

Note: Intro text for each topic portrays the small and mid-caps collectively. The tables break down the responses for each of these two groups.

Board diversity and refreshment

92% of small and mid-caps overall said their boards are looking to increase board diversity. Of these, the majority (63%) said their boards are looking to increase gender diversity – far exceeding race and ethnicity (47%) and specific professional skills or experience (43%).

If your board is looking to increase diversity, which attribute is the top recruitment priority? [Select up to two]

	Mid cap	Small cap
Gender	63%	71%
Race and ethnicity	55%	43%
Age	4%	0%
Specific international geography or an international background	2%	0%
Specific professional skills or experience	45%	29%
Not looking to increase board diversity	6%	14%
Other, please specify	0%	0%

Boards seeking to increase their diversity most commonly look to referrals from current directors (79%), suggesting that networking is still key to board succession, though search firms came in a close second (70%).

If your board is looking to increase diversity, where does it look for recruitment? [Select all that apply]

	Mid cap	Small cap
Search firm	71%	57%
Referrals from board members	82%	71%
Referrals from organizations focused on board diversity	8%	0%
Referrals from shareholders	6%	0%
Professional service providers (e.g., law firm, accounting firm)	14%	14%
Not looking to increase board diversity	6%	14%
Other, please specify:	2%	0%

Professional experience recruitment priorities

Industry-specific experience topped the list. Also in the top 10: digital or technology strategy (e.g., artificial intelligence, cryptocurrency, and social media); business leadership; cyber; strategy; accounting; and IT (e.g., infrastructure, operations).

While other types of professional experience, such as marketing and HR, may be overdue for board representation (and could contribute to diversity), they do not seem to be gaining traction as stand-alone recruitment priorities.

In the next one or two years, which area of professional experience will likely be the top recruitment priorities for your board? [Select up to three]

	Mid cap	Small cap
Academia and Education	0%	0%
Accounting	22%	14%
Business leadership	25%	43%
Corporate social responsibility, sustainability, and social impact	8%	0%
Culture and ethics	2%	0%
Cyber	27%	0%
Digital or Technology strategy (e.g., artificial intelligence, cryptocurrency, social media)	33%	29%
Finance and banking	8%	43%
Governance	4%	0%
Government and public policy	2%	0%
Human capital and talent	8%	0%
Industry-specific	41%	57%
International	8%	0%
IT (e.g., infrastructure, operations)	12%	14%
Legal	0%	0%
Mergers and acquisitions	2%	0%
Operations	12%	0%
Public or private board experience	12%	29%
Public relations and communications	0%	0%
Risk management	4%	14%
Sales and marketing	2%	0%
Strategy	24%	0%
Other, please specify:	6%	14%

Most popular board education topics

- Board fiduciary duties and other responsibilities
- Cybersecurity and cyber risk
- Ethics and compliance
- Specific board or governance issues

Education for board members is provided on these topics: [Select all that apply]

	Mid cap	Small cap
Anti-corruption policies (e.g., FCPA, UK Anti-Bribery Act)	33%	43%
Board fiduciary duties and other responsibilities	63%	86%
Capital allocation strategies	25%	43%
Company policies	53%	57%
Corporate culture	16%	0%
Corporate social responsibility, sustainability, and social impact	24%	14%
Crisis management	24%	29%
Cybersecurity and cyber risk	67%	57%
Ethics and compliance	53%	86%
Financial and liquidity risk	27%	43%
General continuing education	31%	43%
Industry-specific topics	53%	71%
Insider trading	45%	29%
Market risk	4%	14%
New accounting pronouncements and/or auditing requirements	41%	43%
New regulatory issues	55%	57%
Political contributions	6%	0%
Risk oversight	43%	29%
Shareholder engagement and investor relations	39%	71%
Specific board or governance issues	57%	57%
Don't know	6%	0%
Other, please specify:	6%	14%

Allocation of risk

A challenge many boards face is how best to allocate the oversight of various risks, particularly those related to cyber; corporate culture; and corporate social responsibility, sustainability, and social impact. In these areas, respondents indicated*:

