

# ESG Watch

## Governance in a Time of Crisis: Preparing Your Board for the Challenges Ahead

July 13, 2020



## ESG Center



Corporate  
Governance



Sustainability



Corporate Citizenship  
& Philanthropy



## Our Centers

Trusted Insights For What's Ahead



**CED/Public Policy**



**Economy, Strategy & Finance**



**Environmental, Social & Governance**



**Human Capital**



**Marketing & Communications**



[www.conference-board.org/COVID-19](http://www.conference-board.org/COVID-19)



<https://conference-board.org/mediaroom/ceo-forum>





# Panelists



**Ross E. Jeffries, Jr.**  
Deputy General  
Counsel & Corporate  
Secretary  
**Bank of America  
Corporation**



**Jack (Rusty) O'Kelley, III**  
Co-leader, Board  
& CEO Advisory Practice  
**Russell Reynolds  
Associates**



**Paul Rodel**  
Partner  
**Debevoise &  
Plimpton**



**Paul Washington  
(Moderator)**  
Executive Director,  
ESG Center  
**The Conference  
Board**



# Earn Credits

## CPE (NASBA)

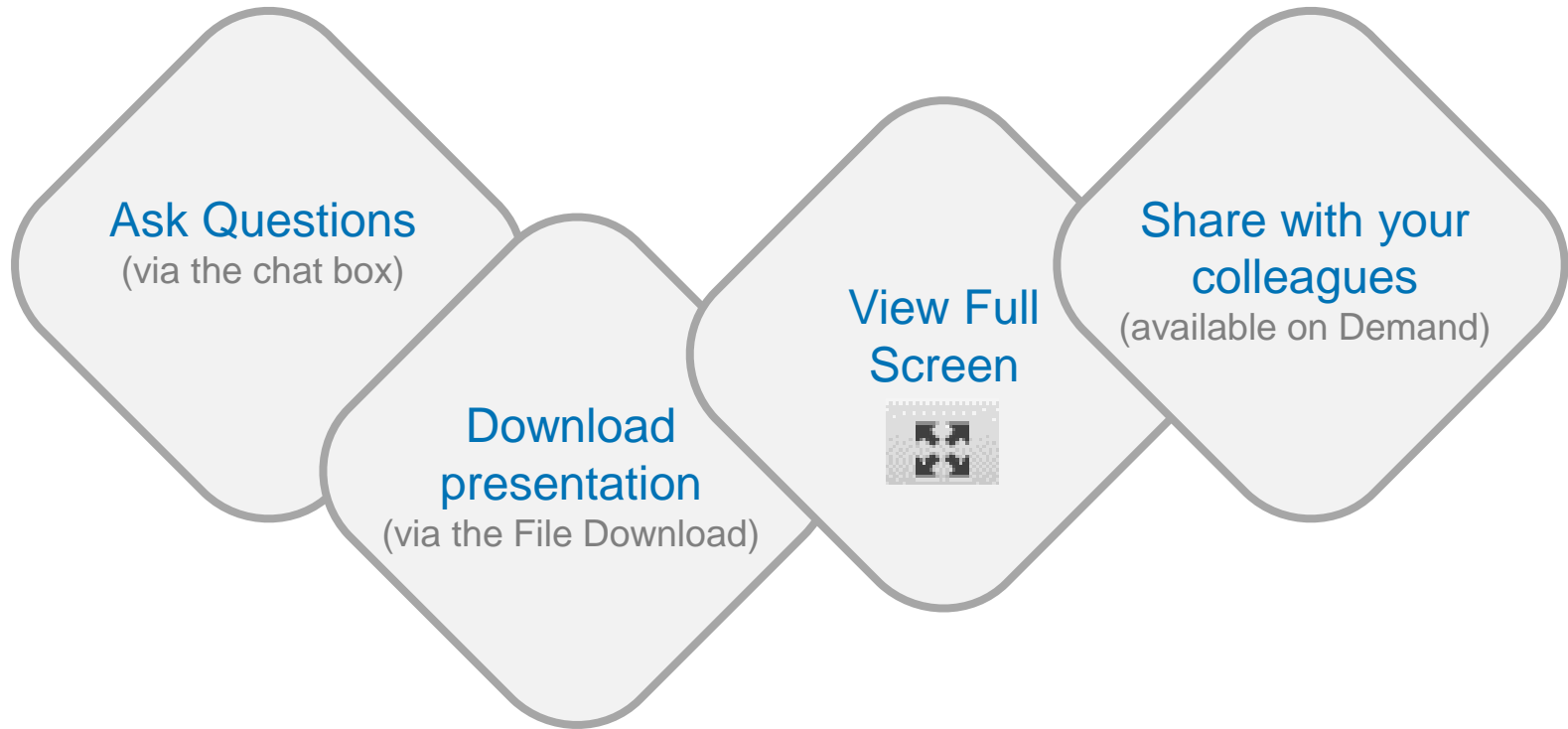
- ✓ Type your full name and email address in the space provided
- ✓ Click 'ok' for 3 popups that occur during the program
- ✓ Stay online for the entire webcast
- ✓ Credit available for participation in live webcast only



The Conference Board is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org).



