Highlights from the 2016 Board Practices Report

This infographic highlights results from the 2016 Board Practices Report published by the Society for Corporate Governance, in collaboration with Deloitte LLP’s Center for Board Effectiveness. The report presents findings from a survey distributed late 2016 to the public company members of the Society, varying in size and industry. The survey covered over 15 board governance areas, including established board practices and new trends. Some highlights include data from previous editions of this report.

- **64%** added a new director in the past year.
  - This compares to 50% in a similar question asked in 2014.
- **9 years** — Average tenure of non-management directors.
  - 9 years was most common but reflects only 15% of respondents. Six years was a close second.
- **Over 25%** added women to their boards in the past year.
  - 38% have 3 or more female directors.
  - 56% of large caps have 3 or more female directors.
- The **top three risks boards are focused on**:
  - Cyber, finance/legal, and product.
- Top 3 areas of experience sought in new directors:
  - Industry, active CEO, and financial expertise.
  - Technology/IT ranks #1 for small caps and is tied for first place for financial services companies.
- Almost **60%** of large cap audit committees disclose more than what is required in their proxy statements.
- **46%** said their board equity plans have compensation limits.
- **27%** of companies have been approached by an activist in the past year — down from 31% in 2014 and 35% in 2012.
- **74%** of companies are discussing how to prepare for activism — a 19 percentage point increase since 2014.
- **55%** of boards are being updated on shareholder sentiment and concerns more than once a year.
- Corporate secretaries are engaging more with shareholder groups — with 41% reporting that the level has increased either significantly or slightly.
- **14%** added a board member with cyber experience in the past two years.
- **Nearly 60%** of companies provide sustainability disclosure — primarily via formal sustainability reports and dedicated webpages.

About this publication

This publication contains general information only and is not a substitute for professional advice or services, nor should it be used as a basis for any decision or action that may affect your business before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. The authors shall not be responsible for any loss sustained by any person who relies on this communication.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL’s global network of member firms is a legal entity separate and distinct from DTTL. Each member firm is a local entity and does not engage in a global partnership with the rest of DTTL. Deloitte LLP’s global network of member firms is a legal entity separate and distinct from Deloitte LLP. Each member firm is a local entity and does not engage in a global partnership with the rest of Deloitte LLP. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2017 Society for Corporate Governance and Deloitte Development LLC. All rights reserved.

Member of Deloitte Touche Tohmatsu Limited