



**From the Desk of Susan C. Keating
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ESG a Major Topic on Day 1 of WCD Virtual Global Institute

The first-ever WCD Virtual Global Institute began Wednesday, and while we were not together to enjoy in-person camaraderie, our featured speakers did not disappoint, providing us plenty to ponder about the future of boards. The production of this event has been an interesting experience and at times, I felt like I was on the set of a Hollywood movie, surrounded by green screens, cameras, lights and microphones.

We started our day with an opening keynote from **Paul Knopp, KPMG U.S.** Chair and CEO, who spoke on the topic of Corporate Purpose. Knopp shared highlights from KPMG's 2020 CEO Outlook, which features insights from CEOs at large companies globally and includes findings from a recent survey, completed during the months of July and August in the midst of the COVID-19 pandemic.

315 CEOs across the globe participated in the July/August survey, including 100 U.S. CEOs. Some findings Knopp highlighted include:

- 77% of U.S. CEOs said they needed to reassess their corporate purpose. Knopp said, "To really be successful, we are going to have to think about long-term stakeholder value."
- Interestingly, 60% of U.S. CEOs said they are more optimistic about growth prospects for their company than they were at the beginning of 2020.
- 74% of U.S. CEOs are seizing opportunities to accelerate the digital transformation of their businesses. Knopp said some of the companies have accelerated their digital transformation effort by a "matter of years."

With remote work being part of our new norm, moderator **Tandra Jackson**, Vice Chair, Growth & Strategy, KPMG, LLP, and Knopp discussed how virtual work environments impact employee morale, retention and corporate culture. Knopp said in the future, although there likely will be a hybrid work environment with working from home, people will still come together in offices for collaboration, teaming events and planning.

"We will still get together as organizations," Knopp said. "We still have to sustain our cultures. It is difficult to sustain a culture with a complete remote environment forever."

He also mentioned Environmental, Social and Governance (ESG) initiatives and said, "It's very clear that the 'S' in ESG is getting more attention than ever."

"With the events of the last several months, there has never been more focus on inclusion and diversity than there is now – both in the board room and the management room," he said.

KPMG recently launched Accelerate 2025, a plan to ensure that more individuals from underrepresented groups choose KPMG as their employer of choice, build careers there, and advance to leadership positions within KPMG and the profession. “We have a five-year strategy to make our employees and leaders look a lot more like America than we do today,” Knopp said. “You can never be inclusive enough or diverse enough.

“We need more conversations in the boardroom about how we can increase diversity throughout our organizations, drive diversity of thought, and create a culture of inclusivity within our organizations. Studies show more inclusive and diverse organizations are better when it comes to corporate performance,” he said.

We moved right into a “Purpose Driven and Principled Leadership” message from The B Team’s **CEO, Halla Tomasdottir** and **Paul Polman** former President, Procter & Gamble Western Europe; former CEO, Unilever, where hard work, teamwork, good communication and strategic thinking were discussed as primary leadership factors.

Polman said with so many issues, particularly climate change and inequality, at the helm of leadership during these times, “people are calling for another level of leadership.” He added that a good leader should exhibit both humility and humanity. “Nothing is more important than to be a good human being,” he said, adding that the best leaders have courage and “a strong sense of purpose. You are here for something bigger than yourself.

“Be bold and be brave,” he said. “If you don’t feel uncomfortable, you’re not going fast enough.”

One of the many highlights of the day came from the important discussion, “A Perspective on Racial Diversity,” with **Anne Sempowski Ward**, CEO and director, CURIO Brands and Director, Vanda Pharmaceuticals; and **Dr. Beverly Daniel Tatum**, Director, Georgia Power, who also wrote the book “Why Are All the Black Kids Sitting Together in the Cafeteria?” in 1997. Tatum was asked by the book’s publisher to update it in 2017, and she said primary revisions centered on the following topics:

- The U.S. population has changed significantly. When the book was written, most of the U.S. population was white, whereas now the U.S. population is 50% white and 50% other races.
- As politics have shifted, polarization has been influenced, she said. “How do we effectively talk about racism in the workplace, at home and in schools?” she asked. “How do we engage in dialogue that moves the country forward?”
- Psychology is different. Some of the terms you hear today are not really new, she said, but have been brought to the forefront, i.e., “implicit bias” and “microaggression.”

Ward addressed something she has heard recently about “allyship” in the workplace, and said she feels there is a big difference in someone being called an “ally” and someone taking action to support another individual.

Tatum said she sees allies as “white people who are committed to interrupting the cycle of racism.”

“It doesn’t require friendship, but it does require speaking up,” Tatum said. “If you’re sitting at the boardroom table, you’re asking the question about what we are doing to expand opportunities to our employees of color? You’re asking the question that interrupts the status quo. ...That’s what allyship is about.”

After lunch, we featured three breakout sessions:

- A Deeper Dive: The Role Directors Can Play in Leading Racial Equality (moderated by **Evelyn D’An** with speakers **Julie Daum, Brenda Gaines, Kym Hubbard and Anne Sempowski Ward**)
- The Global Threat of Cyberwarfare: From Work at Home to Infrastructure and Election Insecurity, moderated by **Cathy Allen** with speakers **Richard Clarke, Nicole Friedlander, Myrna Soto, Melissa Hathaway and Atul Vashistha**
- Climate Change: Finding the Opportunities, moderated by **Amanda North** with speakers **Lisa Bougie, Sonia Consiglio Favaretto and Sara Orr**

The **Deeper Dive** session expanded on the concepts initially raised by Dr. Tatum, including how to start the conversation about racism and how to take action.

