

WHAT DIRECTORS THINK



GOVERNING IN THE AGE OF DISRUPTION



ABOUT THE REPORT

Every year since 2002, *Corporate Board Member* has been surveying U.S. public company board members to take their pulse on the issues that are top of mind, the challenges they face in the year to come and the processes they seek to improve.

For this year's research, conducted in the fall of 2023, we collaborated with Diligent Institute and BDO USA to ask 250 qualifying board members across all sectors and representing all committee roles to share their thoughts on what they have on the agenda for 2024. The full findings are below.

KEY FINDINGS



1. Economic indicators: Stubborn inflation, high interest rates and a tight labor market top the list of performance detractors in 2023—and for 2024, directors listed the business cycle as most likely to dictate strategy.



2. Strategic governance: Despite the flow of disruption in recent years, only 5 percent of directors have listed enhancing resilience as a top priority in 2024.



3. Management oversight: 63 percent of directors say their board could be more impactful in its oversight of management if it could proactively anticipate disruption.



4. Board readiness: The most sought-after skills in the boardroom remain C-Suite and industry expertise, as nearly half of directors say they can fill gaps elsewhere with third-party subject matter experts.



5. Shareholder engagement: 41 percent say shareholder activism has created more awareness for the need for good governance in the U.S., though the same proportion also say shareholders should be restricted from advisory votes and other transparency rights that second-guess board decisions on company operations.

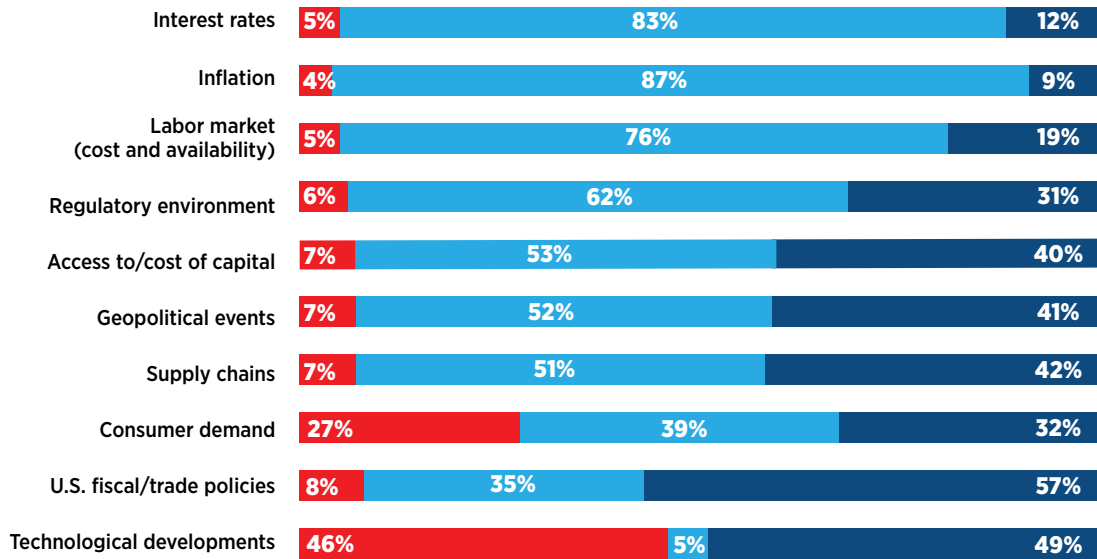
2024 Outlook: Opportunities and Risks

If there was hope at the start of 2023 that the business landscape was on the mend, the events that soon followed proved many wrong. From sticky inflation that kept the Fed focused on pursuing its quantitative tightening, to the SVB-led bank run in March, to a series of debt ceiling debacles in Washington, to the ongoing Israel-Gaza conflict, the year certainly was a bumpy one for business to navigate.

According to the directors polled, few elements helped support corporate performance in 2023. In fact, of the 10 external elements we asked them to rate, nine ranked as detractors; only one stood out as a somewhat positive influence: technology—and barely, with a 46 percent non-majority.

How have the following external elements affected your company's performance in the past year?

■ Positively ■ Negatively ■ No Impact



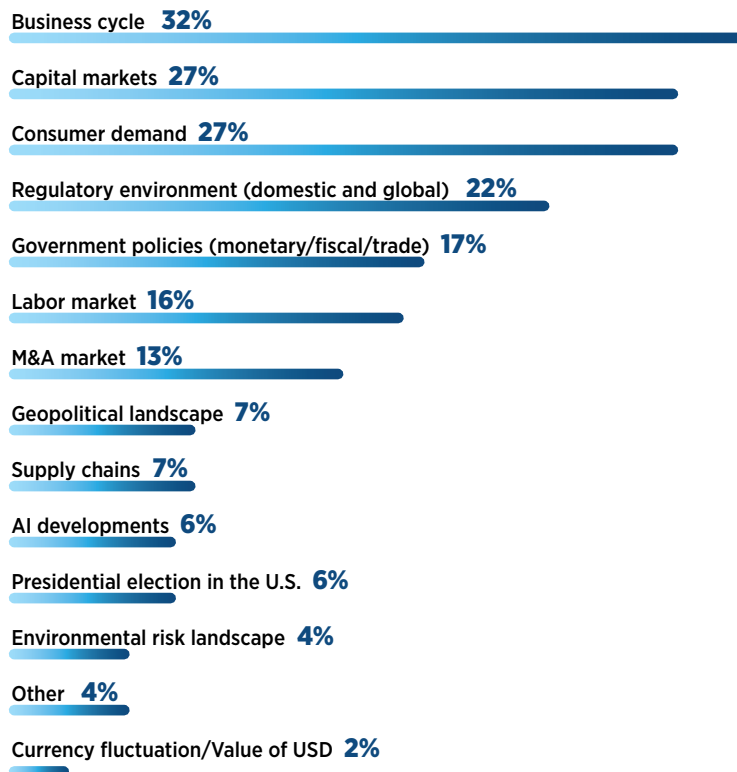
*Percentages may not add up to 100 due to rounding.

