

# Overview of the current corporate governance landscape

Reference: 2021 Shearman & Sterling Corporate Governance and Executive Compensation Survey.

The survey captures key governance characteristics of the Top 100 Companies, defined as the 100 largest companies with securities listed on the NYSE or Nasdaq, measured by market capitalization and revenue. Boardswell highlights key insights on topics of **Board Diversity**, **Women in Leadership**, **ESG Disclosure and Governance**, **Alignment with United Nation’s Sustainable Development Goals**, **Board Refreshment** and **Human Capital Management**.

## BOARD DIVERSITY

1

**One of the Top 100 companies is committed to a percentage or number of diverse representations on the board**

**35** of the Top 100 Companies have added one or more female directors since their 2020 annual meeting

**24** of the Top 100 Companies have headquarters/principal executive offices in California

Of those 24:

**9** companies have added one or more female directors since its prior proxy was filed

**Board Commitments to Always Consider Diverse Candidates in Connection with Identifying New Director Nominees (“Rooney Rule”)**



Board commits to always consider diverse candidates



Board commits to seeking diverse candidates for consideration



No specific commitment

## WOMEN IN LEADERSHIP

### Women in the C-Suite at the Top 100 Companies

**6** served as the CEO

**16** served as the CFO

**1** company has

both a female CEO and a female CFO

**6** served as board chair

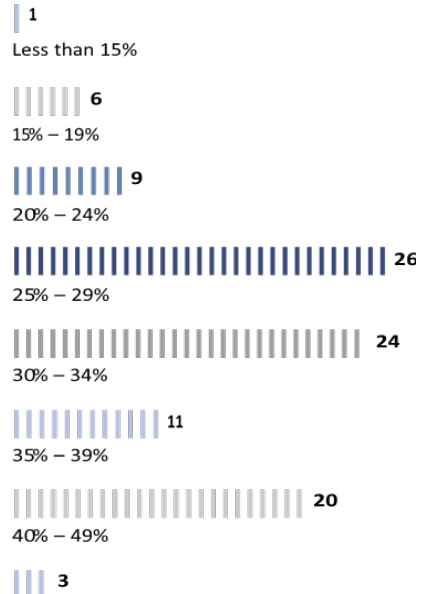
**36** served as the general counsel

### Women in the Boardroom

Women held approximately 32% of the total number of board seats at the Top 100 Companies in 2021, up from 30% in 2020. The number of Top 100 Companies with a board comprised of 30% or more women rose from 53 companies to 58 companies over the past year. 23 of the Top 100 Companies have a board with 40% or more women members, up from 13 in 2020.



### Gender Diversity on the Board (% of women on the board)



## FAST FACTS

### Average Age and Tenure

The average age and tenure of female directors is less than male directors

Age **63.2**  
Men

Tenure **8.9**  
years

Age **60.8**  
Women

Tenure **6.2**  
years



# ESG DISCLOSURE AND GOVERNANCE

**99** Top 100 companies issued a CSR report

\*Three of the Top 100 Companies have ESG-dedicated websites only.

Does the Company Have a “Chief Sustainability Officer” (or Other Officer with a Similar Title)?



Does the Company Disclose the Board’s Oversight of ESG Matters in its Proxy Statement?



How Does the Board Allocate Responsibility for ESG Oversight?\*

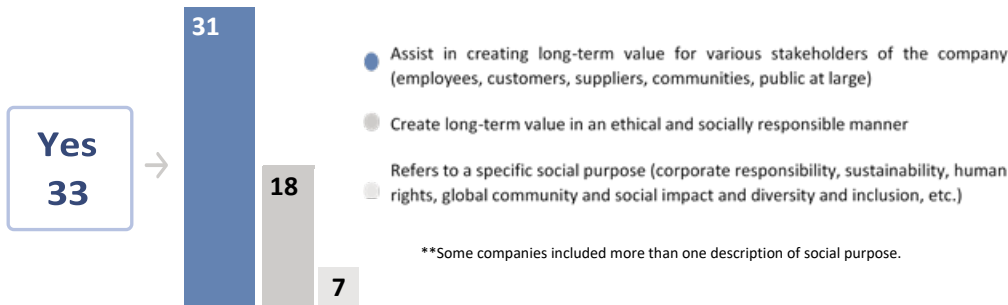


Is ESG Oversight Disclosed in Committee Charters or Corporate Governance Guidelines?

