

Board Practices Quarterly
**Back to basics: Board education
and evaluations**

September 2022

Results by respondent demographic

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Results by respondent demographic

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Respondents, primarily corporate secretaries, in-house counsel, and other in-house governance professionals, represent public companies.

Public company respondent market capitalization as of December 2021: 48% large-cap (which includes mega- and large-cap) (> \$10 billion); 59% mid-cap (\$2 billion to \$10 billion); and 3% small-cap (which includes small-, micro-, and nano-cap) (< \$2 billion). Respondent industry breakdown: 32% energy, resources, and industrials; 30% financial services; 19% consumer; 10% life sciences and health care; and 9% technology, media, and telecommunications.

Results pertaining to small-cap and private companies have been omitted due to limited respondent population.

Response percentages may not add up to 100% due to rounding.

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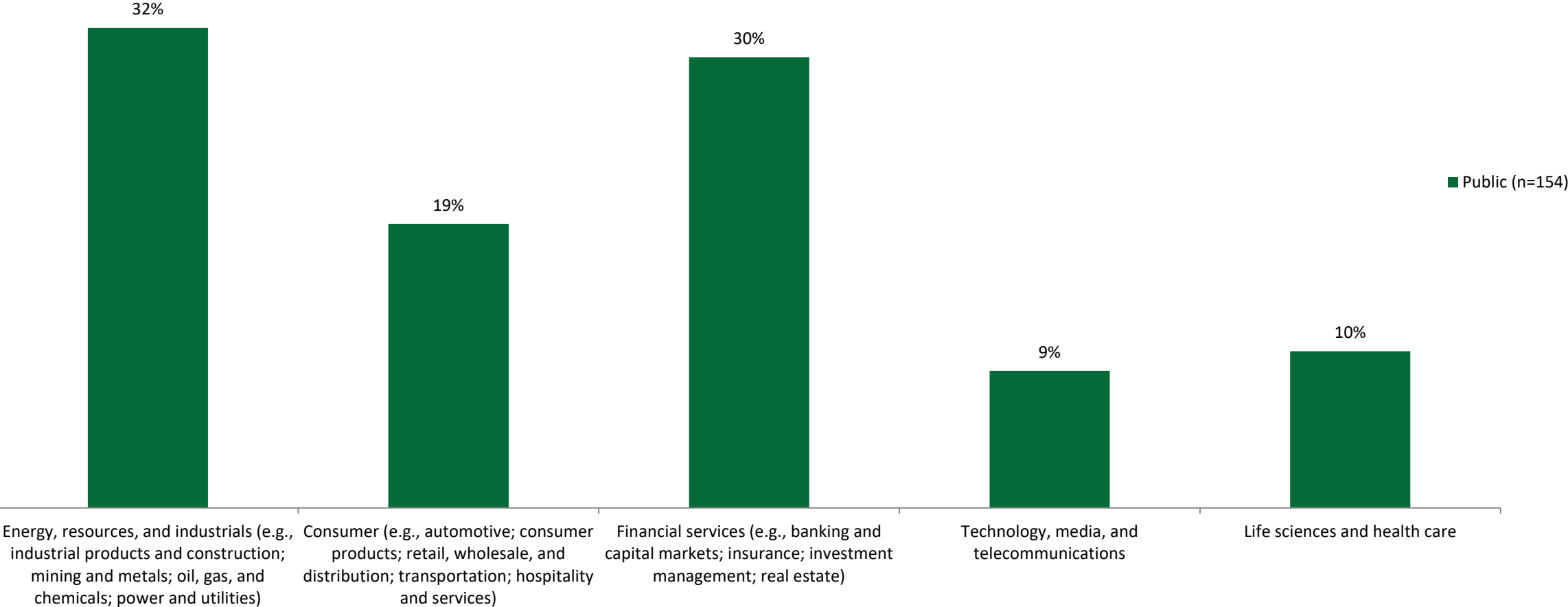
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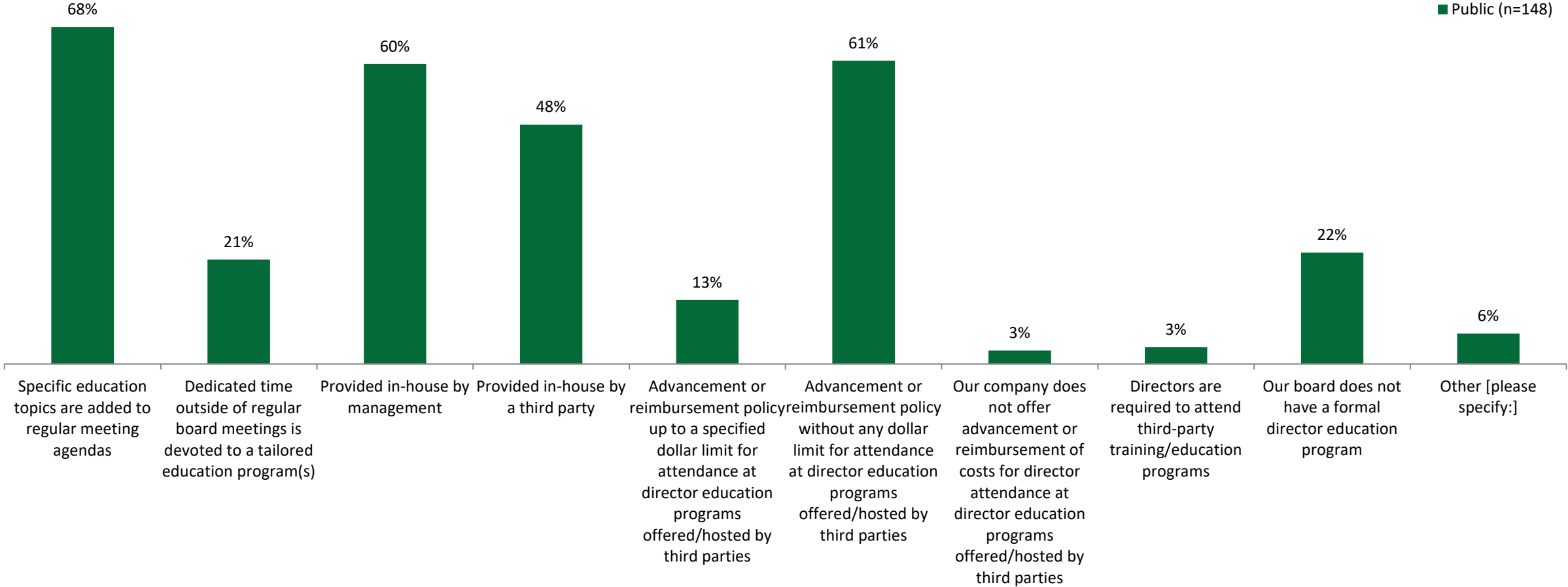
Public companies

154 public companies responded to the survey. An “n” value is provided to show the actual number of responses for each question.

Indicate which best describes your company's industry:



Which of the following best describes your board’s ongoing director education program? [Select all that apply]

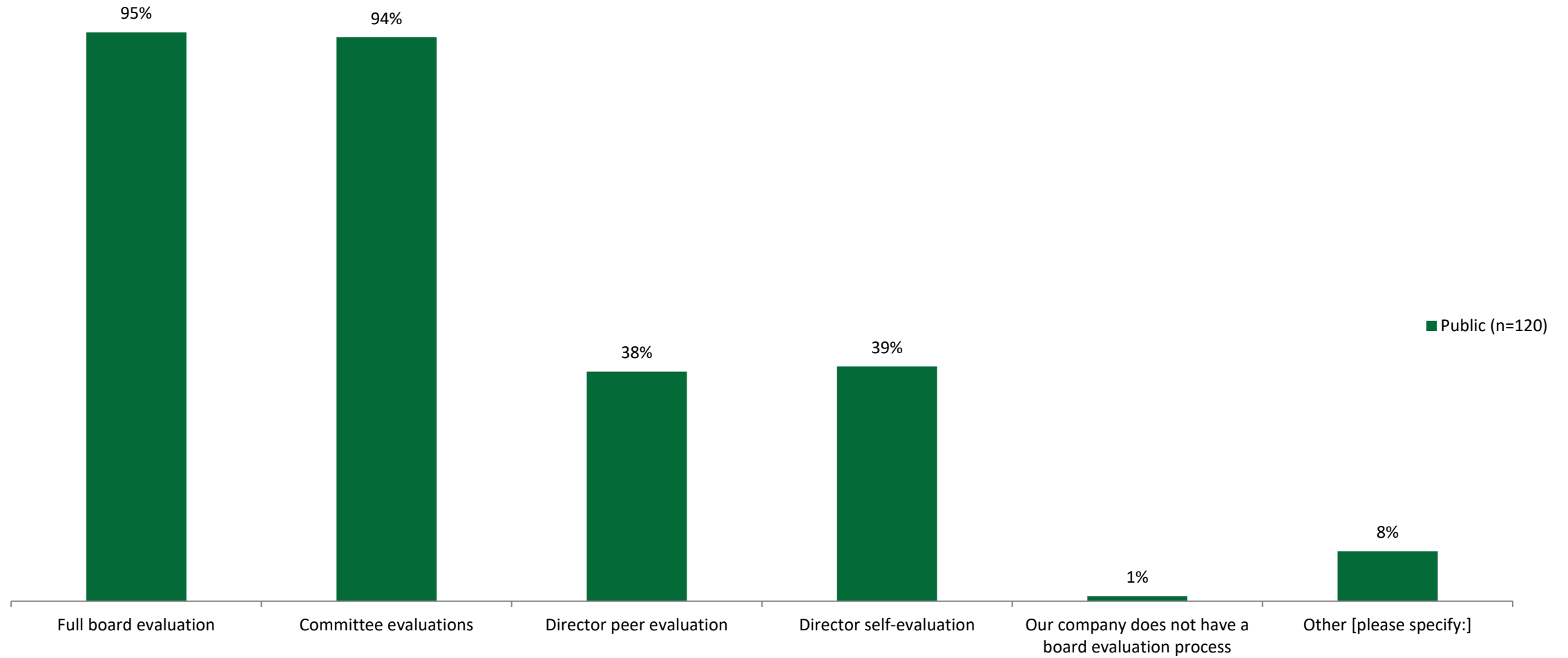


Education for board and standing committee members, whether for continuing education purposes or to learn about new and/or emerging topics, is provided on these topics: [Select all that apply]