As can be expected, interest rates and inflation topped the list of negative influencers in 2023, so it's also no surprise that as we enter 2024 all eyes remain on the business cycle and whether the December rally will hold and allow the U.S. to avoid a recession.

More specifically, when we asked directors which external elements they believe will bear the greatest influence on their companies' ability to execute their strategic agenda in 2024, the business cycle, capital markets and consumer demand topped the list—three very fundamental economic considerations for business to flourish.

Which of the following external elements do you believe will bear the greatest influence on your company's ability to execute its strategic priorities in 2024-25?

**Respondents were asked to select up to three.*



What may be surprising to some is that the ever-challenging labor market ranked halfway down the 14-item list of influencers for 2024—in sixth place, even after 50 percent of respondents last year said it would have significant impacts on their company’s strategy for the year ahead.

But looking at the rest of the findings helps shed some light on why that may be: companies are planning to make talent a priority this year, with labor taking a backseat only to revenue and profit growth on directors’ list of strategic priorities for 2024.

What do you see as the top strategic priority for your company for 2024?



**Percentages may not add up to 100 due to rounding.*



The Board's Strategic Focus

Amid all the disruption, our research shows boards haven't wavered in their strategic focus, from ensuring adequate capital allocation to having the right leadership and growing the business. But doing so has become highly complicated due to competing needs to balance macroeconomics and emerging risks where control is not in the hands of the board: regulations, technological advancements and cyberbreach sophistication.

Adding to the challenge is, as noted earlier, how access to capital was cited by 53 percent of boards as having a negative impact on strategy in 2023, thus requiring boards and management teams to do more with less.

Still, one of the boards' most significant roles is ensuring that management deploys capital by prioritizing opportunities and risk. It is no surprise then, as the research shows, that directors are placing increased importance on ensuring management is making conscious investment decisions, particularly when it comes to the timely and secure use and cultivation of AI and other technologies that can help drive effective and efficient business operations.

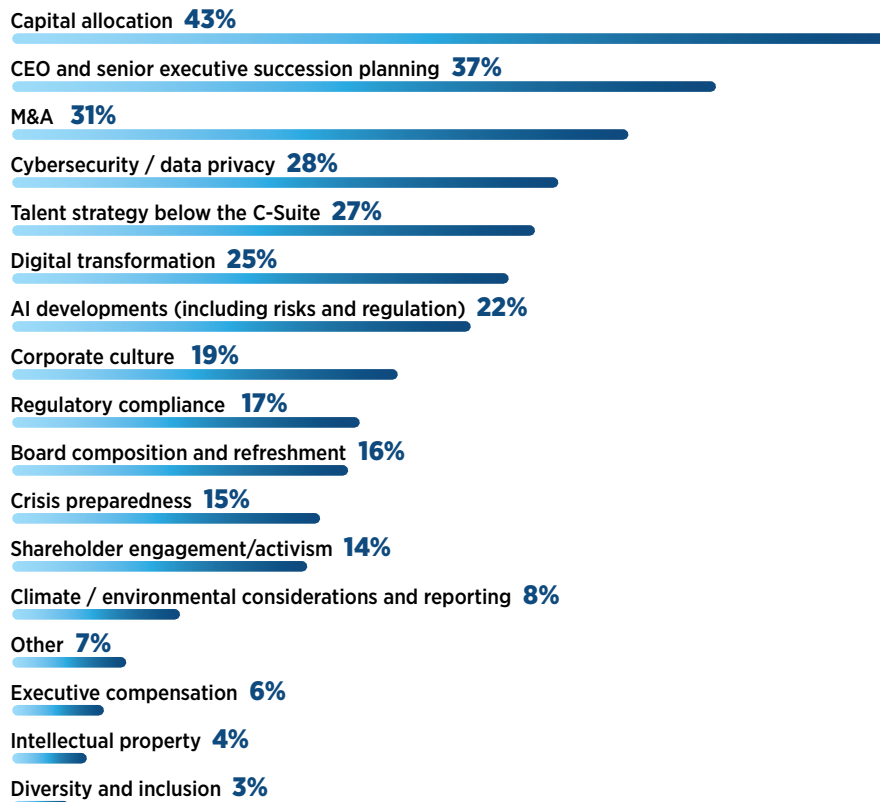
Meanwhile, another duty of the board—and perhaps its most significant—is CEO succession planning. The survey shows that boards are prioritizing this more now than in prior years, ranking it higher on the list of pressing agenda items to oversee—up 10 percentage points since last year, from fourth place to second.

Beyond that, we note a growing recognition among those surveyed that good pipeline planning is crucial to planning for broader C-Suite executive succession: 27 percent of directors selected “talent strategy below C-Suite” as one of the most pressing topics for their boards to discuss—a new answer choice introduced this year.

All of the attention being paid to human capital at all levels of the organization may be attributed to the overall focus on competition for good talent, higher turnover rates for C-Suite executives and the need for broader experience and skillsets to manage in today's business environment. In contrast, finding diversity and inclusion at the bottom of the list may not be all that surprising following last year's [findings](#) when directors were becoming increasingly more comfortable with their organizations' actions with respect to increasing diversity. Or, another assumption could be that DEI's low ranking is a sign that boards are shying away from the topic as it becomes far more politicized.