- 58% of boards allocate **cyber risk** to the audit committee, followed by 52% that allocate this risk to the full board
- 73% of boards allocate **corporate culture risk** to the full board, followed by 20% that allocate this risk to the compensation committee
- 48% of boards allocate **corporate social responsibility, sustainability, and social impact risks** to the full board, followed by 47% that allocate these risks to the nominating and governance committee
- 63% of boards allocate **legal & regulatory risk** to the full board, followed by 59% that allocate this risk to the audit committee
- 63% of boards allocate **technology strategy risk** to the full board, followed by 38% that allocate this risk to the audit committee
- 83% of boards allocate **human capital & talent risk** to the compensation committee, followed by 28% that allocate this risk to the full board

How are the following risks allocated among the board and its committees? [*Select all that apply]

		Mid cap	Small cap
Corporate culture	Full board	75%	86%
	Audit Committee (or similar)	4%	0%
	Compensation Committee (or similar)	18%	43%
	Nominating and Governance Committee (or similar)	6%	14%
	Risk Committee (or similar)	4%	0%
	Other committee	2%	0%
	This risk is not specifically allocated	22%	0%
Corporate social responsibility, sustainability, and social impact	Full board	53%	14%
	Audit Committee (or similar)	0%	0%
	Compensation Committee (or similar)	4%	0%
	Nominating and Governance Committee (or similar)	45%	57%
	Risk Committee (or similar)	4%	0%
	Other committee	4%	14%
	This risk is not specifically allocated	22%	14%
Cyber	Full board	53%	29%
	Audit Committee (or similar)	55%	86%
	Compensation Committee (or similar)	0%	0%
	Nominating and Governance Committee (or similar)	4%	0%
	Risk Committee (or similar)	18%	0%
	Other committee	4%	0%
	This risk is not specifically allocated	6%	0%

Human capital and talent	Full board	33%	14%
	Audit Committee (or similar)	0%	0%
	Compensation Committee (or similar)	80%	100%
	Nominating and Governance Committee (or similar)	6%	0%
	Risk Committee (or similar)	4%	0%
	Other committee	0%	0%
	This risk is not specifically allocated	6%	0%
Legal and Regulatory	Full board	65%	43%
	Audit Committee (or similar)	57%	71%
	Compensation Committee (or similar)	4%	0%
	Nominating and Governance Committee (or similar)	22%	29%
	Risk Committee (or similar)	14%	0%
	Other committee	4%	14%
	This risk is not specifically allocated	2%	0%
Technology strategy (e.g., IT infrastructure, innovative and disruptive technology, social media)	Full board	63%	43%
	Audit Committee (or similar)	37%	71%
	Compensation Committee (or similar)	0%	0%
	Nominating and Governance Committee (or similar)	2%	0%
	Risk Committee (or similar)	14%	0%
	Other committee	14%	0%
	This risk is not specifically allocated	12%	0%

How boards and/or committees monitor, evaluate, and participate in their company's culture and behavior

- 84% Hotline reports
- 59% Reviewing findings from investigations
- 47% Receiving results from culture surveys
- 45% Culture and behavior are discussed more than once each year at board and/or committee meetings

How does your board and/or its committees monitor, evaluate, and participate in your company's culture and behavior? [Select all that apply]

	Mid cap	Small cap
Culture and behavior are discussed more than twice annually on board and/or committee agendas	43%	57%
The board engages with employees regularly to reinforce our culture and tone at the top	20%	43%
Updates on training and communications are provided to employees	29%	29%
Results from culture surveys are provided to the board and/or its committees	47%	43%
Output from employee exit interviews are provided to the board and/or its committees	2%	29%
Pulse surveys on ethics and compliance programs are provided to the board and/or its committees	6%	29%
Hotline reports are provided to the board and/or its committees	84%	86%
Findings from investigations are provided to the board and/or its committees	61%	43%
Peer benchmarking data on ethics and compliance programs are provided to the board and/or its committees	16%	0%
Other, please specify:	0%	0%

What boards are talking about – and when

Strategy topped the list of topics discussed at every board meeting. As anecdotal reports have suggested that boards discuss strategy and the strategic plan at every board meeting, the fact that just a third of respondents selected this response may be a result of strategy being discussed in conjunction with other agenda items rather than as a stand-alone item.