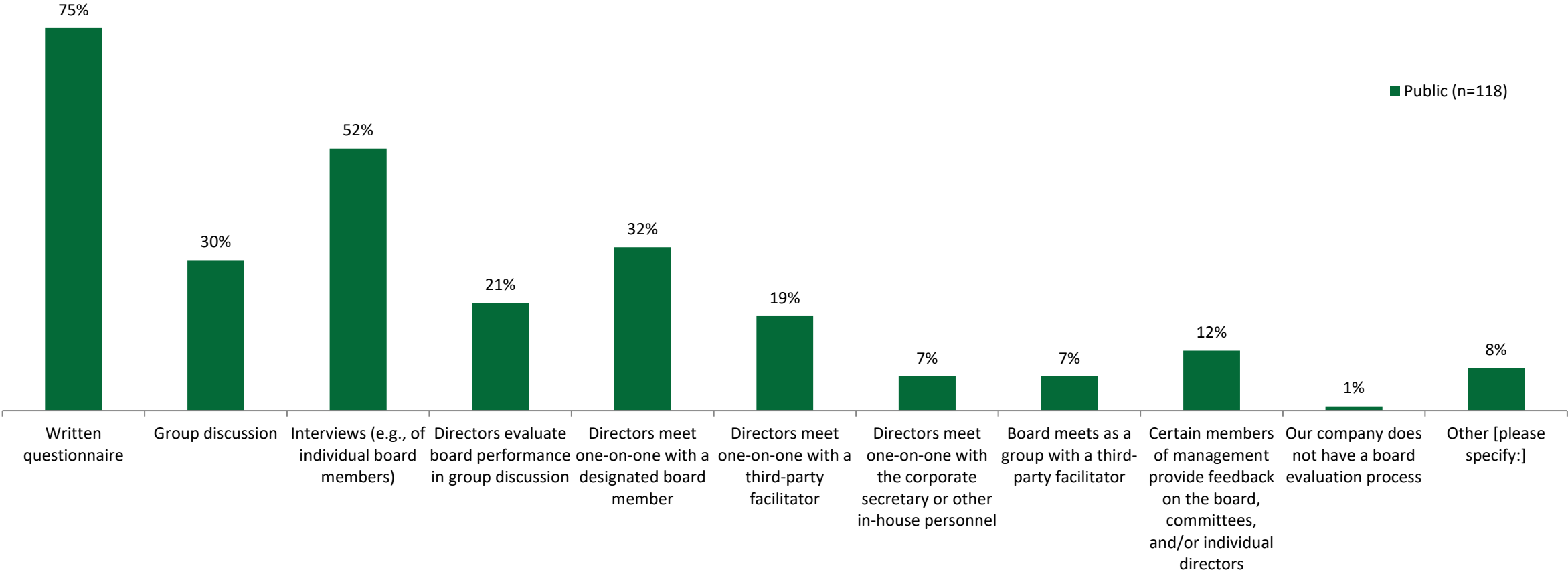
■ Public (n=109)

	Full board	Audit committee (or similar)	Compensation committee (or similar)	Nominating and Governance committee (or similar)
Anticorruption	78%	31%	0%	0%
Capital allocation	86%	33%	2%	0%
Company-specific policies and/or issues	94%	37%	32%	34%
Corporate culture	77%	5%	32%	12%
Corporate social responsibility	74%	10%	10%	56%
Crisis management	86%	25%	2%	6%
Cybersecurity and cyber risk	75%	61%	0%	2%
Data privacy	58%	56%	0%	4%
DEI (Diversity, Equity, and Inclusion) – workforce related	60%	7%	56%	23%
DEI (Diversity, Equity, and Inclusion) – non-workforce related (e.g., vendors and suppliers, board of directors)	64%	8%	24%	48%
Environmental and climate	66%	16%	1%	48%
Ethics and compliance	75%	48%	4%	18%
Fiduciary duties and board oversight responsibilities	96%	13%	7%	20%
Financial and liquidity risk	72%	65%	2%	2%
Geopolitical risks	85%	28%	3%	5%
Industry-specific trends and issues	99%	13%	10%	9%
Insider trading	84%	16%	5%	18%
Legal and regulatory	90%	43%	12%	21%
Market risk	89%	29%	3%	0%
New accounting pronouncements and/or auditing requirements	16%	97%	0%	0%
Political contributions	36%	13%	0%	69%
Risk oversight	75%	62%	12%	14%
Shareholder engagement/shareholder proposals/activism	65%	1%	14%	61%
Technology (e.g., AI, disruptive technologies, digital transformation, cryptocurrency, work from home)	88%	34%	7%	5%

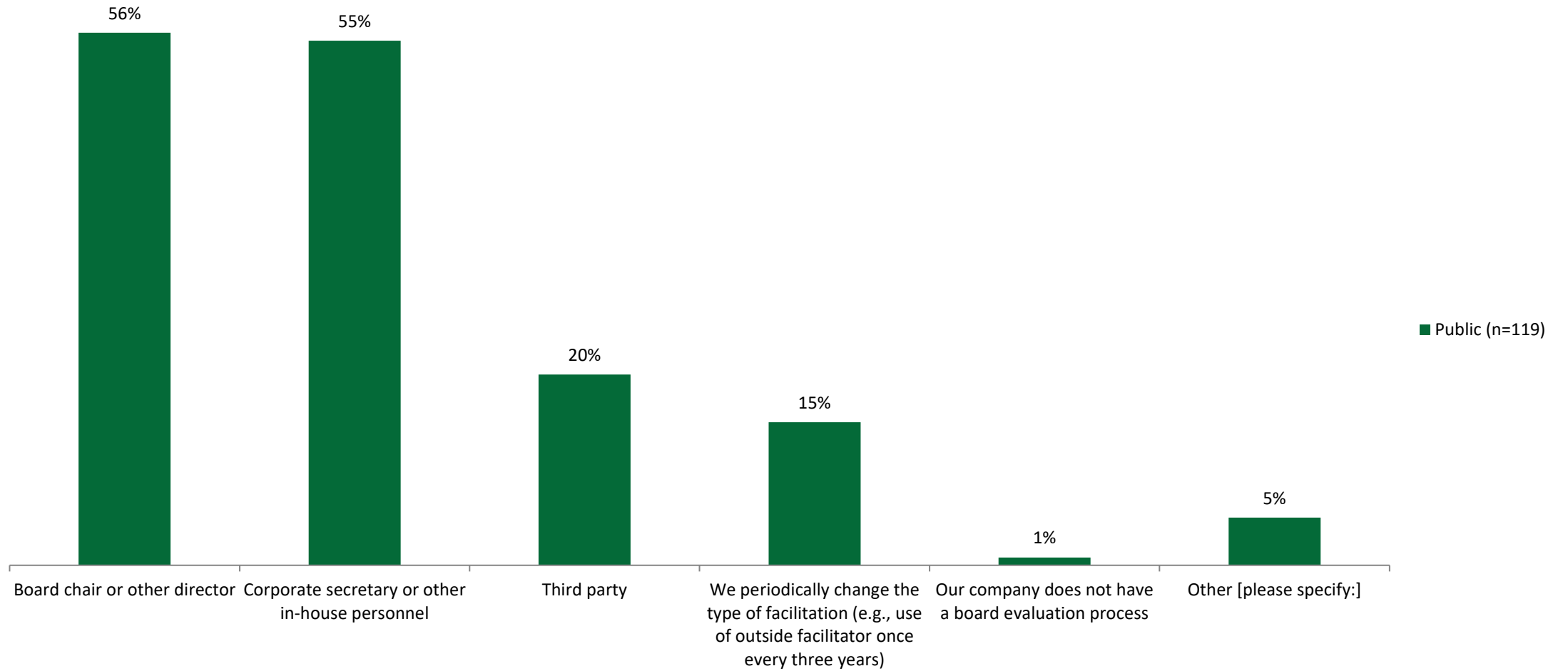
What types of evaluations are used to assess board performance? [Select all that apply]



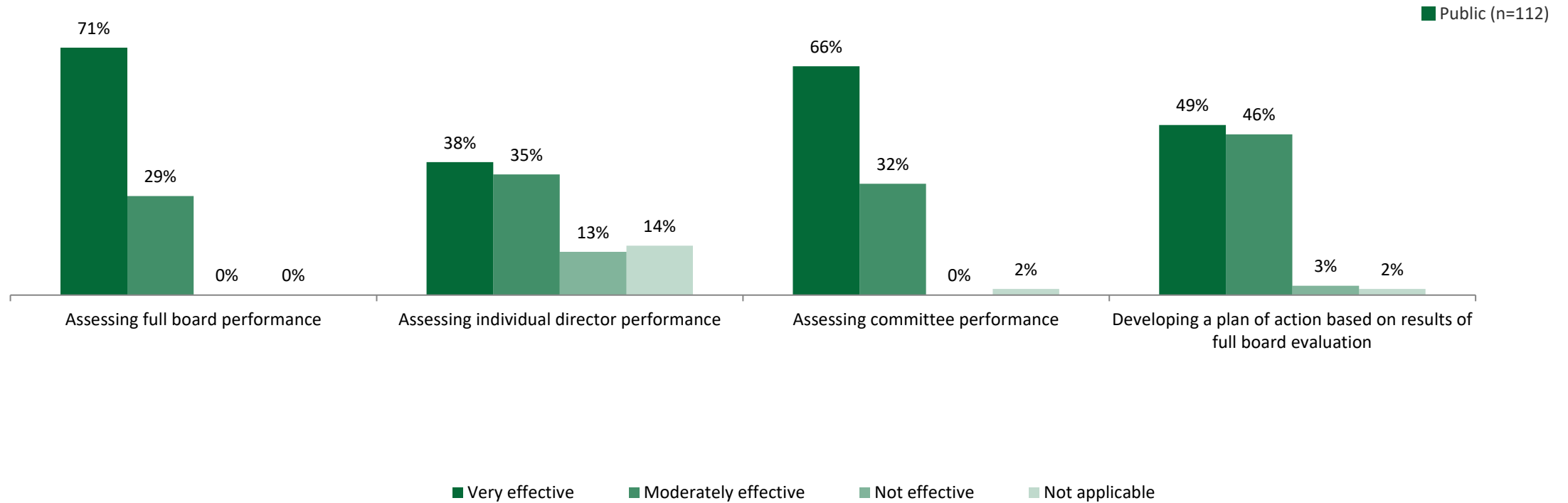
What format is used to conduct the full board evaluation? [Select all that apply]