If you were charged with setting the agenda for your next board meeting, which of the following topics would you include as most pressing to discuss?

**Respondents were asked to select up to five.*





Navigating the Regulatory and Geopolitical Environment

Other concerns and issues coming out of the survey include new rules and regulations surrounding all of this disruption, from cyber to AI to geopolitics. Cyber has for years topped the list of concerns for boards, but it may be particularly prominent this year, for both boards and management teams, as new rules have now been formally introduced by the SEC.

And still, despite being identified as one of the most challenging risks to oversee for boards, when asked how prepared their board and management team are to comply with the SEC's new rules on cyber risk disclosure, responses were a bit lackluster: directors rated their boards' preparedness a 6.75 out of 10, and management's a 7.28/10.

In your view, how prepared are your board and management team to comply with the SEC's new rules on cyber risk disclosure by the end of 2023?

Board's preparedness **6.75/10**

Management's preparedness **7.28/10**

Based on anecdotal evidence, from our many conversations with directors, these ratings can be attributed to two key factors:

1. The complexity of the new disclosure rules in having a framework in place to disclose the scope, nature and timing of a cyber incident and provide the impact or reasonably likely impact from "material" cyber breaches in a relatively short timeframe.
2. The requirement for annual disclosures covering risk management, strategy and governance aspects that include, among other things:
 - the process for assessing, identifying and managing material cyber risk and whether such risks have materially affected the business strategy, operations or financial conditions;
 - management's role and expertise associated with the above; and
 - the board's oversight of cyber risk and if applicable, any related board committee responsibilities.

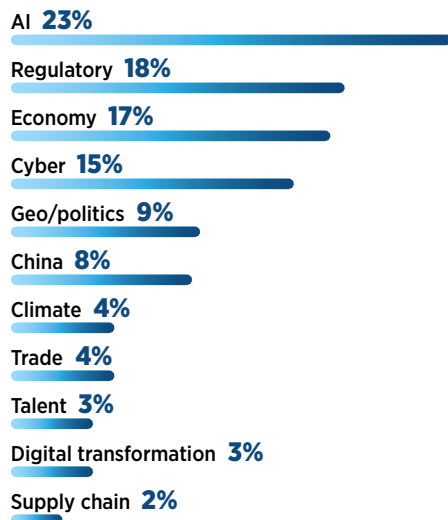
Beyond cyber, the global economy of the past several years has required boards to continue to

think broadly about ramifications of the Russia/Ukraine and Israel/Hamas wars; political, trade and social tensions with China, Taiwan and Korea. Perhaps these may no longer being considered “emerging” risks but continuing risk that directors keep closely informed on with respect to their company’ broader enterprise risk management (ERM) framework.

Climate-related risks and disclosures form another set of issues on the board agenda. They ranked fairly low on the “emerging risk to watch” list in the survey, as U.S. boards may be taking a “wait and see” approach on final SEC rules now pushed out to spring 2024. But with the recent passage of California rules and various global rulemaking impacting businesses who operate internationally, boards are cautioned to remain vigilant and be actively preparing for compliance.

Are there any particular emerging risks that your board is closely monitoring?

**Respondents were asked to write in their answers.*





Remapping the Board

Each year, we ask directors to choose the issues they find most difficult to oversee in their role—and each year, directors place cybersecurity and data privacy at the top. This year, AI made its first appearance since we began asking this question two decades ago—unsurprisingly—but despite the focus that technology has had this past year, it barely stole the top spot from cybersecurity and data privacy, at 36 percent vs. 35 percent.

It is not difficult to understand why. With any increased reliance on technological advancements comes increased opportunities for cyber threat actors to exploit. AI capabilities along with cyberbreach sophistication are changing the business landscape and remaining actively engaged in and monitoring management’s activities are imperatives for today’s directors.

Looking at the list of issues under your purview as a corporate director, which of the following do you find most challenging to oversee?

**Respondents were asked to select up to three.*



Perhaps this explains why when thinking about their next director candidate, technological expertise has gained a spot on the list of criteria they seek, to the fourth place. Still, that's not enough to dislodge industry expertise and C-Suite experience as most important—a response that's stayed mostly unshaken over this survey's 20+ year run.

Meanwhile, despite the labor and talent issues taking up more room on board agendas in recent years, bringing in directors with HR backgrounds is near the bottom of the list, with only 1 percent of the votes, having dropped four spots since last year.

In your opinion, which of the following attributes is most important for the selection of your next board member?

**Respondents were asked to select the three most important attributes.*

YEARLY RANKING

2023 2024

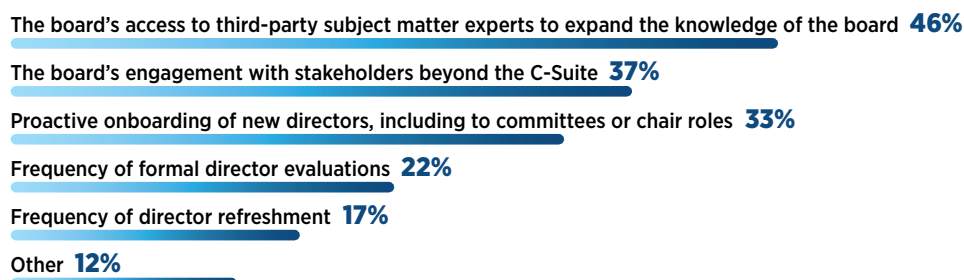


Directors' answers about what they believe to be their board's biggest strengths might shed some light on the findings: Nearly half said that being able to access third-party subject matter experts to expand their knowledge base was one of their board's biggest strengths. And when we spoke to some of those directors as part of the research, most said that a general understanding of the business is most important for board service.