Topics most commonly discussed at every board meeting

- 33% Strategy
- 25% Capital allocation
- 21% Regulatory matters
- 15% M&A

Topics most commonly discussed quarterly

- 33% Strategy
- 33% Capital allocation
- 30% Cyber issues
- 30% Ethics & Compliance
- 30% Regulatory matters

Topics most often discussed on an annual basis are board and executive evaluations (97% and 82%, respectively) and executive succession planning and board composition & diversity (67% each). This is followed by board succession planning (62%).

Describe the frequency of the following topics on full board meeting agendas (vs. those addressed at the committee level):

		Mid cap	Small cap
Board composition and diversity	At every board meeting	2%	14%
	Quarterly	0%	0%
	Biannually	4%	14%
	Annually	73%	29%
	Other frequency	14%	29%
	Never	6%	0%
	Don't know or not applicable	2%	14%
Board evaluation	At every board meeting	0%	0%
	Quarterly	0%	0%
	Biannually	2%	0%
	Annually	98%	100%
	Other frequency	0%	0%
	Never	0%	0%

Board succession planning	Don't know or not applicable	0%	0%
	At every board meeting	0%	14%
	Quarterly	0%	0%
	Biannually	8%	0%
	Annually	63%	57%
	Other frequency	20%	14%
	Never	10%	0%
Capital allocation	Don't know or not applicable	0%	14%
	At every board meeting	20%	57%
	Quarterly	35%	14%
	Biannually	8%	0%
	Annually	25%	29%
	Other frequency	8%	0%
	Never	2%	0%
Corporate culture	Don't know or not applicable	2%	0%
	At every board meeting	4%	0%
	Quarterly	10%	0%
	Biannually	4%	0%
	Annually	27%	43%
	Other frequency	29%	29%
	Never	18%	0%
Corporate social responsibility, sustainability, and social impact	Don't know or not applicable	8%	29%
	At every board meeting	0%	0%
	Quarterly	2%	0%
	Biannually	4%	0%
	Annually	29%	29%
	Other frequency	43%	43%
	Never	16%	14%
Crisis management	Don't know or not applicable	6%	14%
	At every board meeting	0%	0%

Cyber issues	Quarterly	6%	0%
	Biannually	8%	0%
	Annually	29%	43%
	Other frequency	43%	29%
	Never	6%	14%
	Don't know or not applicable	8%	14%
	At every board meeting	4%	0%
	Quarterly	31%	14%
	Biannually	16%	14%
	Annually	31%	43%
	Other frequency	16%	29%
	Never	2%	0%
	Don't know or not applicable	0%	0%
	At every board meeting	8%	29%
Disruption and innovation (e.g., threats and opportunities)	Quarterly	18%	0%
	Biannually	6%	0%
	Annually	41%	43%
	Other frequency	18%	29%
	Never	4%	0%
	Don't know or not applicable	6%	0%
	At every board meeting	8%	0%
	Quarterly	33%	14%
	Biannually	8%	14%
	Annually	25%	71%
Ethics and compliance	Other frequency	6%	0%
	Never	20%	0%
	Don't know or not applicable	0%	0%
	At every board meeting	8%	0%
	Quarterly	33%	14%
	Biannually	8%	14%