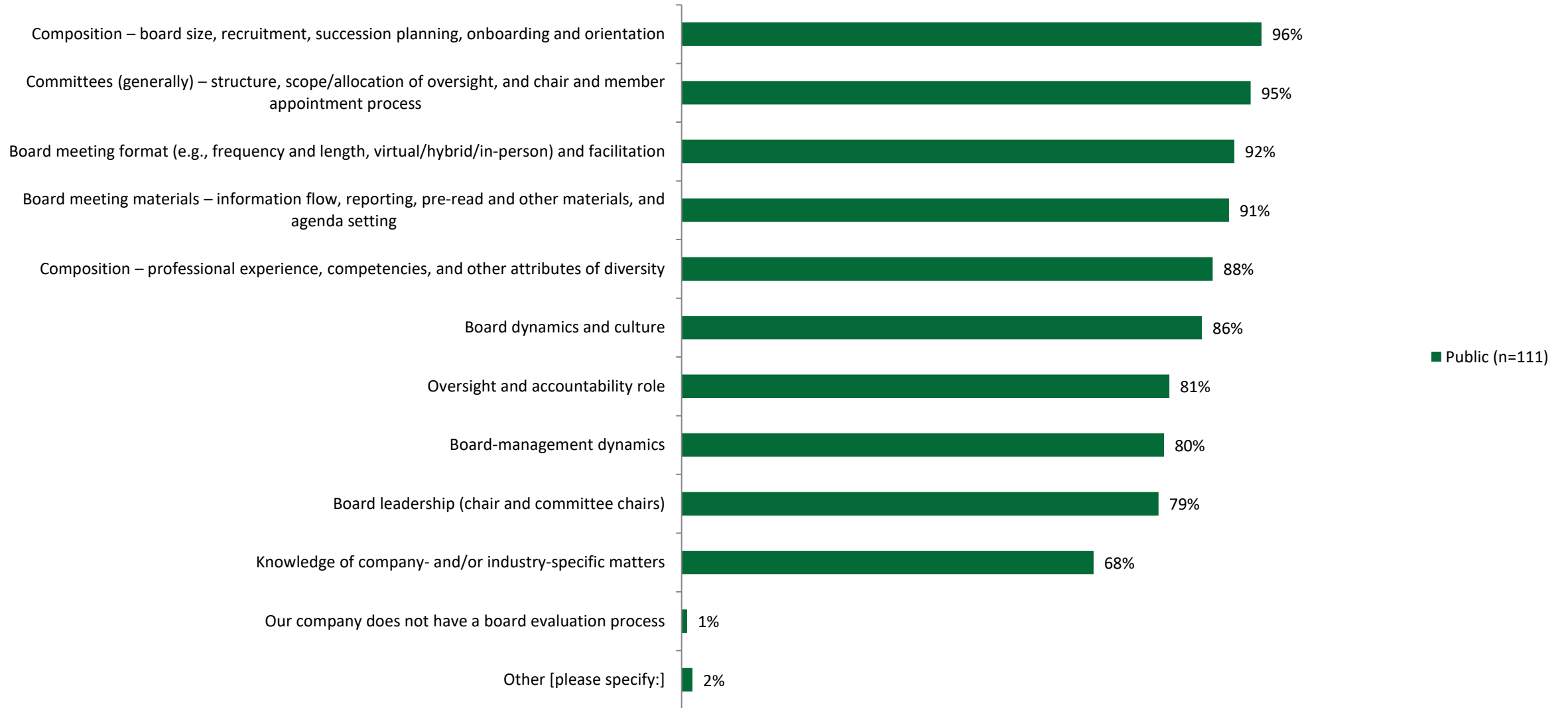
Who facilitates your full board evaluations? [Select all that apply]



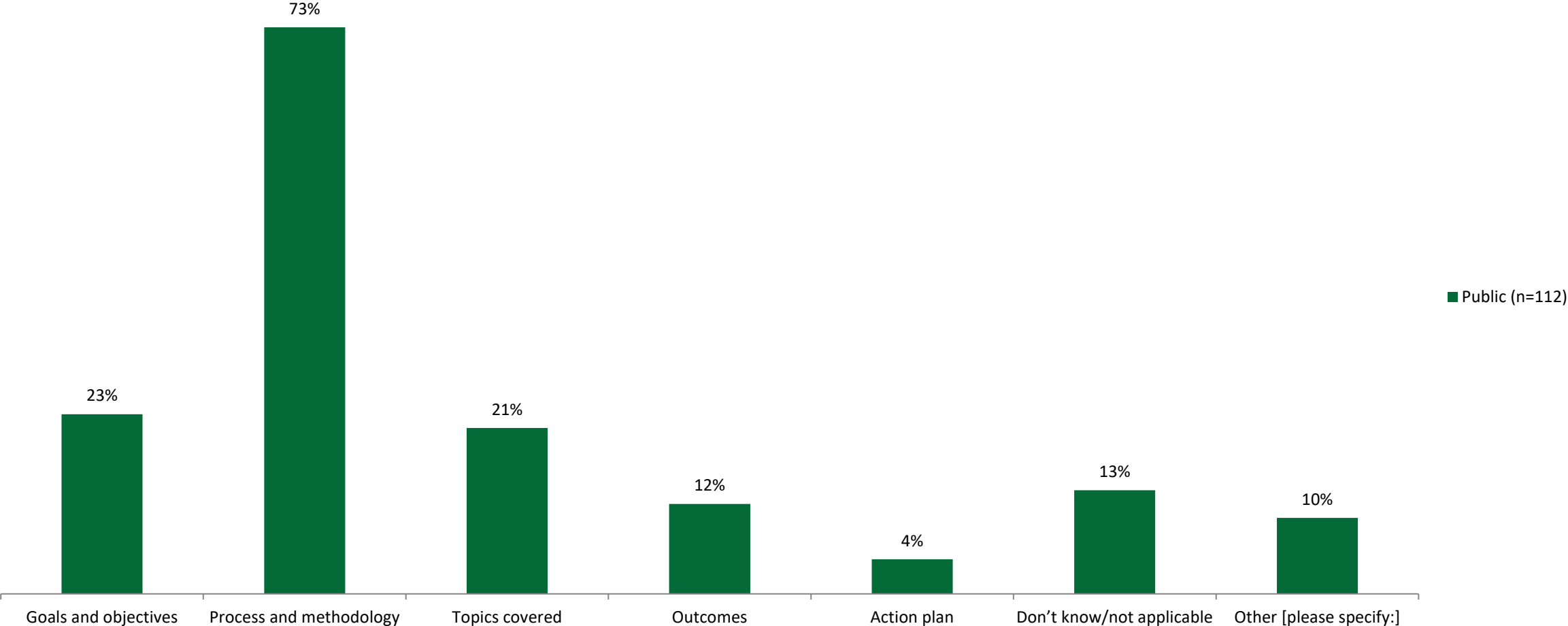
Rate your board's overall effectiveness in the following evaluation practices:



Indicate which of the following topical areas (or similar) are regularly covered in your company’s periodic board evaluation: [Select all that apply]



What is publicly disclosed about your company’s board evaluation process? [Select all that apply]



