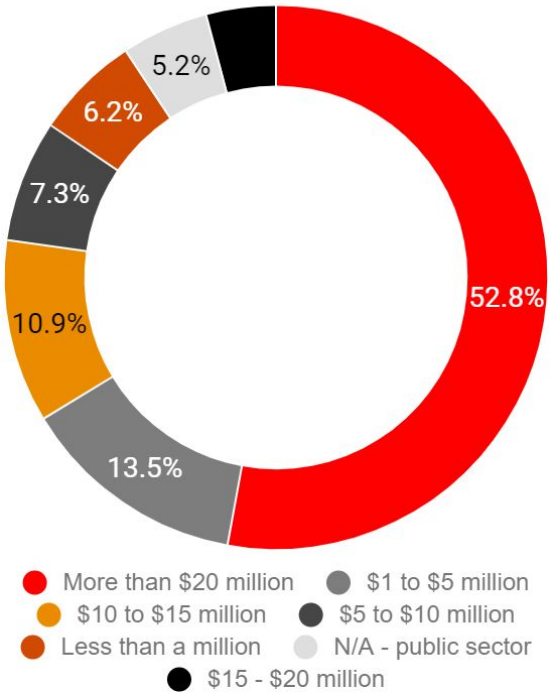


Appendix

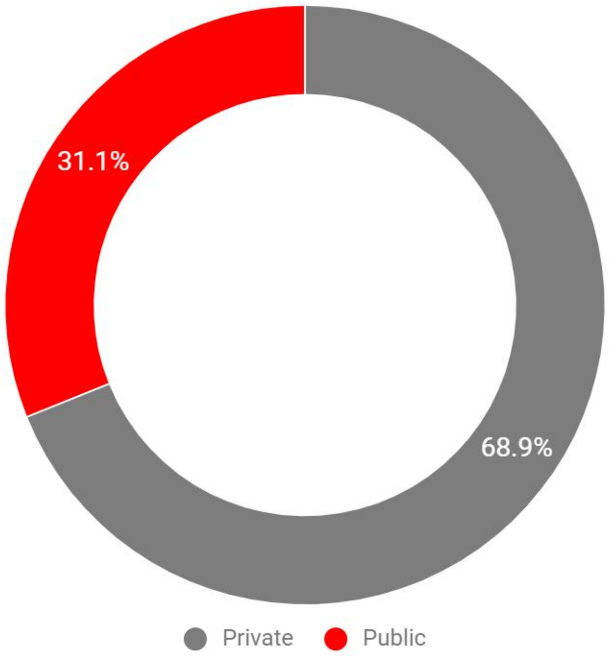
Complete survey findings

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)?