For many directors, outside education can also help greatly to fill in technical gaps. Case in point: According to Diligent Institute, a partner in this research, more than 600 directors have already completed its [self-driven certifications](#) to address the more technical issues, such as cyber risk, AI ethics and climate strategy, and ask the right questions of management.

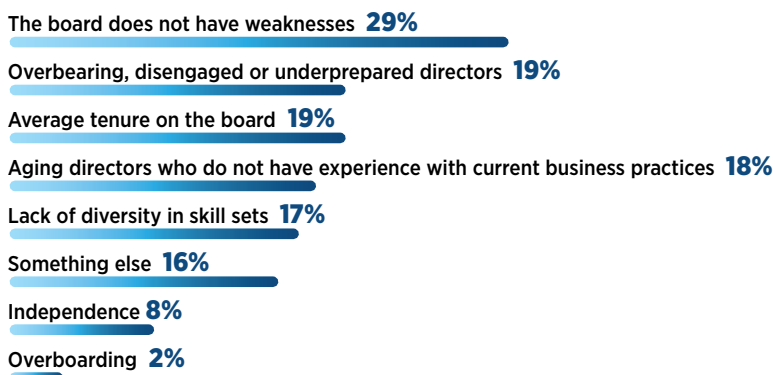
Which of the following do you believe are the biggest strengths that support your board's performance?

**Respondents were asked to select top two.*



Which of the following do you believe are the biggest weaknesses that need to be addressed within your own board?

**Respondents were asked to select top two.*





Shareholder Engagement

Activism remains alive and well in the post-pandemic era, more recently being supported by the Universal Proxy Rule (UPR) that allows shareholders to vote in a “mix and match” fashion for individual directors rather than having to vote for a full slate of directors.

When asked about their thoughts on shareholder activism, directors responded with general positivity, with 41 percent saying it has created greater awareness of the need for good governance, and 9 percent indicating it has helped to improve corporate performance overall.

Generally speaking, with which of the following statements regarding shareholder activism in the U.S. do you most agree:

It has created more awareness for the need for good governance. **41%**

It has distracted boards from scrutinizing opportunities that could have provided higher returns. **26%**

It has reinforced and rewarded short-termism. **25%**

It has helped to improve corporate performance on U.S. companies overall. **9%**

**Percentages may not add up to 100 due to rounding.*

Interestingly, when asked whether directors observed a change in shareholders’ interest to discuss certain issues, a majority of directors noted decreasing inquiries about director compensation (70 percent) and diversity and inclusion (52 percent). Not surprisingly, the top five increasing inquiries related to AI/generative AI developments (88 percent); long-term strategic planning (86 percent); short-term growth and financial performance (83 percent), board composition (79 percent) and M&A (78 percent).

When asked more specifically about shareholder rights, a large majority of directors agreed with the idea that the UPR has given activists excessive rights and advantages (73 percent) but that the current regime for shareholder proposals is appropriate and balanced (70 percent).

The majority (58 percent) further indicated that expanded transparency through reasonable advisory votes and proposal rights should be afforded to shareholders; though 88 percent disagreed that majority voting (i.e., uncontested board nominees need to receive more “for” votes than “against” for their seat) should be eliminated.

All of this aligns with recommendations of proxy advisors and stated belief by Glass Lewis that a majority vote standard will likely lead to more attentive directors.

More specifically:

The universal proxy rule has given activist investors excessive rights/advantages. **73%**

The current regime for shareholder proposals is appropriate and balanced. **70%**

Shareholders should be afforded expanded transparency through reasonable advisory votes and shareholder proposal rights. **58%**

Shareholders should be restricted from advisory votes and other transparency rights that second-guess board decisions on company operations. **42%**

Majority voting should be eliminated. **13%**

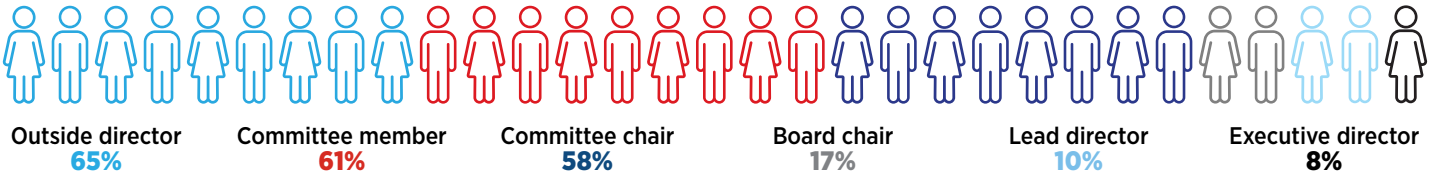
BDO, a partner in this research, has [issued guidance](#) to help directors prioritize what drives shareholders and shareholder activists, and to establish clear engagement objectives. The premise is that being active in this area can foster higher transparency and trust while assisting in identifying governance vulnerabilities. Many untenable proxy contexts have been avoided when directors and management teams take the time to understand their shareholder base and are willing to communicate about issues that are important to shareholders, especially when the company has valid reasons for not addressing shareholder requests and demands.