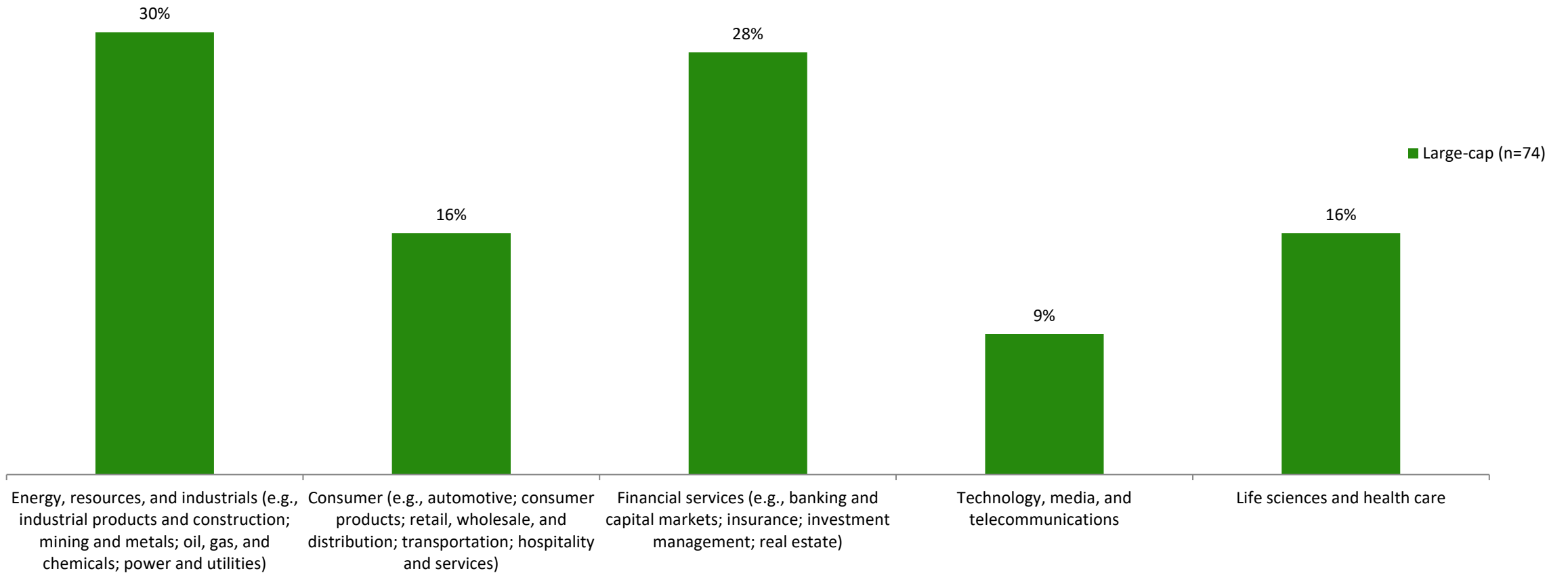


Public companies

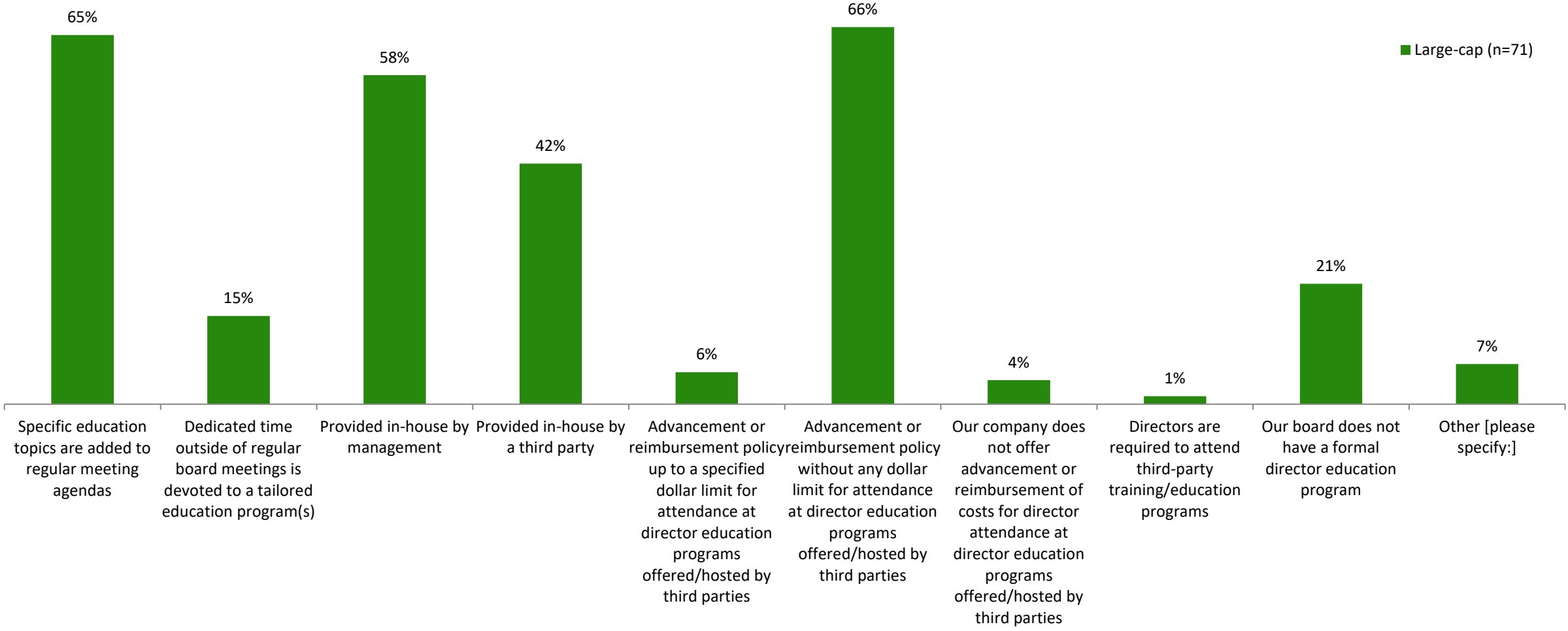
Mega- and large-cap (>\$10 billion)

74 mega- and large-cap public companies responded to the survey. An “n” value is provided to show the actual number of responses for each question.

Indicate which best describes your company's industry:



Which of the following best describes your board’s ongoing director education program? [Select all that apply]

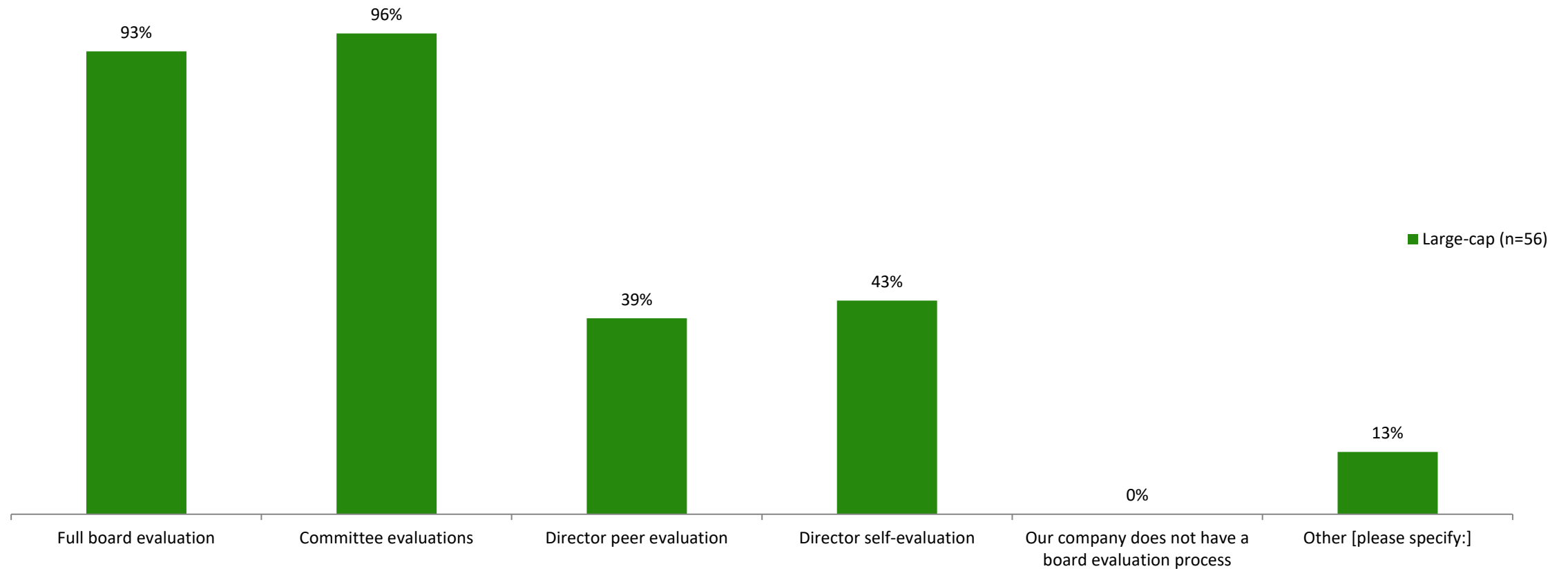


Education for board and standing committee members, whether for continuing education purposes or to learn about new and/or emerging topics, is provided on these topics: [Select all that apply]

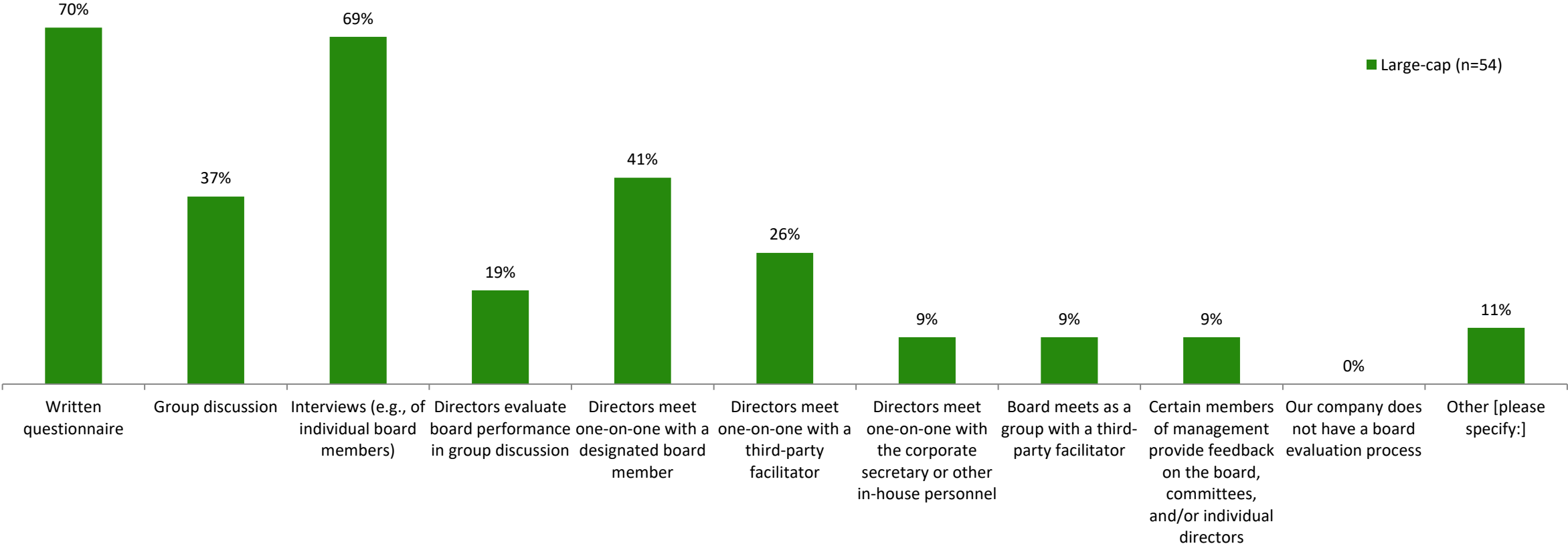
■ Large-cap (n=109)

	Full board	Audit committee (or similar)	Compensation committee (or similar)	Nominating and Governance committee (or similar)
Anticorruption	73%	33%	0%	0%
Capital allocation	72%	44%	0%	0%
Company-specific policies and/or issues	94%	50%	41%	47%
Corporate culture	78%	7%	33%	19%
Corporate social responsibility	70%	13%	7%	63%
Crisis management	95%	24%	0%	5%
Cybersecurity and cyber risk	74%	65%	0%	4%
Data privacy	48%	70%	0%	4%
DEI (Diversity, Equity, and Inclusion) – workforce related	61%	10%	59%	22%
DEI (Diversity, Equity, and Inclusion) – non-workforce related (e.g., vendors and suppliers, board of directors)	63%	15%	30%	44%
Environmental and climate	67%	17%	0%	50%
Ethics and compliance	79%	48%	3%	10%
Fiduciary duties and board oversight responsibilities	97%	16%	10%	23%
Financial and liquidity risk	74%	65%	0%	0%
Geopolitical risks	83%	33%	0%	0%
Industry-specific trends and issues	97%	21%	14%	14%
Insider trading	78%	22%	4%	13%
Legal and regulatory	86%	43%	18%	25%
Market risk	92%	31%	0%	0%
New accounting pronouncements and/or auditing requirements	12%	97%	0%	0%
Political contributions	35%	15%	0%	77%
Risk oversight	65%	62%	12%	15%
Shareholder engagement/shareholder proposals/activism	51%	0%	22%	76%
Technology (e.g., AI, disruptive technologies, digital transformation, cryptocurrency, work from home)	93%	41%	4%	7%