		Mid cap	Small cap
Executive evaluation	At every board meeting	0%	0%
	Quarterly	0%	0%
	Biannually	8%	0%
	Annually	82%	86%
	Other frequency	6%	0%
	Never	4%	0%
	Don't know or not applicable	0%	14%
Executive succession planning	At every board meeting	0%	0%
	Quarterly	2%	0%
	Biannually	12%	14%
	Annually	69%	57%
	Other frequency	10%	14%
	Never	8%	0%
	Don't know or not applicable	0%	14%
Geopolitical matters	At every board meeting	4%	0%
	Quarterly	8%	14%
	Biannually	0%	0%
	Annually	16%	0%
	Other frequency	45%	29%
	Never	14%	14%
	Don't know or not applicable	14%	43%
Mergers and acquisitions	At every board meeting	12%	43%
	Quarterly	27%	0%
	Biannually	2%	0%
	Annually	2%	0%
	Other frequency	53%	57%
	Never	2%	0%
	Don't know or not applicable	2%	0%
Physical security and safety	At every board meeting	6%	0%
	Quarterly	10%	0%
	Biannually	0%	0%

Regulatory matters	Annually	22%	0%
	Other frequency	29%	29%
	Never	24%	29%
	Don't know or not applicable	10%	43%
	At every board meeting	20%	29%
	Quarterly	33%	14%
	Biannually	4%	14%
	Annually	6%	0%
	Other frequency	31%	43%
	Never	6%	0%
	Don't know or not applicable	0%	0%
	At every board meeting	10%	14%
Shareholders (e.g., sentiment, priorities, engagement, activists)	Quarterly	22%	14%
	Biannually	16%	29%
	Annually	24%	14%
	Other frequency	25%	29%
	Never	0%	0%
	Don't know or not applicable	4%	0%
	At every board meeting	31%	57%
	Quarterly	35%	14%
	Biannually	12%	29%
	Annually	22%	0%
	Other frequency	0%	0%
	Never	0%	0%
Strategy (e.g., progress, alternatives, risks)	Don't know or not applicable	0%	0%
	At every board meeting	10%	29%
	Quarterly	12%	0%
	Biannually	18%	0%
	Annually	35%	57%
	Other frequency	22%	14%
	Never	0%	0%
Technology strategy (e.g., IT infrastructure, innovative and disruptive technology, social media)	At every board meeting	10%	29%
	Quarterly	12%	0%
	Biannually	18%	0%
	Annually	35%	57%
	Other frequency	22%	14%
	Never	0%	0%

Workforce matters (e.g., talent trends, diversity and inclusion)	Don't know or not applicable	4%	0%
	At every board meeting	4%	0%
	Quarterly	16%	14%
	Biannually	6%	0%
	Annually	33%	71%
	Other frequency	25%	14%
	Never	12%	0%
	Don't know or not applicable	4%	0%

Transparency and disclosure

53% anticipate their companies will increase disclosure related to corporate social responsibility, sustainability, and social impact in the next 12-18 months. 26% anticipate an increased level of disclosure related to a board skills matrix. 24% anticipate an increase in their workforce diversity & inclusion disclosure. These numbers suggest that the companies in question are paying attention to investor demands for more information about board oversight of these areas.

36 - 38% said their boards do not disclose or anticipate disclosing information related to workforce gender equity, workforce pay equity, or workforce development & training.

Describe the anticipated level of your company's transparency and disclosure of the following topics in the next 12 to 18 months:

		Mid cap	Small cap
Board skills matrix	Increasing level of disclosure	25%	29%
	No change to level of disclosure	43%	14%
	Not disclosed, but considering whether to do so	10%	14%
	Not disclosed (historically or anticipated)	22%	43%
CEO pay ratio	Increasing level of disclosure	10%	43%
	No change to level of disclosure	86%	43%
	Not disclosed, but considering whether to do so	0%	0%
	Not disclosed (historically or anticipated)	4%	14%
Corporate social responsibility, sustainability, and social impact	Increasing level of disclosure	57%	29%
	No change to level of disclosure	22%	0%
	Not disclosed, but considering whether to do so	16%	14%
	Not disclosed (historically or anticipated)	6%	57%
Individual director information (e.g., photos, age, race, ethnicity)	Increasing level of disclosure	12%	14%
	No change to level of disclosure	80%	71%
	Not disclosed, but considering whether to do so	4%	0%
	Not disclosed (historically or anticipated)	4%	14%