Demographics

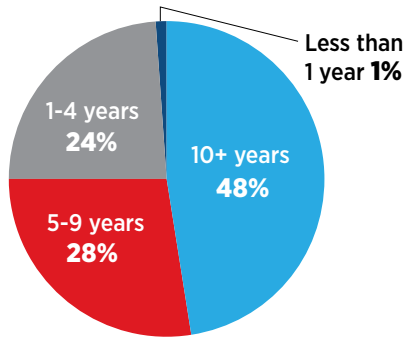
*For questions where respondents were asked to select only one option, totals may not add up to 100% due to rounding.

Board Title

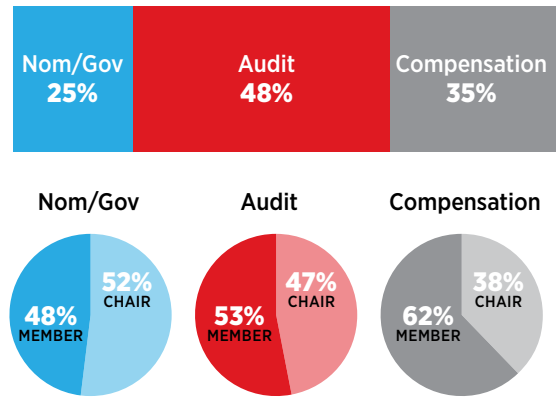
*Respondents were asked to select all that apply.



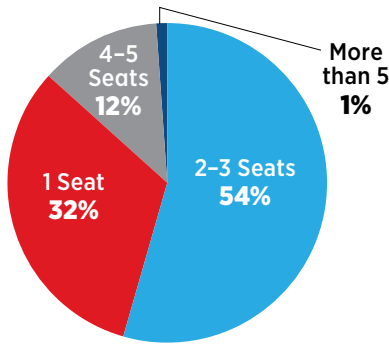
Public Company Board Tenure



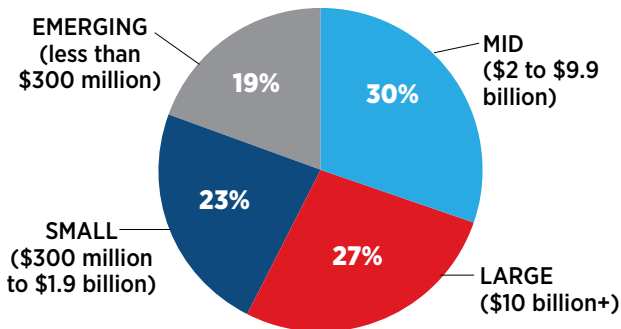
Committee Representation



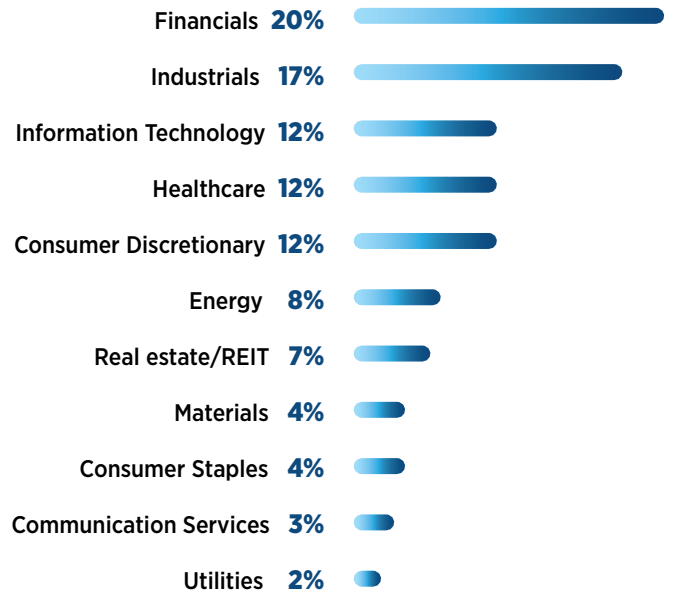
Board Seats



Market Capitalization



Sector



APPENDIX

In your opinion, what do you see as the top strategic priority for your company for 2024?

Communication Services	
Adding market share	17%
Attracting/retaining talent	17%
Enhancing resiliency	0%
Enriching the customer experience	17%
Expanding geographically	0%
Getting new products/services to market	0%
Growing through M&A	33%
Pursuing digital transformation efforts	0%
Streamlining the business/optimizing costs	0%
Other	17%

Consumer Discretionary	
Adding market share	19%
Attracting/retaining talent	12%
Enhancing resiliency	4%
Enriching the customer experience	8%
Expanding geographically	0%
Getting new products/services to market	19%
Growing through M&A	12%
Pursuing digital transformation efforts	0%
Streamlining the business/optimizing costs	23%
Other	4%

Consumer Staples	
Adding market share	25%
Attracting/retaining talent	13%
Enhancing resiliency	13%
Enriching the customer experience	0%
Expanding geographically	0%
Getting new products/services to market	13%
Growing through M&A	0%
Pursuing digital transformation efforts	25%
Streamlining the business/optimizing costs	13%
Other	0%

Energy	
Adding market share	0%
Attracting/retaining talent	17%
Enhancing resiliency	17%
Enriching the customer experience	6%
Expanding geographically	6%
Getting new products/services to market	6%
Growing through M&A	22%
Pursuing digital transformation efforts	6%
Streamlining the business/optimizing costs	22%
Other	0%

Financials	
Adding market share	9%
Attracting/retaining talent	20%
Enhancing resiliency	0%
Enriching the customer experience	16%
Expanding geographically	2%
Getting new products/services to market	2%
Growing through M&A	7%
Pursuing digital transformation efforts	18%
Streamlining the business/optimizing costs	24%
Other	2%