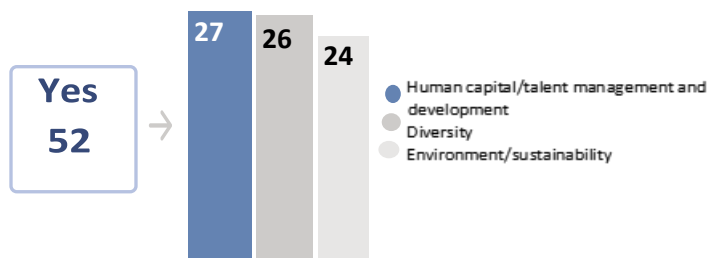


\*Based on a review of proxy statements, committee charters and corporate governance guidelines, of the 87 companies that disclosed which board committee(s) had responsibility for ESG oversight, 11 of the Top 100 Companies had two or more committees responsible for such oversight.

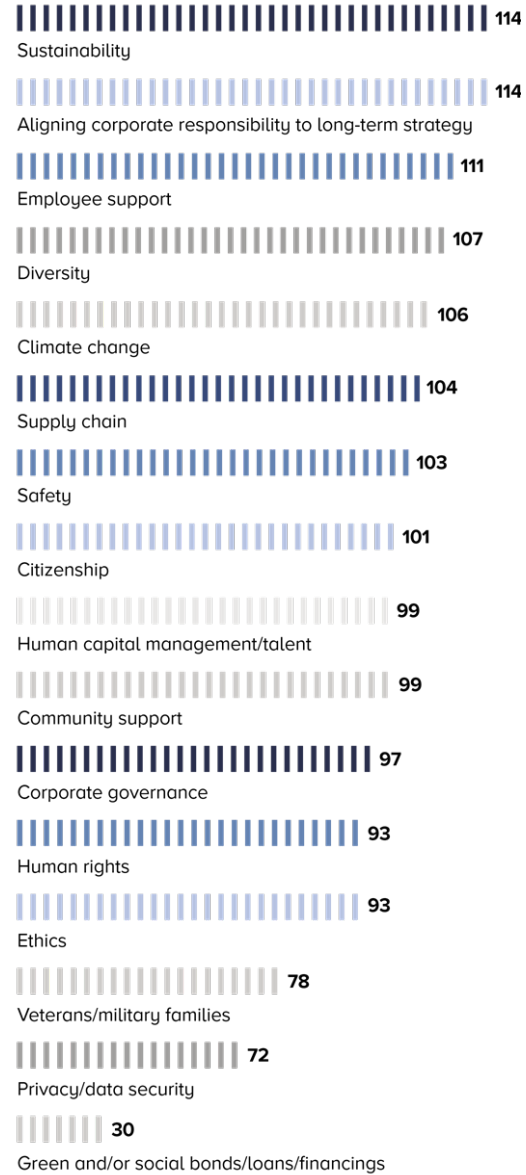
Does the Company’s Corporate Governance Guidelines State a “Social Purpose” as Being Important to the Company? \*\*



Does the Proxy Statement Identify ESG Factors as a Skill Set in the Director Skills Matrix or Narrative Description?



What Topics are Covered in the CSR Report\*?



\*Includes review of both single and multiple CSR reports issued

**There was a reasonable degree of consistency in the topics covered in the CSR reports of the Top 100 Companies**



# ALIGNMENT WITH UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Does the Company Disclose its Alignment with the United Nations' Sustainable Development Goals (SDGs)?