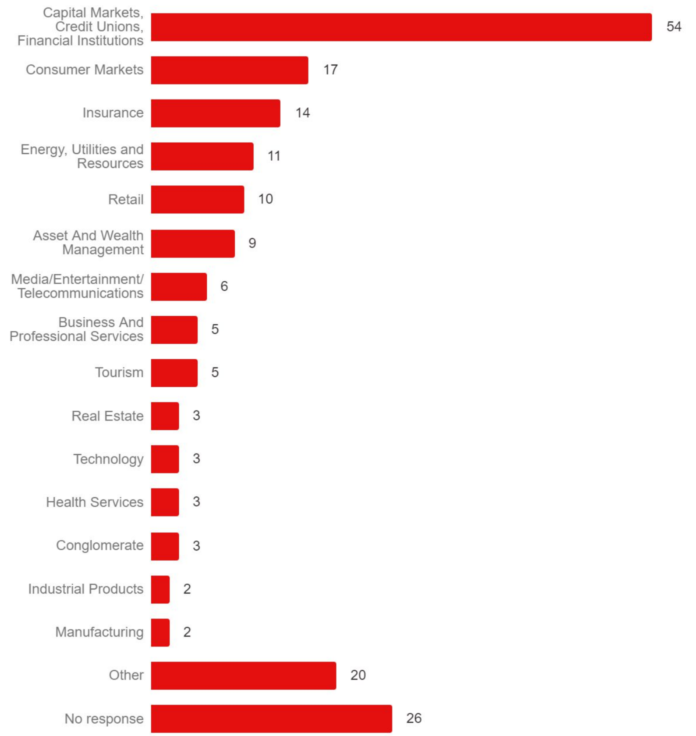


Appendix

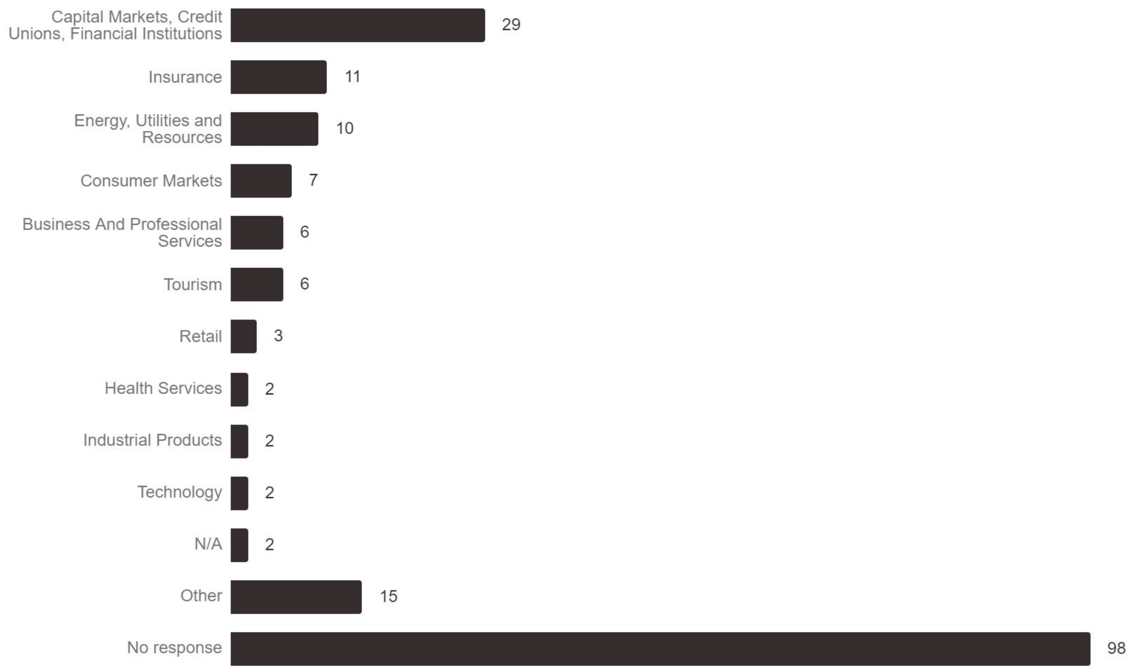
Complete survey findings

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)