Healthcare	
Adding market share	11%
Attracting/retaining talent	11%
Enhancing resiliency	4%
Enriching the customer experience	4%
Expanding geographically	0%
Getting new products/services to market	37%
Growing through M&A	15%
Pursuing digital transformation efforts	0%
Streamlining the business/optimizing costs	4%
Other	15%

Industrials	
Adding market share	22%
Attracting/retaining talent	11%
Enhancing resiliency	14%
Enriching the customer experience	5%
Expanding geographically	5%
Getting new products/services to market	5%
Growing through M&A	14%
Pursuing digital transformation efforts	0%
Streamlining the business/optimizing costs	22%
Other	3%

Information Technology	
Adding market share	27%
Attracting/retaining talent	15%
Enhancing resiliency	0%
Enriching the customer experience	4%
Expanding geographically	4%
Getting new products/services to market	19%
Growing through M&A	8%
Pursuing digital transformation efforts	4%
Streamlining the business/optimizing costs	12%
Other	8%

Materials	
Adding market share	38%
Attracting/retaining talent	13%
Enhancing resiliency	0%
Enriching the customer experience	0%
Expanding geographically	0%
Getting new products/services to market	13%
Growing through M&A	25%
Pursuing digital transformation efforts	0%
Streamlining the business/optimizing costs	13%
Other	0%

Real estate/REIT	
Adding market share	27%
Attracting/retaining talent	0%
Enhancing resiliency	0%
Enriching the customer experience	7%
Expanding geographically	13%
Getting new products/services to market	0%
Growing through M&A	20%
Pursuing digital transformation efforts	7%
Streamlining the business/optimizing costs	13%
Other	13%

Utilities	
Adding market share	25%
Attracting/retaining talent	0%
Enhancing resiliency	25%
Enriching the customer experience	0%
Expanding geographically	0%
Getting new products/services to market	25%
Growing through M&A	0%
Pursuing digital transformation efforts	0%
Streamlining the business/optimizing costs	25%
Other	0%

In your opinion, what do you see as the top strategic priority for your company for 2024?

	EMERGING (less than \$300 million)	SMALL (\$300 million to \$1.9 billion)	MID (\$2 to \$9.9 billion)	LARGE (\$10 billion+)
Adding market share	21%	14%	12%	23%
Attracting/retaining talent	9%	18%	12%	13%
Enhancing resiliency	0%	2%	6%	12%
Enriching the customer experience	5%	4%	10%	8%
Expanding geographically	0%	4%	6%	2%
Getting new products/services to market	28%	14%	6%	7%
Growing through M&A	14%	12%	10%	15%
Pursuing digital transformation efforts	7%	10%	5%	3%
Streamlining the business/optimizing costs	7%	22%	22%	15%
Other	9%	0%	10%	2%

In your view, how have the following external elements affected your company's performance in the past year, if at all?

NEGATIVE Influencers, by sector:

Communication Services	
Access/Cost of Capital	33%
Consumer Demand	12%
Geopolitical Events	0%
Inflation	22%
Interest Rates	7%
Labor Market	15%
Regulatory Environment	14%
Supply Chains	8%
Tech Developments	25%
U.S. Fiscal / Trade Policies	20%

Consumer Discretionary	
Access/Cost of Capital	54%
Consumer Demand	69%
Geopolitical Events	46%
Inflation	89%
Interest Rates	89%
Labor Market	92%
Regulatory Environment	54%
Supply Chains	69%
Tech Developments	12%
U.S. Fiscal / Trade Policies	39%

Consumer Staples	
Access/Cost of Capital	50%
Consumer Demand	71%
Geopolitical Events	63%
Inflation	88%
Interest Rates	75%
Labor Market	63%
Regulatory Environment	38%
Supply Chains	25%
Tech Developments	0%
U.S. Fiscal / Trade Policies	25%

Energy	
Access/Cost of Capital	61%
Consumer Demand	33%
Geopolitical Events	61%
Inflation	78%
Interest Rates	78%
Labor Market	83%
Regulatory Environment	72%
Supply Chains	61%
Tech Developments	11%
U.S. Fiscal / Trade Policies	39%

Financials	
Access/Cost of Capital	53%
Consumer Demand	41%
Geopolitical Events	47%
Inflation	84%
Interest Rates	87%
Labor Market	73%
Regulatory Environment	71%
Supply Chains	24%
Tech Developments	7%
U.S. Fiscal / Trade Policies	24%

Healthcare	
Access/Cost of Capital	59%
Consumer Demand	7%
Geopolitical Events	44%
Inflation	85%
Interest Rates	78%
Labor Market	59%
Regulatory Environment	59%
Supply Chains	52%
Tech Developments	0%
U.S. Fiscal / Trade Policies	15%

Industrials	
Access/Cost of Capital	41%
Consumer Demand	50%
Geopolitical Events	62%
Inflation	89%
Interest Rates	81%
Labor Market	84%
Regulatory Environment	60%
Supply Chains	65%
Tech Developments	3%
U.S. Fiscal / Trade Policies	57%

Information Technology	
Access/Cost of Capital	59%
Consumer Demand	37%
Geopolitical Events	56%
Inflation	85%
Interest Rates	70%
Labor Market	70%
Regulatory Environment	59%
Supply Chains	41%
Tech Developments	0%
U.S. Fiscal / Trade Policies	41%