# Making the most of the webcast



---

Tell us about your experience to help us improve our future program

---



# Initial Board Focus During COVID-19

Areas for board attention during the crisis	Ranking
Liquidity (e.g., revolver borrowing) and other capital allocation issues	1
Workforce	2
Operations	3
Suppliers and supply chain issues	4
Other legal issues (e.g., litigation, contract enforcement, etc.)	5
Financial results	6
Shareholder activism	7
M&A and other business combinations	8
Customers	9
Cyber security and data privacy (including personal health privacy)	10
CSR/Philanthropy efforts	11

Source: Corporate Governance Challenges in the COVID-19 Crisis, The Conference Board, June 2020

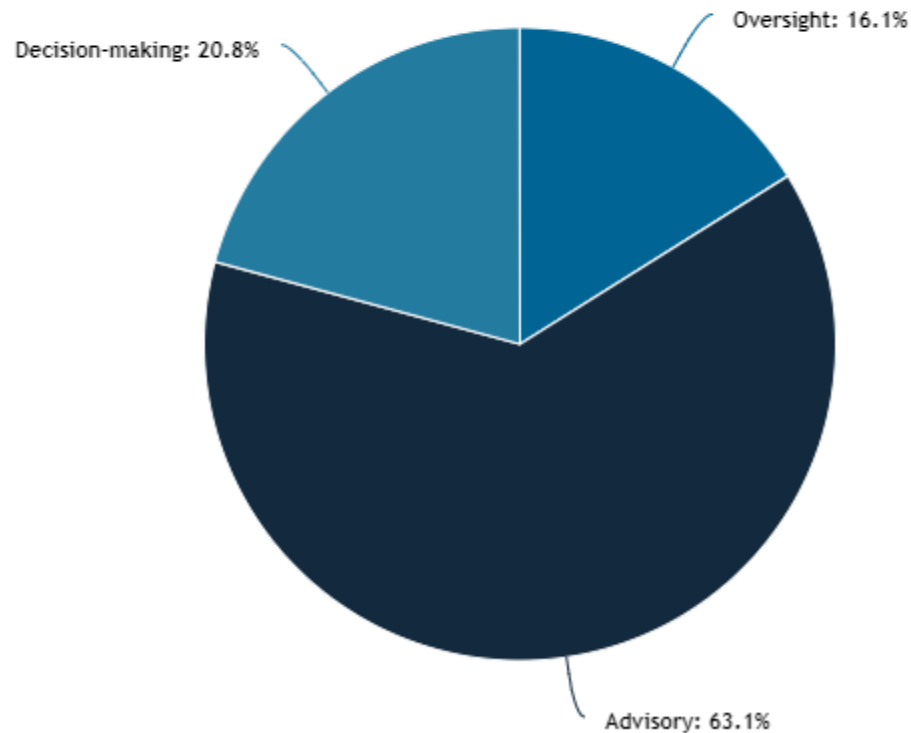




# Primary Role of Board During COVID-19

What is the primary role performed by your company's board of directors during the Crisis?

Full Survey Sample (n= 236)  
(Percent of total)



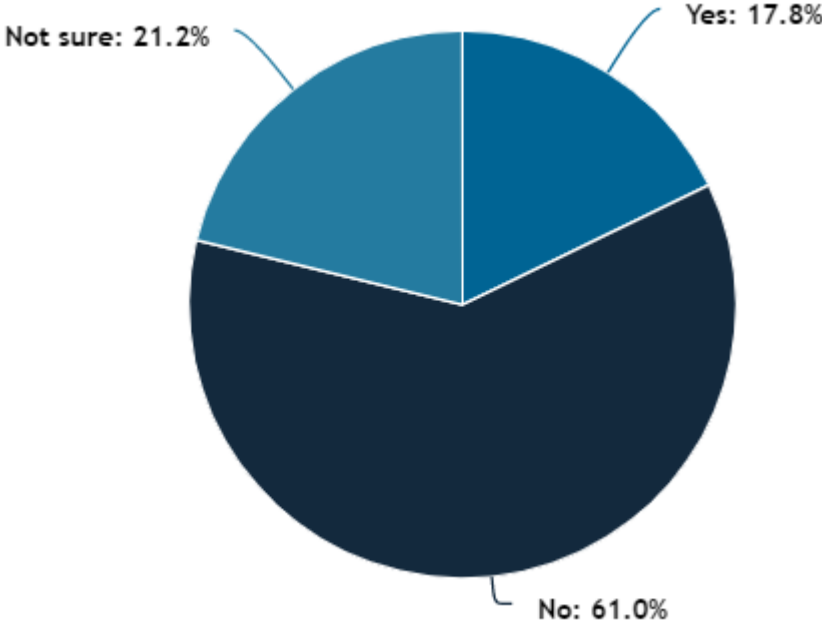
Source: Corporate Governance Challenges in the COVID-19 Crisis, The Conference Board, June 2020