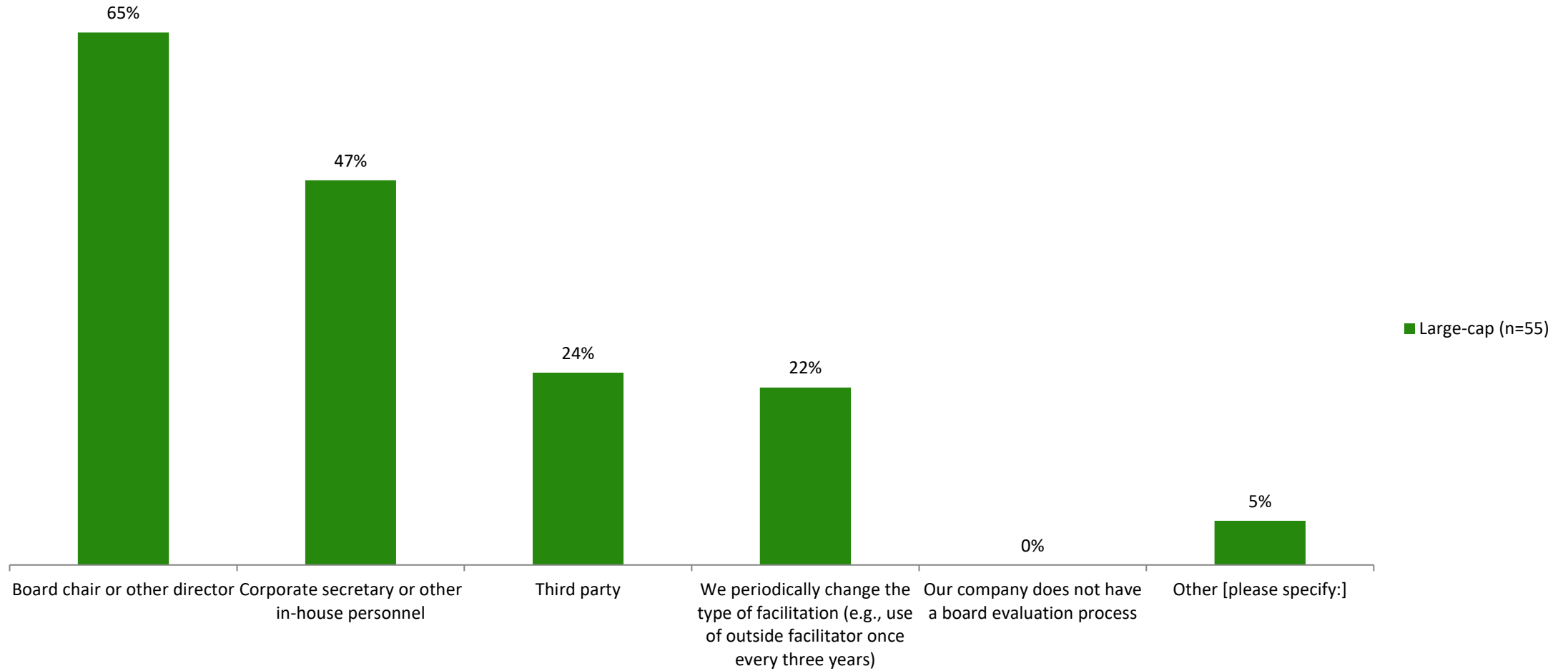
What types of evaluations are used to assess board performance? [Select all that apply]



What format is used to conduct the full board evaluation? [Select all that apply]

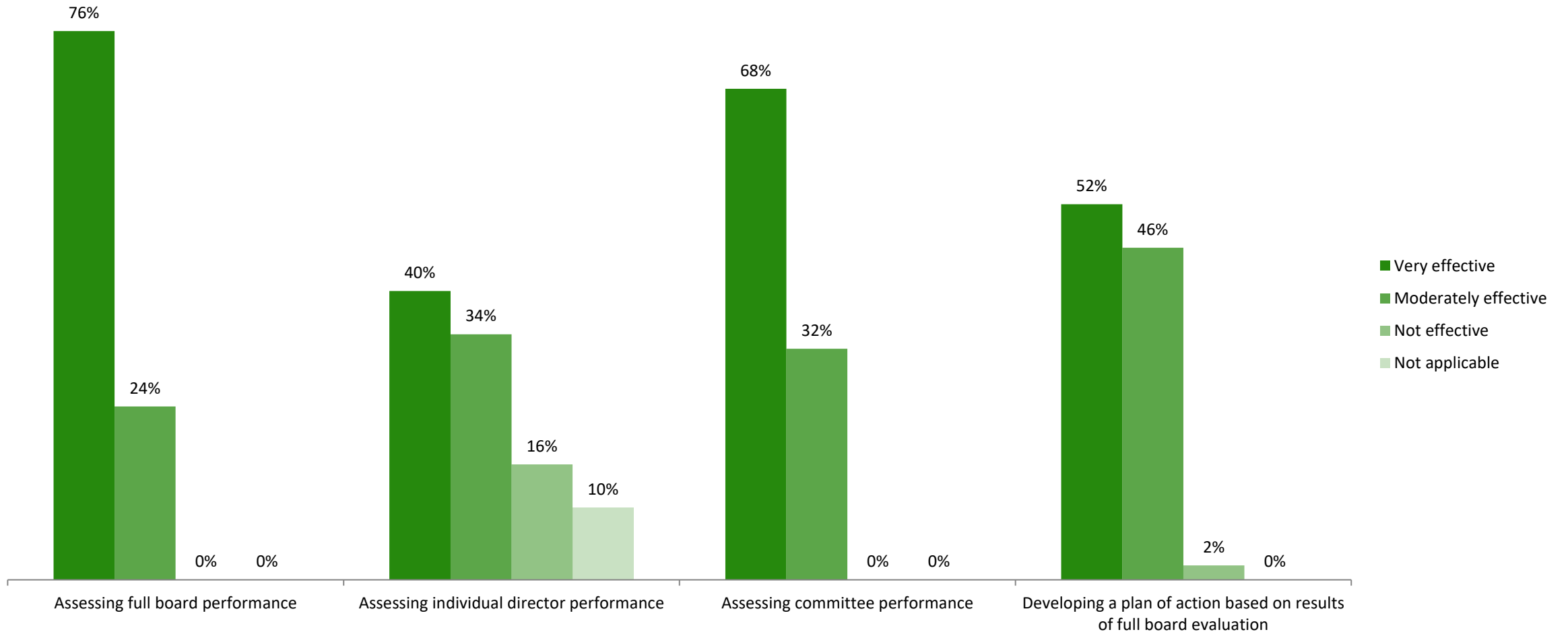


Who facilitates your full board evaluations? [Select all that apply]

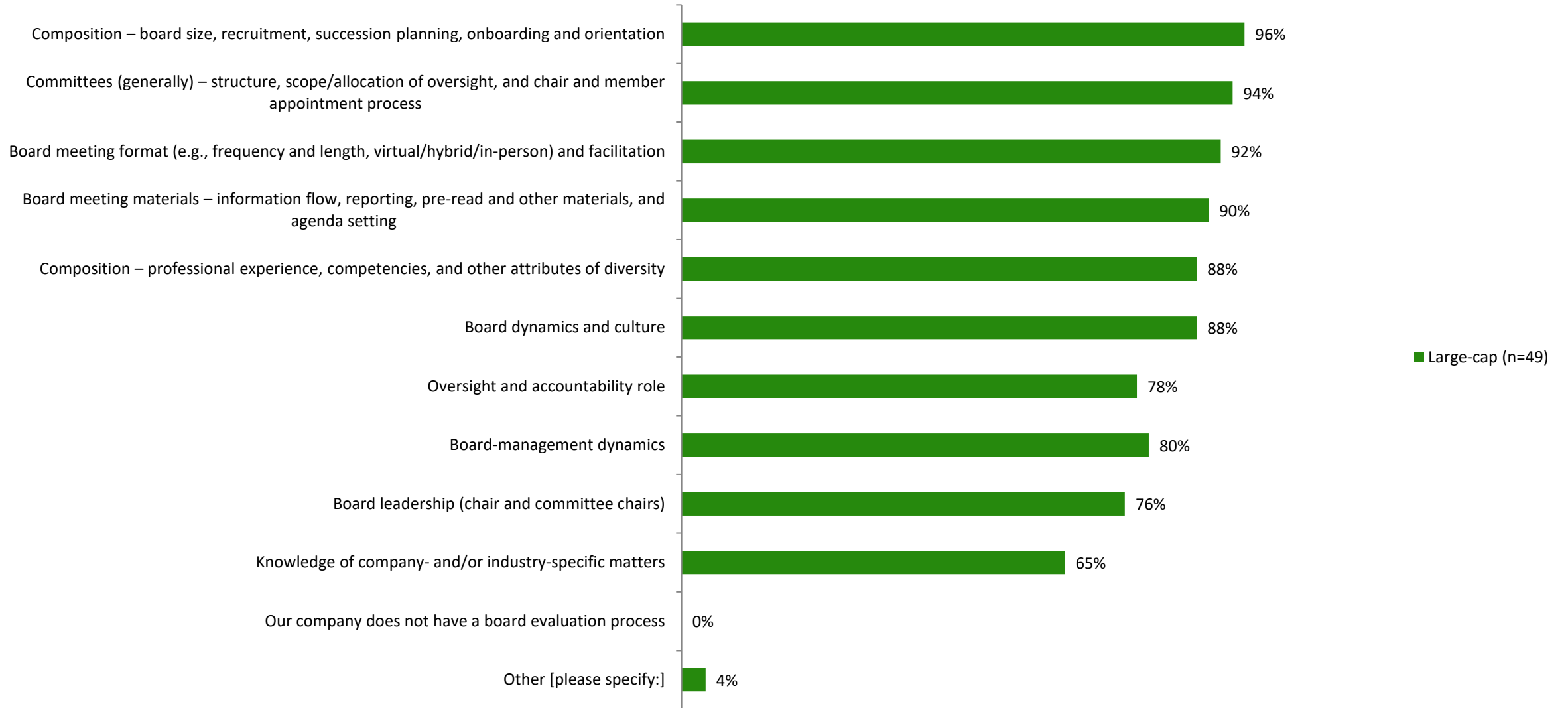


■ Large-cap (n=50)