**Yes → 75**

**No → 25**



→ 26



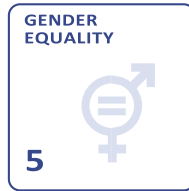
→ 25



→ 51



→ 40



→ 53



→ 34



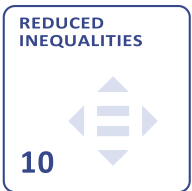
→ 46



→ 58



→ 37



→ 39



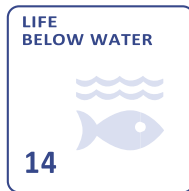
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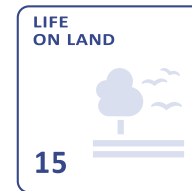
→ 48



→ 64



→ 22



→ 28



→ 24

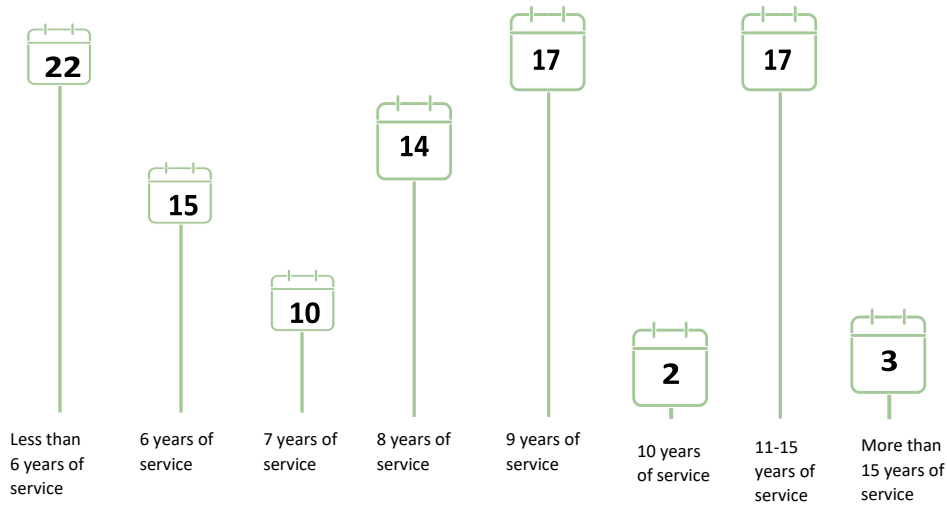


→ 35

## BOARD REFRESHMENT

Increasingly, pressure is mounting on boards to change the face of the boardroom by re-examining topics such as director tenure, experience, performance, and diversity, with gender and ethnic diversity at the forefront.

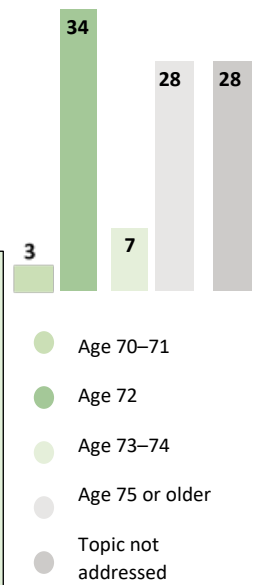
### Average Director Tenure



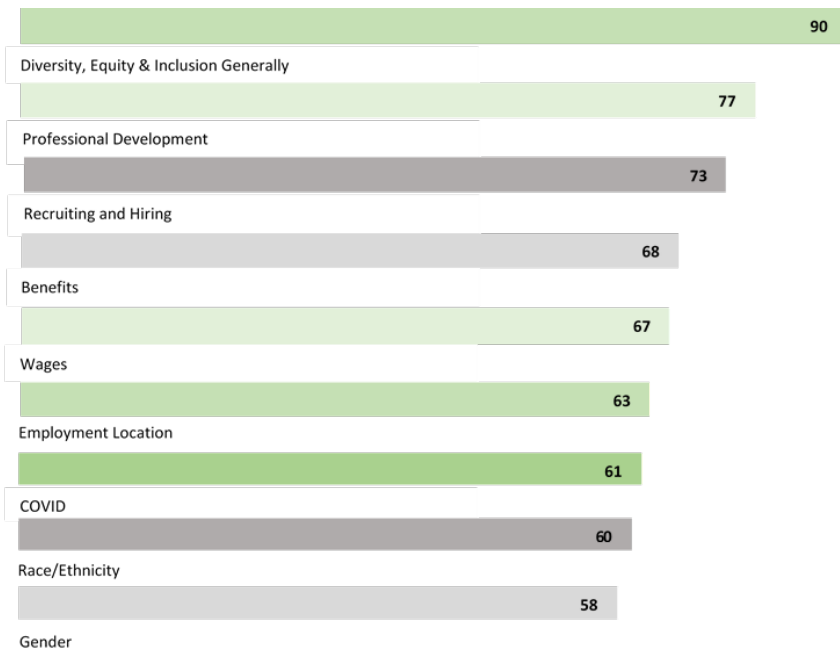
The average board tenure at the Top 100 Companies is eight years.