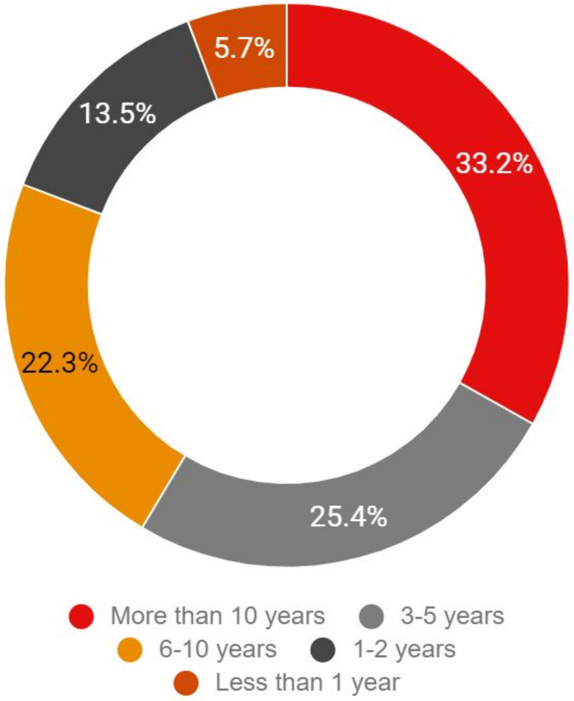


Appendix

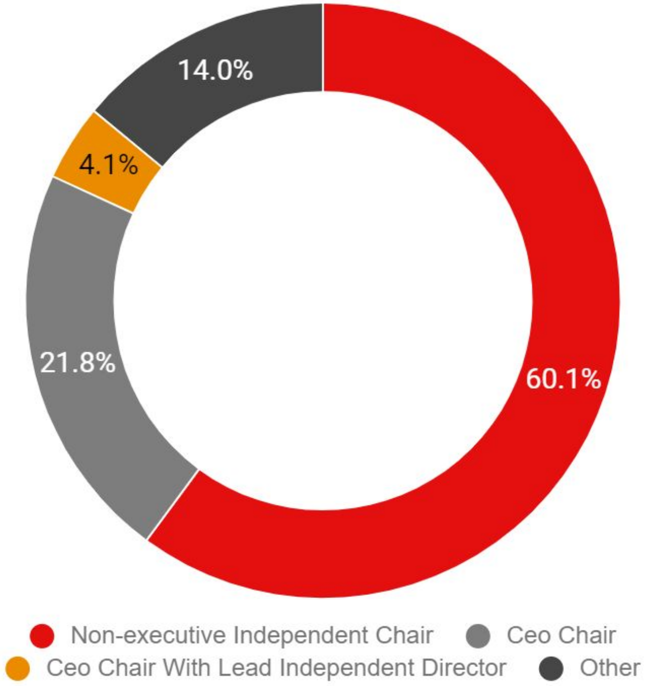
Complete survey findings

Demographics

How long have you served on this board?



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

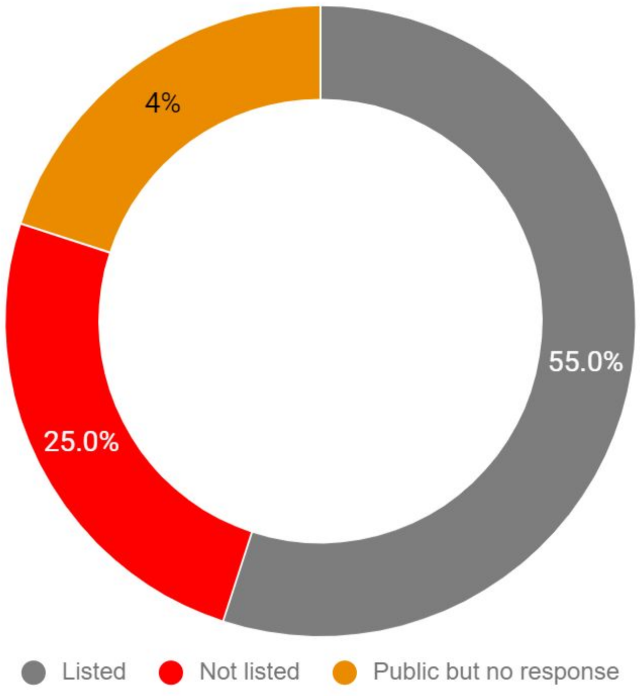


Appendix

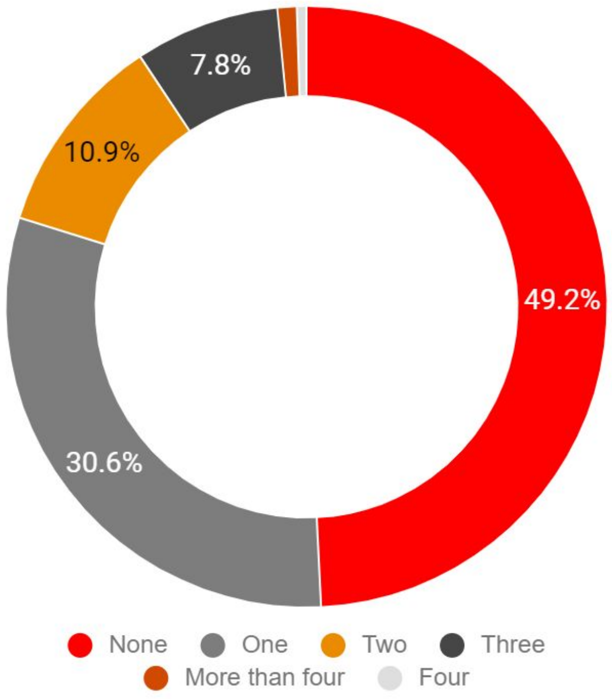
Complete survey findings

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?



Appendix

Complete survey findings

Demographics

Which of the following jurisdictions are you primarily based