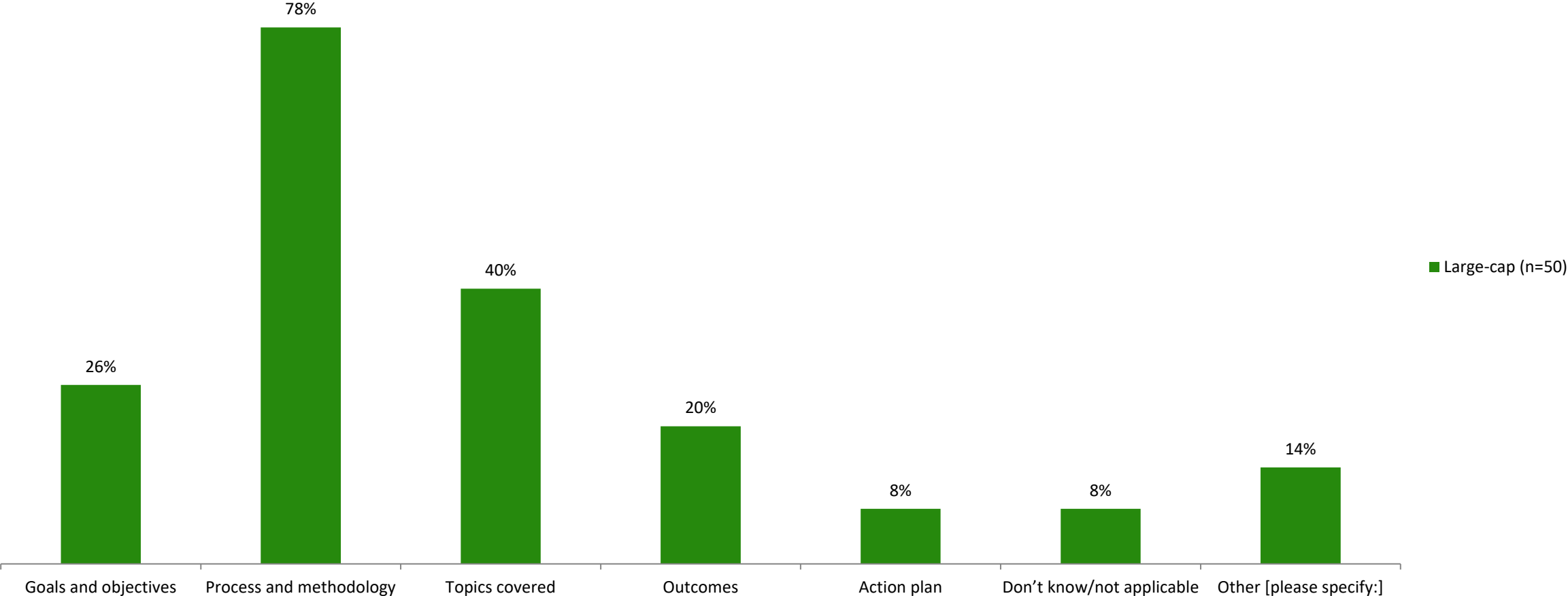
Rate your board's overall effectiveness in the following evaluation practices:



Indicate which of the following topical areas (or similar) are regularly covered in your company’s periodic board evaluation: [Select all that apply]



What is publicly disclosed about your company’s board evaluation process? [Select all that apply]



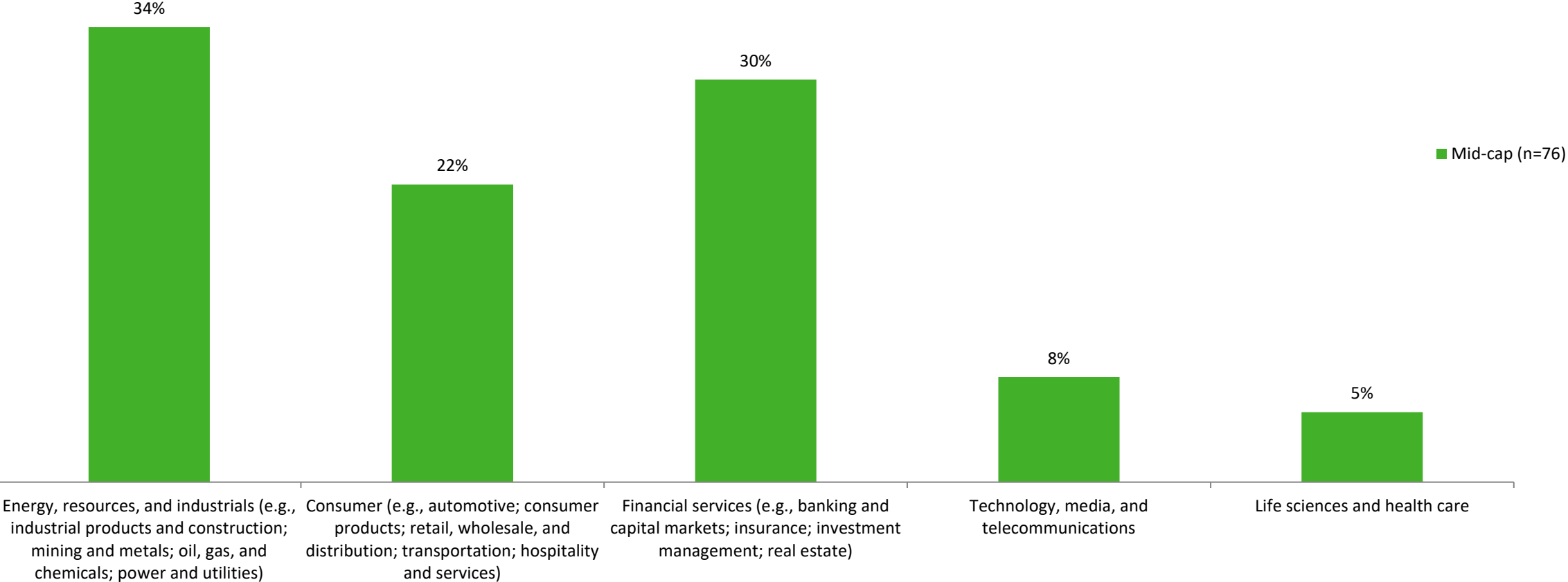


Public companies

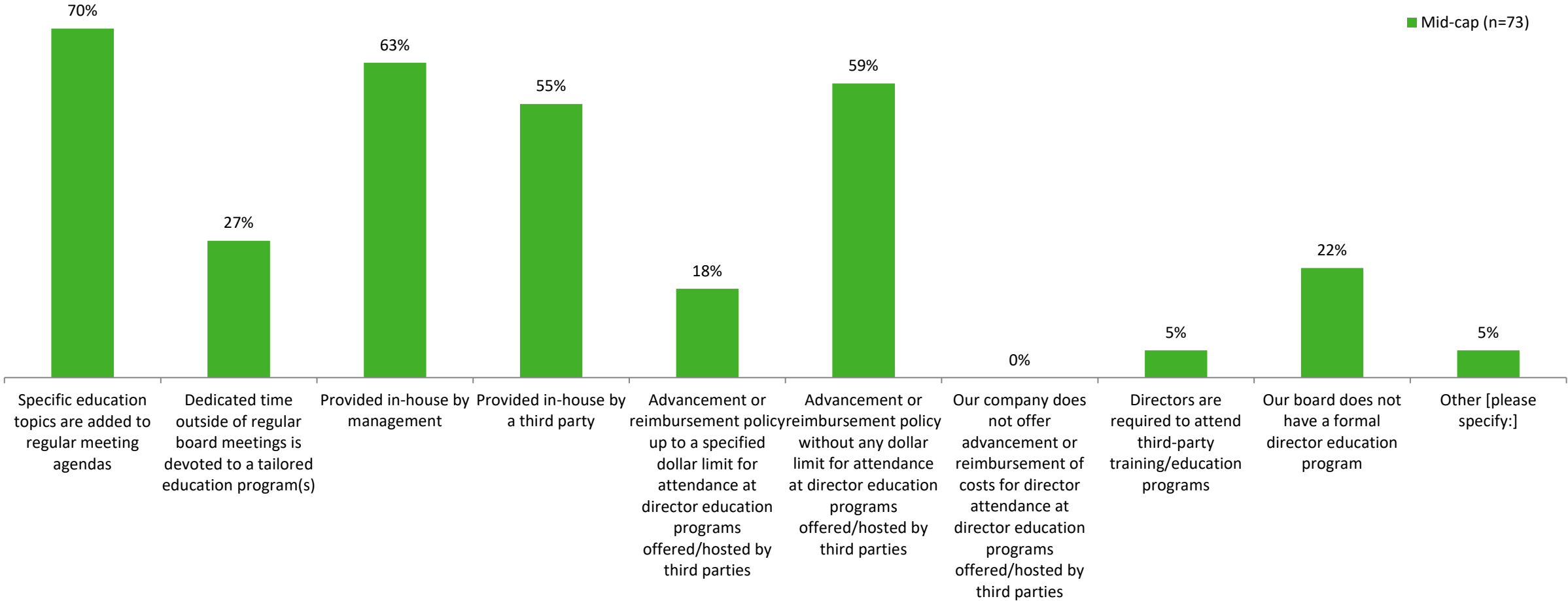
Mid-cap (\$2 billion to \$10 billion)

91 mid-cap public companies responded to the survey. An “n” value is provided to show the actual number of responses for each question.