Panelist **Anne Sempowski Ward** said, “We have to move from being leaders of comfort to leaders of conscience to leaders of consequence. Be willing to be a leader and take real action. We can no longer be complacent and be comfortable.” Moderator **Evelyn D’An** added, “Every single one of us is a person of influence. It’s time for directors to be part of the solution, to speak up, to ask the tough questions, to expect progress, and to create accountability for the results.”

Moderated by WCD member **Cathy Allen**, Founder and Chair, The Santa Fe Group, the **Cyberwarfare** panel kicked off with an overview from **Richard Clarke** of the cyber threats we are seeing today in the economy and elections and what is required for companies to respond adequately to these threats. A few key takeaways:

- Election interference doesn't have to be nationwide to make an impact - interference has been highly targeted in certain states and communities and their voter registration lists.
- The difference between companies who will be attacked and won't:
 - A company's governance - does the CEO & board take it seriously;
 - Culture of security - making sure employees know the whole company is at risk;
 - They spend money. If they are spending 3-4% of IT budget on cybersecurity, it's not enough – it needs to be 10%

During the **Climate Change** session, I was surprised and saddened to see that two of our Californian panelists spoke with complete darkness outside their windows at 9:30 a.m. because of wildfire smoke. An ironic twist on the climate change session.

So much interesting information was exchanged during this session, and one of the biggest takeaways came from **Amanda North**, Founder, CEO at Plan C Advisors, who said, “What’s good for the planet also can be good for business.”

Lisa Bougie, Director, LYV Life, Inc. and Eileen Fisher, Inc. and former Chief Merchandising Officer and GM of Women's Apparel at Stitch Fix, spoke about the apparel industry and its contribution to environmental harm, but said positive changes are being made for the future. She referred to the Rebecca Henderson book, “Reimagining Capitalism in a World on Fire,” and this line within it: “The world needs powerful examples of what is possible.”

Rounding out our day of wonderful speakers, we learned about Managing Change in the Boardroom from **General Lester L. Lyles**, Managing Partner, Four Seasons Ventures LLC, former U.S. Air Force General, Vice Chief of Staff of the U.S. Air Force and Director, KBR, Inc., who was interviewed by **Mary Landry**, Rear Admiral, U.S. Coast Guard (Retired), Director, The United Services Automobile Association (USAA), and Norwegian Cruise Line Holdings Ltd. Both individuals brought an interesting military leadership perspective to the conversation.

One of their primary discussion points centered on workforce – a human resources issue that typically stays “nose in, fingers out,” from the board, as Landry said. As employee skill sets evolve, they asked, how can boards play a role in continued education and development for the betterment of the company and the individual employees?

“We need to know how well the company is being run,” Lyles said. “If the people aren’t being satisfied, and if management isn’t paying attention to the workforce, then the board doesn’t really know what is happening. “How are employees being developed, and how are they being recognized and compensated?”

Diversity and inclusion, particularly disparity between ranks in the military, also were discussed, as well as technology and the pace of change.

“You need to make sure you’re thinking about today and tomorrow,” he said.

After another brief break to visit the virtual exhibit hall, we moved into our fun Visionary Awards Virtual Celebration watch parties, where we opened separate virtual areas for the East Coast (U.S. & Canada), West Coast (U.S. & Canada), Central (U.S. & Canada) and International attendees.

Carla Harris, Vice Chairman of Wealth Management and Senior Client Advisor, Morgan Stanley, and Director, Walmart Corp., emceed the 2020 WCD Visionary Awards Celebration. Awards were presented to these esteemed companies and an individual:

Award for Strategic Leadership: Ana Paula Pessoa

Award for Leadership and Governance of a Public Company: Shiseido Company

Award for Leadership and Governance of a Private Company: Elkay Manufacturing

Award for Innovation in Shared Value: Starbucks Corporation

What an honor and privilege it was to hear our Visionary Awards Keynote Speaker, **Dr. Madeleine Albright**, speak anecdotally about her illustrious career as U.S. Secretary of State for the United States and Ambassador to the United Nations, author, speaker, consultant and professor. Her live speech to attendees featured a great Q&A session, and it was informative, interesting, inspiring, and full of honest soundbites, such as:

- Her well-known statement, “There is a special place in hell for women who do not help other women.” Albright said this statement came from her own experience, primarily when she was continuing her education as a mother and was asked why she wasn’t in the carpool line instead of at library.
- Albright said she never thought she’d be Secretary of State. “It’s not that I lacked ambition,” she said. “It’s just that I’d never seen a Secretary of State wearing a skirt.”
- “Success requires both that you do your job to the best of your ability and that you stand up for your rights.”
- “In any group, someone has to lead, and it might as well be you.”
- “Don’t be obsessed by the clock,” something she learned after becoming U.S. Ambassador to the United Nations at age 55.
- “Act out of hope, not fear, and take responsibility for whatever you decide.”

Finally, Albright passed on this nugget of wisdom that is a good way to close out my summary of the day: “Look around the room – or Zoom – at the faces of your colleagues and remember, none of us got to where we are on our own, and none of us will go where we want to go without each other.”