Materials	
Access/Cost of Capital	0%
Consumer Demand	25%
Geopolitical Events	63%
Inflation	100%
Interest Rates	100%
Labor Market	88%
Regulatory Environment	50%
Supply Chains	88%
Tech Developments	0%
U.S. Fiscal / Trade Policies	25%

Real estate/REIT	
Access/Cost of Capital	81%
Consumer Demand	19%
Geopolitical Events	31%
Inflation	94%
Interest Rates	88%
Labor Market	63%
Regulatory Environment	56%
Supply Chains	56%
Tech Developments	6%
U.S. Fiscal / Trade Policies	38%

Utilities	
Access/Cost of Capital	25%
Consumer Demand	50%
Geopolitical Events	25%
Inflation	100%
Interest Rates	100%
Labor Market	100%
Regulatory Environment	75%
Supply Chains	100%
Tech Developments	25%
U.S. Fiscal / Trade Policies	50%

In your view, how have the following external elements affected your company's performance in the past year, if at all?

POSITIVE Influencers, by sector

Communication Services	
Access/Cost of Capital	0%
Consumer Demand	17%
Geopolitical Events	0%
Inflation	0%
Interest Rates	0%
Labor Market	0%
Regulatory Environment	0%
Supply Chains	0%
Tech Developments	50%
U.S. Fiscal / Trade Policies	0%

Consumer Discretionary	
Access/Cost of Capital	4%
Consumer Demand	27%
Geopolitical Events	0%
Inflation	4%
Interest Rates	4%
Labor Market	0%
Regulatory Environment	8%
Supply Chains	12%
Tech Developments	46%
U.S. Fiscal / Trade Policies	4%

Consumer Staples	
Access/Cost of Capital	13%
Consumer Demand	29%
Geopolitical Events	0%
Inflation	0%
Interest Rates	0%
Labor Market	13%
Regulatory Environment	13%
Supply Chains	13%
Tech Developments	50%
U.S. Fiscal / Trade Policies	13%

Energy	
Access/Cost of Capital	6%
Consumer Demand	39%
Geopolitical Events	28%
Inflation	6%
Interest Rates	0%
Labor Market	0%
Regulatory Environment	6%
Supply Chains	11%
Tech Developments	39%
U.S. Fiscal / Trade Policies	17%

Financials	
Access/Cost of Capital	7%
Consumer Demand	43%
Geopolitical Events	4%
Inflation	4%
Interest Rates	11%
Labor Market	7%
Regulatory Environment	2%
Supply Chains	4%
Tech Developments	51%
U.S. Fiscal / Trade Policies	11%

Healthcare	
Access/Cost of Capital	15%
Consumer Demand	22%
Geopolitical Events	0%
Inflation	0%
Interest Rates	4%
Labor Market	11%
Regulatory Environment	11%
Supply Chains	4%
Tech Developments	22%
U.S. Fiscal / Trade Policies	7%

Industrials	
Access/Cost of Capital	3%
Consumer Demand	22%
Geopolitical Events	11%
Inflation	5%
Interest Rates	5%
Labor Market	3%
Regulatory Environment	5%
Supply Chains	16%
Tech Developments	54%
U.S. Fiscal / Trade Policies	11%

Information Technology	
Access/Cost of Capital	4%
Consumer Demand	15%
Geopolitical Events	11%
Inflation	4%
Interest Rates	4%
Labor Market	4%
Regulatory Environment	7%
Supply Chains	4%
Tech Developments	63%
U.S. Fiscal / Trade Policies	4%

Materials	
Access/Cost of Capital	50%
Consumer Demand	25%
Geopolitical Events	0%
Inflation	0%
Interest Rates	0%
Labor Market	0%
Regulatory Environment	0%
Supply Chains	0%
Tech Developments	25%
U.S. Fiscal / Trade Policies	13%

Real estate/REIT	
Access/Cost of Capital	6%
Consumer Demand	31%
Geopolitical Events	0%
Inflation	6%
Interest Rates	6%
Labor Market	6%
Regulatory Environment	0%
Supply Chains	0%
Tech Developments	38%
U.S. Fiscal / Trade Policies	0%

Utilities	
Access/Cost of Capital	25%
Consumer Demand	25%
Geopolitical Events	0%
Inflation	0%
Interest Rates	0%
Labor Market	0%
Regulatory Environment	25%
Supply Chains	0%
Tech Developments	75%
U.S. Fiscal / Trade Policies	0%

In your view, how have the following external elements affected your company's performance in the past year, if at all?

NO IMPACT, by sector

Communication Services	
Access/Cost of Capital	17%
Consumer Demand	17%
Geopolitical Events	50%
Inflation	0%
Interest Rates	0%
Labor Market	17%
Regulatory Environment	50%
Supply Chains	67%
Tech Developments	50%
U.S. Fiscal / Trade Policies	50%

Consumer Discretionary	
Access/Cost of Capital	42%
Consumer Demand	4%
Geopolitical Events	54%
Inflation	8%
Interest Rates	8%
Labor Market	8%
Regulatory Environment	39%
Supply Chains	19%
Tech Developments	42%
U.S. Fiscal / Trade Policies	58%

Consumer Staples	
Access/Cost of Capital	38%
Consumer Demand	0%
Geopolitical Events	38%
Inflation	13%
Interest Rates	25%
Labor Market	25%
Regulatory Environment	50%
Supply Chains	63%
Tech Developments	50%
U.S. Fiscal / Trade Policies	63%