Indicate which best describes your company's industry:



Which of the following best describes your board’s ongoing director education program? [Select all that apply]

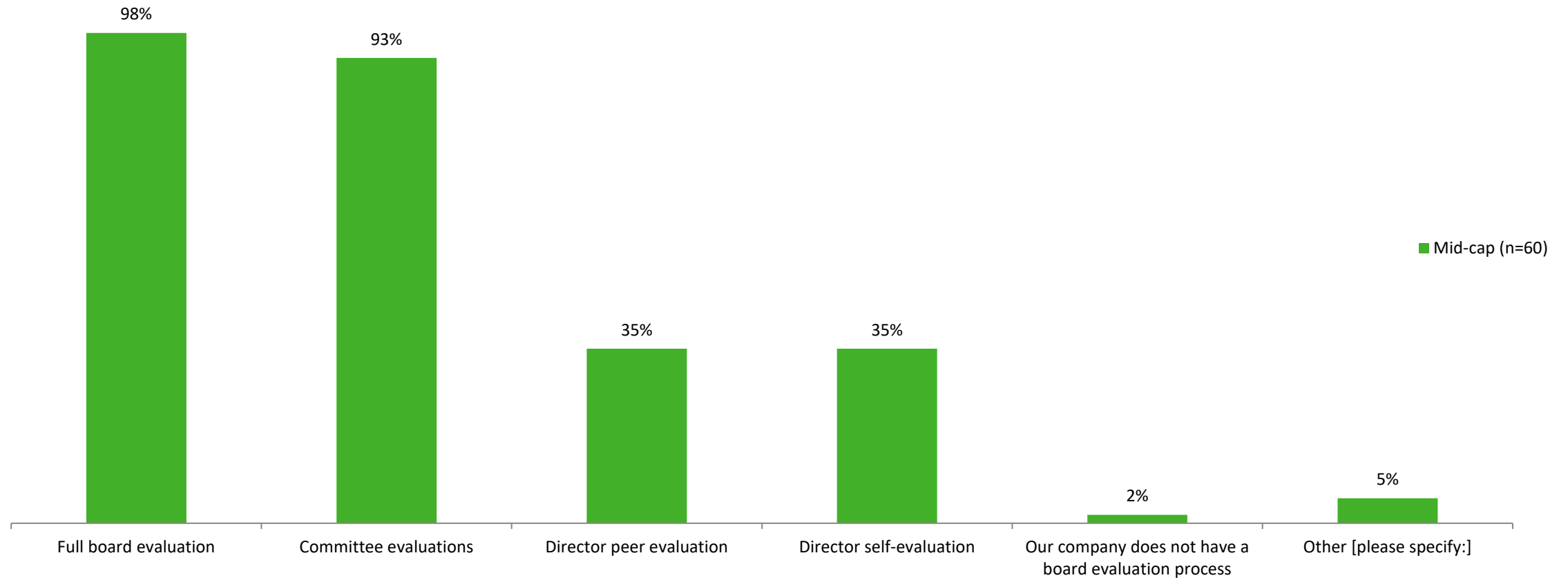


Education for board and standing committee members, whether for continuing education purposes or to learn about new and/or emerging topics, is provided on these topics: [Select all that apply]

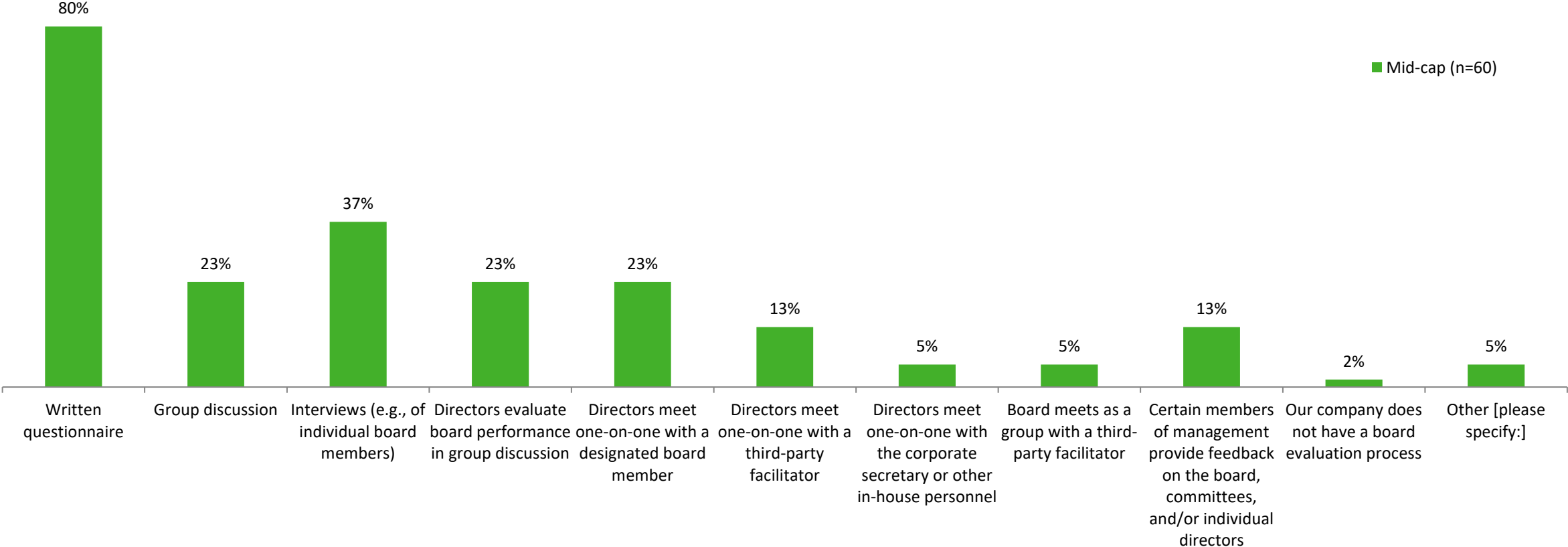
■ Mid-cap (n=55)

	Full board	Audit committee (or similar)	Compensation committee (or similar)	Nominating and Governance committee (or similar)
Anticorruption	81%	31%	0%	0%
Capital allocation	96%	22%	4%	0%
Company-specific policies and/or issues	93%	26%	24%	24%
Corporate culture	75%	4%	32%	7%
Corporate social responsibility	76%	7%	12%	49%
Crisis management	79%	29%	4%	4%
Cybersecurity and cyber risk	77%	54%	0%	0%
Data privacy	72%	40%	0%	4%
DEI (Diversity, Equity, and Inclusion) – workforce related	59%	5%	54%	24%
DEI (Diversity, Equity, and Inclusion) – non-workforce related (e.g., vendors and suppliers, board of directors)	68%	0%	16%	53%
Environmental and climate	67%	13%	3%	46%
Ethics and compliance	71%	46%	3%	23%
Fiduciary duties and board oversight responsibilities	96%	13%	6%	17%
Financial and liquidity risk	71%	64%	4%	4%
Geopolitical risks	85%	25%	5%	10%
Industry-specific trends and issues	100%	9%	9%	6%
Insider trading	87%	10%	6%	23%
Legal and regulatory	92%	39%	5%	16%
Market risk	92%	25%	4%	0%
New accounting pronouncements and/or auditing requirements	20%	98%	0%	0%
Political contributions	35%	12%	0%	59%
Risk oversight	86%	58%	14%	14%
Shareholder engagement/shareholder proposals/activism	81%	3%	8%	43%
Technology (e.g., AI, disruptive technologies, digital transformation, cryptocurrency, work from home)	86%	29%	11%	4%

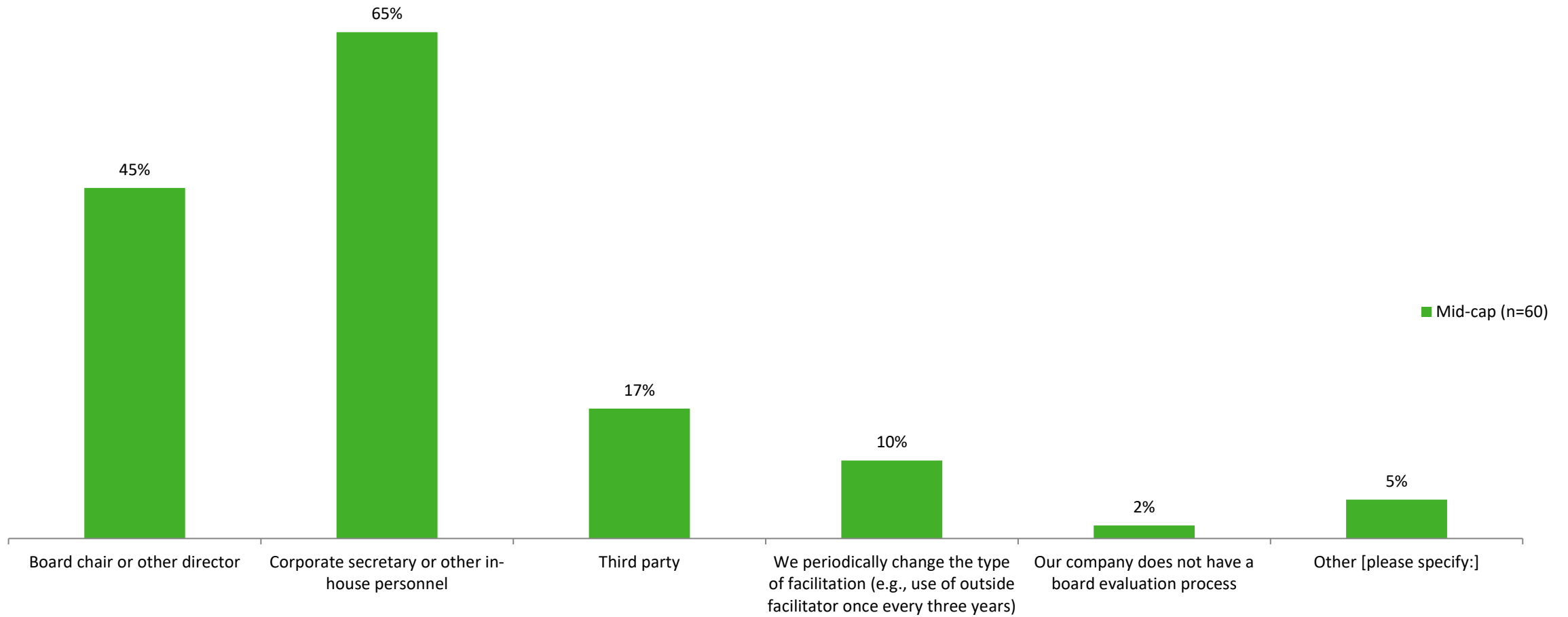
What types of evaluations are used to assess board performance? [Select all that apply]



What format is used to conduct the full board evaluation? [Select all that apply]