		Mid cap	Small cap
Workforce development and training	Increasing level of disclosure	14%	0%
	No change to level of disclosure	45%	14%
	Not disclosed, but considering whether to do so	10%	14%
	Not disclosed (historically or anticipated)	31%	71%
Workforce diversity and inclusion	Increasing level of disclosure	25%	14%
	No change to level of disclosure	37%	14%
	Not disclosed, but considering whether to do so	18%	14%
	Not disclosed (historically or anticipated)	20%	57%
Workforce gender equity	Increasing level of disclosure	6%	14%
	No change to level of disclosure	49%	0%
	Not disclosed, but considering whether to do so	14%	14%
	Not disclosed (historically or anticipated)	31%	71%
Workforce pay equity	Increasing level of disclosure	10%	14%
	No change to level of disclosure	45%	0%
	Not disclosed, but considering whether to do so	14%	0%
	Not disclosed (historically or anticipated)	31%	86%

Shareholder engagement

The most common topics shareholders have discussed or asked to discuss with management and/or the board during the past year:

- 52% Financial performance
- 41% Board composition and diversity
- 36% Strategic priorities and plans
- 31% Executive compensation

What topics have your shareholders discussed or asked to discuss with management and/or the board during the past year?

	Mid cap	Small cap
Board composition and diversity	43%	29%
Board leadership	16%	29%
CEO succession	16%	14%
Climate change and other environmental matters	20%	0%
Corporate social responsibility and social impact	22%	14%
Cybersecurity	8%	0%
Executive compensation	27%	57%
Financial performance	51%	57%
Political spending and lobbying	0%	0%
Risk management and oversight	10%	0%
Shareholder rights (e.g., right to call special meetings, written consent, proxy access)	22%	0%
Strategic priorities and plans	33%	57%
Workforce pay equity	0%	0%
Workforce/human capital and culture	6%	0%
Other, please specify:	22%	14%

Social media practices

The prevalence and impact of social media use in conjunction with a company's business and operations is an emerging and evolving topic; it is one of increasing focus that many companies are just beginning to tackle - from a governance standpoint in particular.

About 20% don't have a social media policy. Of those that have a policy, 76% cover all employees; 48% cover the C-suite/executives; and 33% cover independent directors.

Your company's social media policy applies to: [Select all that apply]

	Mid cap	Small cap
All employees, excluding C-Suite/executives	78%	57%
C-suite/executives	49%	43%
Independent/non-executive board members	33%	29%
We do not have a social media policy	16%	43%
Other, please specify:	10%	0%

Training on the social media policy - when conducted - most commonly covers employees (60%) and the C-suite/executives (47%) - not the independent directors (16%).

Training on your company's social media policy applies to: [Select all that apply]

	Mid cap	Small cap
All employees, excluding C-Suite/executives	61%	57%
C-suite/executives	49%	29%
Independent/non-executive board members	18%	0%
My company does not have training on its social media policy	16%	14%
We don't have a social media policy	14%	43%
Other (please specify)	8%	0%

With regard to whether board members are permitted to comment on the company and/or industry via social media, 21% said that their company policy prohibits board members from using social media in relation to their companies and 64% said this is neither expressly permitted nor prohibited.

Board members are permitted to comment on your company and industry via various social media (e.g., Twitter, Facebook, LinkedIn):

	Mid cap	Small cap
Yes	0%	0%
Yes, but with certain provisions	8%	0%
No, company policy prohibits board members from using social media in relation to our company	22%	14%
Neither expressly permitted nor prohibited	61%	86%
Don't know	10%	0%

Just 14% said their board has received a report on, or discussed the use of, social media by employees, customers, or board members in the past year.

In the past year, has your board received a report on, or discussed the use of, social media by employees, customers, or board members? [Select all that apply]

	Mid cap	Small cap
Yes, the board received a report on employee use	8%	0%
Yes, the board received a report on customer use	4%	14%
Yes, the board received a report on board member use	2%	0%
No such reports are provided to the board	76%	86%
Don't know	18%	0%