Energy	
Access/Cost of Capital	33%
Consumer Demand	28%
Geopolitical Events	11%
Inflation	17%
Interest Rates	22%
Labor Market	17%
Regulatory Environment	22%
Supply Chains	28%
Tech Developments	50%
U.S. Fiscal / Trade Policies	44%

Financials	
Access/Cost of Capital	38%
Consumer Demand	16%
Geopolitical Events	47%
Inflation	9%
Interest Rates	0%
Labor Market	18%
Regulatory Environment	24%
Supply Chains	69%
Tech Developments	38%
U.S. Fiscal / Trade Policies	60%

Healthcare	
Access/Cost of Capital	26%
Consumer Demand	70%
Geopolitical Events	52%
Inflation	15%
Interest Rates	19%
Labor Market	30%
Regulatory Environment	30%
Supply Chains	44%
Tech Developments	78%
U.S. Fiscal / Trade Policies	78%

Industrials	
Access/Cost of Capital	57%
Consumer Demand	28%
Geopolitical Events	27%
Inflation	5%
Interest Rates	11%
Labor Market	14%
Regulatory Environment	35%
Supply Chains	19%
Tech Developments	43%
U.S. Fiscal / Trade Policies	32%

Information Technology	
Access/Cost of Capital	37%
Consumer Demand	48%
Geopolitical Events	33%
Inflation	11%
Interest Rates	26%
Labor Market	26%
Regulatory Environment	33%
Supply Chains	56%
Tech Developments	37%
U.S. Fiscal / Trade Policies	56%

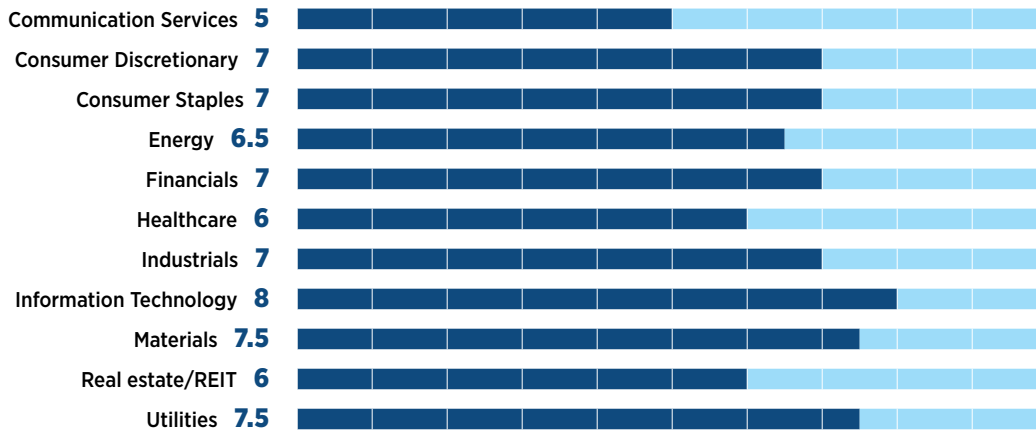
Materials	
Access/Cost of Capital	50%
Consumer Demand	50%
Geopolitical Events	38%
Inflation	0%
Interest Rates	0%
Labor Market	13%
Regulatory Environment	50%
Supply Chains	13%
Tech Developments	75%
U.S. Fiscal / Trade Policies	63%

Real estate/REIT	
Access/Cost of Capital	13%
Consumer Demand	50%
Geopolitical Events	69%
Inflation	0%
Interest Rates	6%
Labor Market	31%
Regulatory Environment	44%
Supply Chains	44%
Tech Developments	56%
U.S. Fiscal / Trade Policies	63%

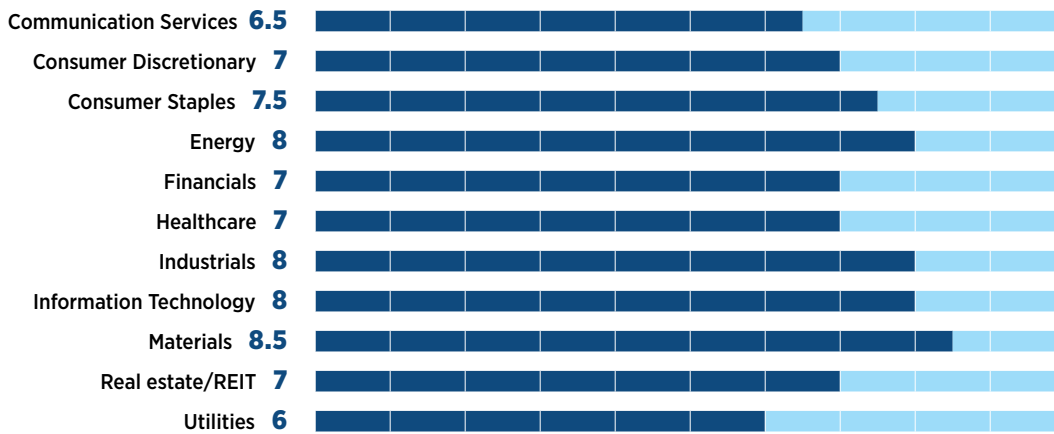
Utilities	
Access/Cost of Capital	50%
Consumer Demand	25%
Geopolitical Events	75%
Inflation	0%
Interest Rates	0%
Labor Market	0%
Regulatory Environment	0%
Supply Chains	0%
Tech Developments	0%
U.S. Fiscal / Trade Policies	50%

In your view, how prepared are your board and management team to comply with the SEC's new rules on cyber risk disclosure by the end of 2023? (1-10 scale)

BOARD'S READINESS:



MANAGEMENT'S READINESS:



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