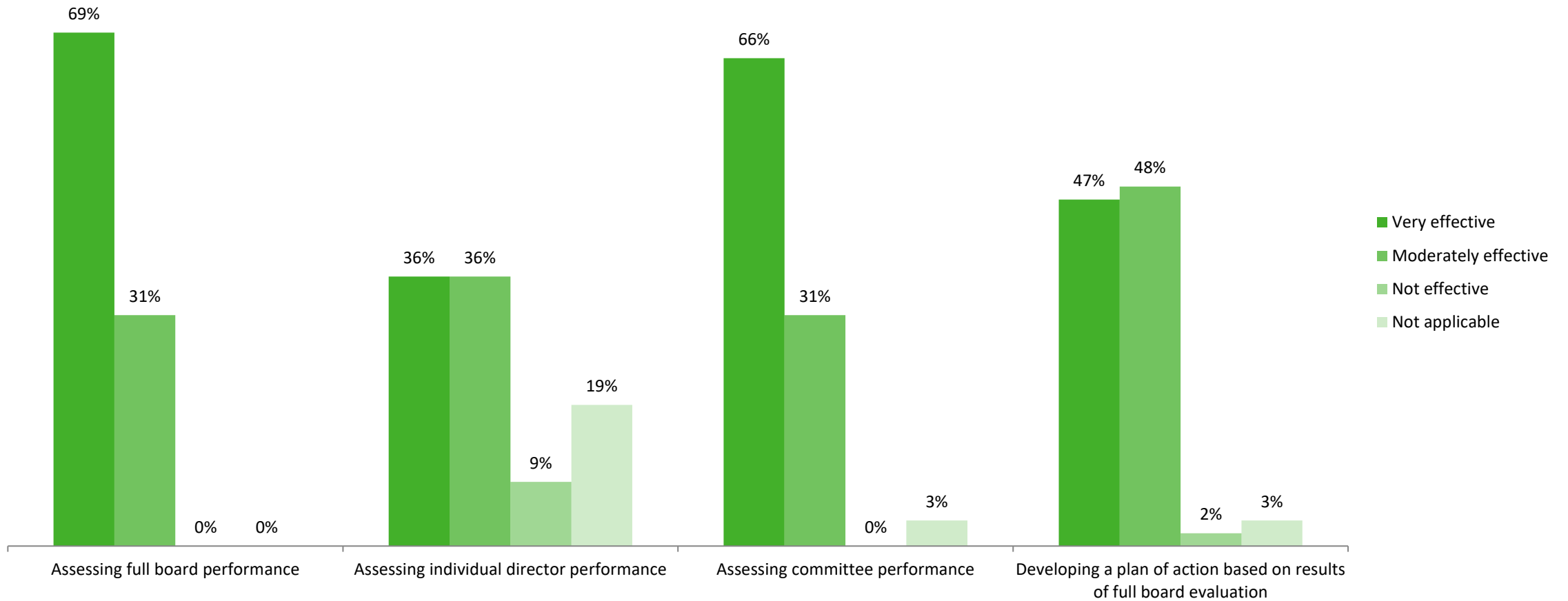


Who facilitates your full board evaluations? [Select all that apply]

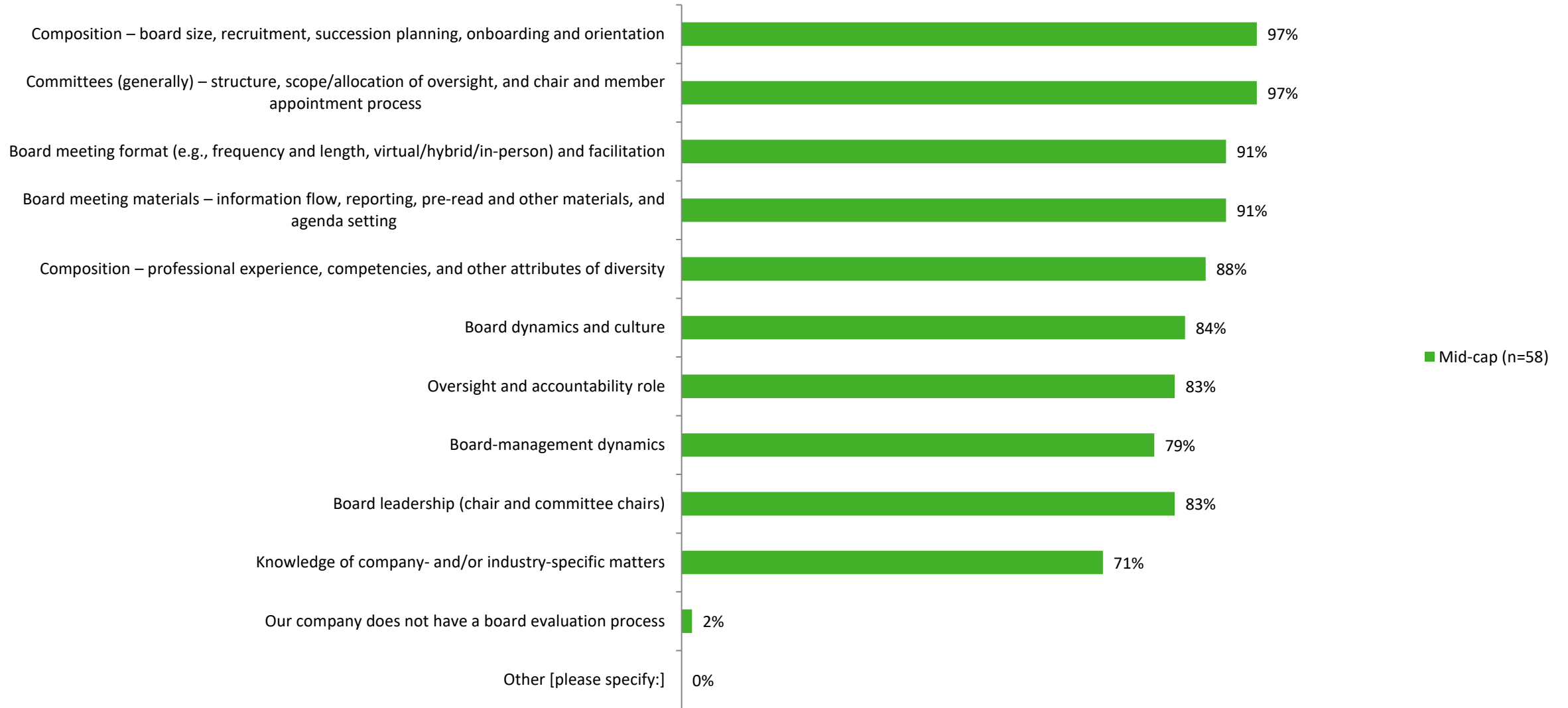


Mid-cap (n=58)

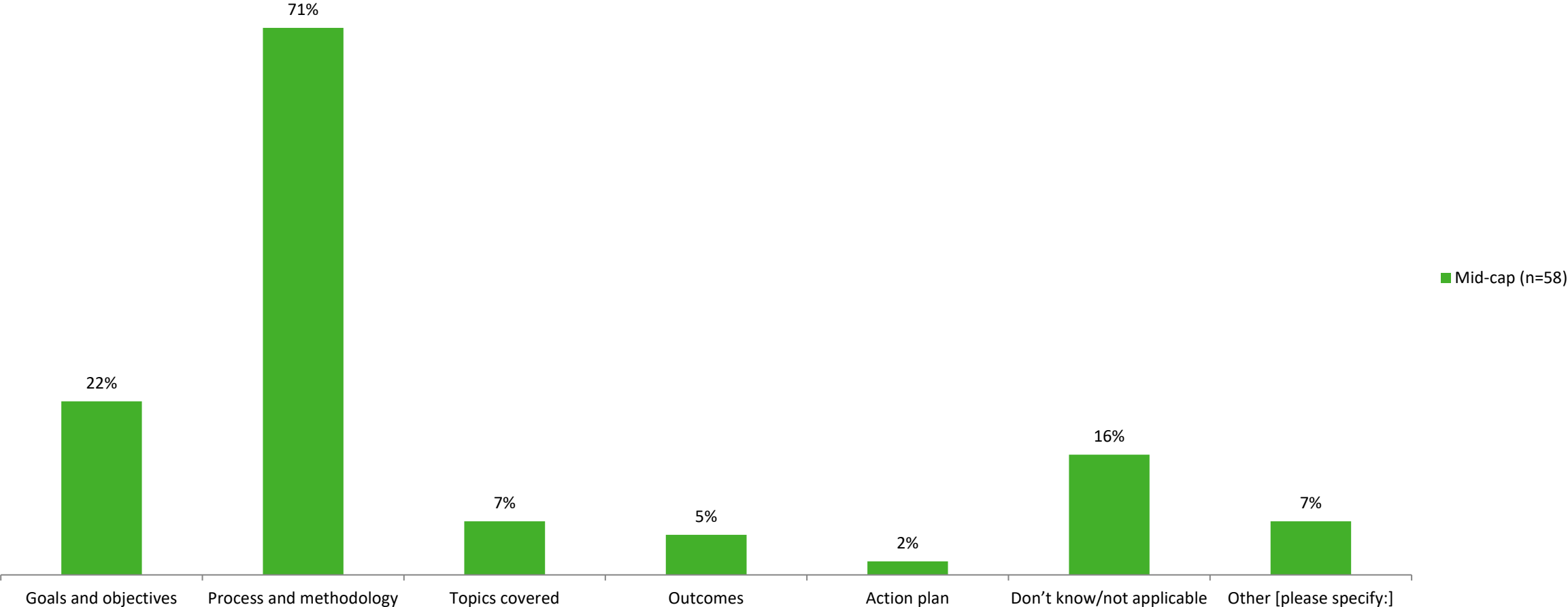
Rate your board's overall effectiveness in the following evaluation practices:



Indicate which of the following topical areas (or similar) are regularly covered in your company’s periodic board evaluation: [Select all that apply]



What is publicly disclosed about your company’s board evaluation process? [Select all that apply]



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Founded in 1946, the Society is a professional membership association of more than 3,400 corporate secretaries, in-house counsel, outside counsel, and other governance professionals who serve approximately 1,000 public companies of almost every size and industry.

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Deloitte's Center for Board Effectiveness helps directors deliver value to the organizations they serve through a portfolio of high quality, innovative experiences throughout their tenure as board members. Whether an individual is aspiring to board participation or has extensive board experience, the Center's programs enable them to contribute effectively and provide focus in the areas of governance and audit, strategy, risk, innovation, compensation, and succession.

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