# CEO / Key Executive Succession Plans

Has your board reviewed and updated the succession plan for the CEO and other key executives in light of the health risks posed by the Crisis?

Full Survey Sample (n= 236)  
(Percent of total)



Source: Corporate Governance Challenges in the COVID-19 Crisis, The Conference Board, June 2020



# Preview: Corporate Board Practices - 2020 Edition

	2016	2019
Directors currently serving as executives from below the C-suite	4.7%	8.9%
Female representation on boards	14.3%*	18.5%*
Average age of directors	63.2 years	63.4 years
Average tenure of departing directors	12.3 years	12 years
Directors serving on the board for more than 15 years	22.5%*	21.6%*
Overboarding policy: up to 4 other board services permitted	42.6%	42.2%

\* Data from Russell 3000. All other data are from S&P 500.





## Upcoming Webcast Programming from The Conference Board

- [COVID-19 & The Future Of Global Supply Chains](#) (July 16 @ 11am ET)
- [Governance Watch: Highlights from the 2020 Proxy Season](#) (July 23 @ 12pm ET)
- [Beyond COVID-19: John Chambers and Hampton Bridwell on Brand as the Ultimate Leadership Tool](#) (July 22 @ 3pm ET)

[View all of our upcoming webcast programs](#)



# Recent Conference Board Content on COVID-19

## Corporate Governance Challenges in the COVID-19 Crisis

US public companies have needed to adjust their governance practices to respond to the unprecedented challenges of the COVID-19 pandemic. This report, based on a survey of 236 US companies, discusses how they have responded and provides insights for what's ahead.

## **Executive and Director Compensation Reductions in the COVID-19 Era**

As many businesses discharge, furlough, or drastically reduce pay to large shares of their workforces, some compensation committees are announcing their decision to cut base salaries for C-suite executives as well as board cash retainers. The Conference Board, in collaboration with Semler Brossy's research team and ESGAUGE Analytics, is keeping track of SEC Form 8-K filings by Russell 3000 companies announcing these reductions. For the live database and some helpful visualizations of key trends across business sectors and company size groups, [click here](#).

## Five Ways a Sustainability Strategy Provides Clarity in a Time of Crisis

The COVID-19 pandemic is requiring companies to focus on survivability. This is also a time, however, for companies to consider the value of their existing sustainability strategies. Companies with robust sustainability programs are more likely to perform well during a downturn. And five key elements of a fully developed sustainability program should improve a company's ability to prosper in the long run.



# Recent Conference Board Webcasts with a Focus on Racial Equality

## [Leading Through Crisis with Clorox CEO Benno Dorer](#) (June 24)

What essential skills do CEOs need to lead not only in times of crisis, but to lead through times of crisis? Clorox CEO Benno Dorer was named America's top CEO in 2017. In this webcast, he discusses executive empathy, innovation, and inclusiveness with The Conference Board CMO, Chiqui Cartagena, and Senior Fellow of the Marketing & Communications Center, Dr. Jake Beniflah.

## [Creating Space for Race-Based Discussions in the Workplace](#) (July 1)

As corporations are increasingly speaking out on race-based offenses, organizations are still unsure how to speak about race. In this broadcast, we examine what businesses can do to equip senior leaders and mid-level managers for these critical but difficult conversations.

## [Corporate Citizenship: At the Heart of the New Normal\(s\)](#) (July 7)

Understand how corporate citizenship and philanthropy executives inspire change and what changed or should change in providing a voice for your company. How will companies approach corporate citizenship, and their roles in society, post COVID-19? Discover how companies are taking action as a result of the outcry against racial injustice to inform their own strategies.







## ESG News & Views

A podcast series brought to you by  
The Conference Board Environmental,  
Social and Governance Center

**The Conference Board ESG News & Views** podcast series provides compelling in-depth interviews with ESG thought leaders, and timely updates on hot button topics in corporate governance, sustainability, citizenship and philanthropy.

Click [here](#) for a complete listing of all of our ESG News & Views podcasts or check out our entire podcast lineup at [www.conference-board.org/podcasts](http://www.conference-board.org/podcasts)

