

Nominating and Governance Chair Roundtable

Working Plan for Accelerating Board Diversity

Increasingly, companies worldwide are seeing multiple stakeholders, from investors and regulators to consumers and the workforce, calling for more boardroom diversity. In a global survey¹ of 4,000 directors conducted by WomenCorporateDirectors (WCD), several reasons for the lack of diversity emerged: male directors cited a “lack of qualified female candidates,” and female directors assigned cause to the “traditional non-diverse networks.” Both men and women agreed, however, that “the board’s low priority to recruit diverse candidates” was a key issue.

To escalate board diversity as a priority and identify ways to accelerate its adoption, WCD convened the Nominating & Governance Chair (N&G) Roundtable. Bringing together 18 participants² - male and female directors from different ethnic backgrounds, representing many top global organizations - the roundtable took on the topic of diversity defined broadly - as diversity of thought, which included gender and ethnicity.

The roundtable participants discussed a variety of topics including:

- Real or perceived impediments to board diversity
- Crafting a common framework to identify qualified diverse candidates
- Formulation of a detailed plan of action that will have impact

The outcome of the roundtable was a working plan for the N&G participants, calling for all nominating and governance committee members on company boards to take action. The plan encompasses five key steps for the N&G committee to take as leaders in a movement to actively address lack of boardroom diversity.

¹ Global Board of Directors Survey, WomenCorporateDirectors, Spencer Stuart, and Professor Boris Groysberg, Harvard Business School.

² Participants included representatives from a variety of diversity advocacy organizations, public and private company directors and a private equity firm.

“As the only global organization for women corporate directors and as a champion of diversity, WCD is ideally positioned to take a leading role in the development of this roundtable.”

— Susan C. Keating,
Chief Executive Officer, WCD

“We feel that the time is right for organizations such as WCD and other diversity advocates to work together to provide N&G committees with tools they can use to enhance the effectiveness of board composition.”

— Kapila Anand, Lead
Director, WCD, and Director,
Extended Stay America and
ESH Hospitality

“Peer group exchanges, like this roundtable, are excellent vehicles to challenge current assumptions and generate fresh perspectives. Relative to audit and comp committee chairs, there are fewer groups and external resources for N&G chairs, thus making these sessions particularly valuable.”

— Gabrielle Sulzberger, Director,
Teva Pharmaceutical and
Brixmor Property Group

“While most diverse director organizations have a database of their respective members, a central repository of vetted diverse candidates could help to simplify the process.”

— *Pat Pineda, Director, Levi Strauss & Co. and Frontier Airlines*

“Spencer Stuart has long recognized the value of board diversity, and has placed over 2,300 diverse directors. WCD’s peer exchanges are valuable opportunities to stay connected with N&G chairs and talented women leaders that boards are seeking today.”

— *Julie Hembrock Daum, Director, Seacoast Banking Corp and North American Board Practice Leader, Spencer Stuart*

“Sharing best practices among peers is a wonderful way to stay informed about ways in which we can implement strategies that are working successfully at other leading firms. This is precisely what we do at our annual Black Corporate Directors Conference, and the results have been actionable.”

— *John Rogers, Jr., Director, McDonald’s Corp. and Exelon Corp.*

The five workstreams are as follows:

Convene Nominating & Governance peer group exchanges focused on board diversity

The N&G committee’s responsibilities have been evolving in light of stakeholder concerns over composition, governance, and ESG considerations. The roundtable participants indicated that N&G connectivity is important and peer exchanges focused on board diversity should be considered as a means to establish such connectivity with a broader group of stakeholders.

Explore the value of a centralized database of diverse directors and board candidates

A pipeline of diverse board candidates exists, but supply is fragmented and not readily available in one database. We believe that N&G committees are under pressure to recruit candidates with non-traditional skills who have not historically been included in traditional pipelines. Centralized source(s) of vetted candidates can help facilitate the mission. Establishing criteria for inclusion in this database will be addressed by a working group.

Architect a strategy to engage investor groups and alliance organizations

Many alliance organizations³ are working on aspects of the board composition process, especially the supply of diverse board members. Investor groups and proxy advisory firms have become more prescriptive in their definitions of diversity and the role it plays in enhancing governance.⁴ Engaging various stakeholders and diversity advocates in a coordinated conversation with a common message, language, and definitions of diversity will help N&G members accomplish their goals.

Develop a library/resource for Nominating & Governance committees

The diversity value proposition is widely accepted but skeptics still exist. Currently research and other resources that might assist the mission are scattered and not always tailored for N&G use. The roundtable participants identified the need for a library focused on N&G resources, which may include curated, diversity-focused research, a list of organizations and contacts focused on promoting

³ Latino Corporate Directors Association, ACSCEND Pinnacle, Black Corporate Directors, Quorum, 30% Club, Catalyst, 20/20 Women on Board, etc. are focused on aspects of board diversity, especially the existing board candidate pool and future pipeline.

⁴ Examples: State Street, BlackRock, Glass Lewis, ISS, Vanguard, and NYC Comptroller’s Office, etc.

board diversity, organizations that are launching new board member training programs and links to other relevant resources. The objective would be to become a valuable resource for progressive N&G chairs and lead directors.

KPMG has offered to host this library focused on N&G committees.