#### Mandatory Retirement Age

Although not required by either the NYSE or Nasdaq listing standards, 72 of the Top 100 Companies have disclosed a mandatory retirement age for their non-management directors. Of these, 43 companies expressly permit the board or a committee of the board to make exceptions to the retirement age policy. Age 72 continues to be the most common age set for mandatory retirement.



## HUMAN CAPITAL MANAGEMENT



### Workforce Demographics

Many Top 100 Companies discussed workforce demographic topics. A larger percentage supplemented these discussions with data on topics such as number of employees, employee classification and employment location.

37

of the Top 100 Companies provided data on employment classification, with most data provided by Top 100 Companies in the Retail and Technology industries

### Diversity, Equity & Inclusion

60

of the Top 100 Companies discussed both gender and/or race/ethnicity, whereas only 36 of the Top 100 Companies provided data on these topics. Industries where at least 50% of the Top 100 Companies discussed gender and/or race/ethnicity include the

42

of the Top 100 Companies discussed Affinity Groups

## The Top 100 Companies

3M Company  
Abbott Laboratories  
AbbVie Inc.  
Adobe Inc.  
Advanced Micro Devices, Inc.  
Alphabet Inc.  
Altria Group, Inc.  
Amazon.com, Inc.  
American Express Company  
AmerisourceBergen Corporation  
Amgen Inc.  
Anthem, Inc.  
Apple Inc.  
Applied Materials, Inc.  
AT&T Inc.  
Bank of America Corporation  
Berkshire Hathaway Inc.  
BlackRock, Inc.

The Boeing Company  
Bristol-Myers Squibb Company  
Broadcom Inc.  
Cardinal Health, Inc.  
Caterpillar Inc.  
Centene Corporation  
The Charles Schwab Corporation  
Charter Communications, Inc.  
Chevron Corporation  
Cigna Corporation  
Cisco Systems, Inc.  
Citigroup Inc.  
The Coca-Cola Company  
Comcast Corporation  
Costco Wholesale Corporation  
CVS Health Corporation

Danaher Corporation  
Deere & Company  
Dell Technologies Inc.  
Eli Lilly and Company  
The Estée Lauder Companies Inc.  
Exxon Mobil Corporation  
Facebook, Inc.  
FedEx Corporation  
Ford Motor Company  
General Electric Company  
General Motors Company  
Gilead Sciences, Inc.  
The Goldman Sachs Group, Inc.  
HCA Healthcare, Inc.  
The Home Depot, Inc.  
Honeywell International Inc.  
Humana Inc.  
Intel Corporation  
International Business Machines Corporation  
Intuit Inc.  
Johnson & Johnson  
JPMorgan Chase & Co.  
The Kroger Co.  
Lockheed Martin Corporation  
Lowe's Companies, Inc.  
Marathon Petroleum Corporation  
MasterCard Incorporated  
McDonald's Corporation  
McKesson Corporation  
Merck & Co., Inc.  
MetLife, Inc.  
Micron Technology, Inc.  
Microsoft Corporation  
Morgan Stanley

Netflix, Inc.  
NextEra Energy, Inc.  
NIKE, Inc.  
NVIDIA Corporation  
Oracle Corporation  
PayPal Holdings, Inc.  
PepsiCo, Inc.  
Pfizer Inc.  
Philip Morris International Inc.  
The Procter & Gamble Company  
QUALCOMM Incorporated  
Raytheon Technologies Corporation  
salesforce.com, inc.  
Square, Inc.  
Starbucks Corporation  
Stryker Corp  
T-Mobile US, Inc.  
Target Corporation

Tesla, Inc.  
Texas Instruments Incorporated  
Thermo Fisher Scientific Inc.  
The TJX Companies, Inc.  
Uber Technologies, Inc.  
Union Pacific Corporation  
United Parcel Service, Inc.  
UnitedHealth Group Incorporated  
Verizon Communications Inc.  
Visa Inc.  
Walgreens Boots Alliance, Inc.  
Walmart Inc.  
The Walt Disney Company  
Wells Fargo & Company