Benchmark and establish best in class individual board member performance assessments

The roundtable participants believe that a key element of board refreshment is individual board member performance-based assessments, but current practices are varied. Establishing a framework for candid performance assessments, including the benchmarking of current practices, is a first step.

A message to nominating committee members and diversity organizations or other advocates

N&G committee chairs and other diversity advocates wishing to engage with us on this important initiative are invited to express an interest in participating in our peer exchanges (or other working groups). We also welcome contributions to the resource library including materials being used for performance assessments.

Please send information to WomenCorporateDirectors at Nom_cmte@womencorporatedirectors.org or call Chelsea Labzda, Director of Programming at (561) 351-6750.

We look forward to working together to enhance the discussion around the boardroom table through diverse perspectives.

“I do not prescribe to the theory that there is a shortage of qualified diverse board candidates. The challenge has been the lack of a centralized repository of both experienced diverse directors, as well as those who are board-ready and seeking their first board seat. I believe that by working together, we can develop a valuable solution.”

— *Dr. Joyce Roche,
Director, AT&T, Macy's, and
Tupperware Brands*

“KPMG is fully committed to promoting inclusion and diversity in the marketplace. Our sponsorship of WCD, this roundtable, and its outcomes are just a few ways we highlight our dedication.”

— *Nancy Calderon, KPMG Global
Lead Partner and Director, WCD*

“Today's corporate governance landscape demands that board members have the right combination of experiences and perspectives around the boardroom table. “Assessments are a good way to determine directors' performance, as well as identify skill gaps that would benefit the board.”

— *Fernando Aguirre, Director,
Aetna and Barry Callebaut*

N&G Committee Chair Roundtable Participants

- **Fernando Aguirre**, Nominating and Audit Committee, Aetna, Nominating Committee, Barry Callebaut; former Chairman, President and CEO, Chiquita Brands International, Inc.
- **Catherine Allen**, Founder, Chairman, and CEO, The Santa Fe Group; Director, Analytics Pro, Nominating Committee and Public Policy Committee, El Paso Electric Company and Corporate Governance and Nominating Committee, Synovus Financial Corporation; WCD Member
- **Kapila Anand**, Nominating Committee Chair, Extended Stay America; Audit Committee Chair, ESH Hospitality, Inc.; Retired Partner and Senior Advisor, KPMG; Chair and Lead Director, WCD Foundation; WCD Chapter Chair
- **Nancy Calderon**, Global Lead Partner, KPMG LLP; Director, Global Delivery Center, Ltd., KPMG India; Director, the WCD Foundation; Co-author of Women on Board
- **Phyllis J. Campbell**, Chairman, Pacific Northwest Region, JPMorgan Chase & Co.; Lead Director and Nominating Committee Chair, Alaska Air Group; WCD Member
- **Julie Hembrock Daum**, North American Board Practice Leader, Spencer Stuart; Governance and Compensation Committee, Seacoast Banking Corporation; former Director, Spencer Stuart; WCD Advisory Board Member
- **Christine Edwards**, Capital Partner and Chair, Bank Regulatory Practice, Winston & Strawn; Governance and Nominating Committee Chair, Bank of Montreal; WCD Member
- **Rajiv L. Gupta**, Chairman of the Board and Nominating Committee Chair, Aptiv PLC; Nominating Committee, Arconic; Chairman of the Board, Avantor, Inc.; Senior Advisor, New Mountain Capital, LLC
- **Susan C. Keating**, CEO, WomenCorporate Directors Foundation
- **Beth Lowery**, Senior Advisor, Environment and Sustainability, TPG Capital
- **Kris Manos**, Audit Committee, KeyCorp, Nominating Committee Chair, Columbia Forest Products, and Director, Dexter Apache Holdings, Inc.; WCD Chapter Chair
- **Patricia Salas Pineda**, Founder and Chair, Latino Corporate Directors Association; Nominating Committee, Levi Strauss & Co. and Director, Frontier Airlines; WCD Member
- **Dr. Joyce M. Roché**, Nominating Committee and Chairman, Human Resources Committee, AT&T; Nominating Committee Chair and Audit Committee, Macy's and Nominating Committee and Compensation Committee, Tupperware Brands Corporation; WCD Member
- **John W. Rogers, Jr.**, Chairman & Chief Executive Officer, Ariel Investments; Corporate Governance and Finance and Risk Committee, Exelon Corporation; Governance and Compensation Committees, McDonald's Corporation
- **Matthew K. Rose**, Lead Director and Nominating Committee Chair, AT&T Inc.; Audit Committee and Compensation Committee, Fluor Corp; Chairman of the Board and Chief Executive Officer, Burlington Northern Santa Fe, LLC
- **Jana Schreuder**, Chief Operating Officer, Northern Trust; Corporate Governance and Nominating Committee, Lifepoint Health, Inc.; Director, Entrust Datacard Corporation; WCD Chapter Chair
- **Arthur Sulzberger, Jr.**, Chairman, The New York Times Company
- **Gabrielle Sulzberger**, General Partner, Fontis Partners; Nominating Committee Chair and Audit Committee, Brixmor Property Group; Nominating Committee, Teva Pharmaceutical; former Chairman of the Board, Whole Foods; former Chief Financial Officer, Villanueva Companies and Gluecode Software; WCD Advisory Board Member

Contact us

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