

Governance Checklist: **A Guide to Keeping Up** **With Rising Stakeholder** **Demands**

Companies today face more scrutiny than ever before. A growing network of stakeholders is demanding transparency and accountability on issues that go beyond the bottom line.

Increasingly, an organization's purpose and societal impact will play an important role in driving a company's valuation, public perception and overall growth and performance.

Challenges

The rising demands of stakeholder capitalism require greater vigilance and foresight than ever before. To summarize these challenges, today's organizations face:



Increased demands for transparency and accountability from all stakeholder groups



Lack of standard reporting frameworks, metrics or investor alignment on critical issues like ESG, DE&I and climate



Lack of visibility into peer group data, benchmarking and disclosures



Enhanced levels of cyber risk brought on through new virtual working models



Poor visibility into organizational risk posture (operations, reputation, cyber, etc.)



Legacy technology systems, which lack the integrations required to meet future disclosure obligations



An increasingly competitive labor market demanding enhanced oversight from boards and leadership

Shifting the Governance Roadmap

As stakeholder demands rise, companies may need to rethink their governance infrastructures (i.e., process, technology, skills) to accommodate new expectations and regulations. This guide outlines the four steps needed to build a modern governance infrastructure.



1. Establish an Intelligence Framework



2. Integrate Data & Reporting



3. Secure All Board & Executive Communications



4. Drive Board Performance

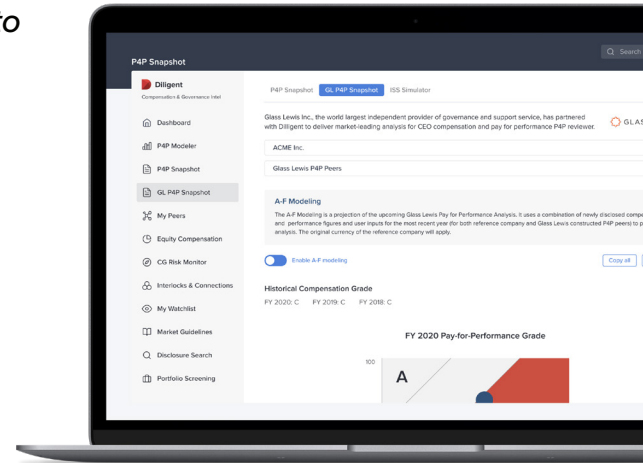


1. Establish an Intelligence Framework

Access and curate the information your organization needs to remain vigilant on stakeholder sentiment.

Organizations that don't have a constant pulse on the stakeholder landscape may find themselves blindsided by shareholder proposals, proxy advisor recommendations or say-on-pay votes. With a holistic, real-time view of stakeholder sentiment and peer benchmarking, your organization will be better equipped to engage with investors and mitigate shareholder activists.

With the right technology in place, today's general counsels and corporate secretaries have the power to enhance visibility across the organization by curating the information that matters most.



Required Capabilities

- Monitor competitors and industry landscape
- Monitor the evolving regulatory landscape, globally and locally
- Monitor stakeholder sentiment and reputation
- Curate important news and articles for board members and executives
- Model various peer groups based on investor and proxy advisor parameters
- Search and compare proxy disclosures (e.g., climate, diversity) across thousands of companies
- Benchmark against peers on ESG standards, executive pay and other governance metrics
- Model and evaluate pay-for-performance plans and measure compensation according to relevant performance metrics

Ask About These Diligent Capabilities

- Media and regulatory monitoring
- Peer group modeling and benchmarking
- Disclosure search tool
- Exclusive access to Glass Lewis data, modeling and methodology
- Pay-for-performance analysis



2. Integrate Data & Reporting

Navigate and prepare for upcoming regulations and stakeholder expectations.

Forthcoming regulations around ESG and data privacy will require organizations to meet complex reporting requirements in the months ahead. However, few companies are prepared for this lift from a data and technology perspective. In a November 2021 survey by Censuwide, respondents who lacked confidence in their risk and compliance capabilities cited three common barriers: (a) difficulties providing real-time reporting, (b) legacy systems that create silos, and (c) ineffective methods of illustrating or interpreting data.

Platforms that leverage robotic process automation are effective at gathering information across disparate systems and data sources (whether internal or external) so that organizations can meet the myriad reporting obligations ahead.



Required Capabilities

- Gather, prepare and analyze data across legacy systems
- Integrate external data sources and benchmarking
- Compare organizational data against regulatory standards and frameworks (e.g., TCFD, GDPR)
- Monitor internal operations according to risk thresholds
- Power dashboards and visualizations for the board and executive team
- Provide assurance for ESG programs and public-facing commitments

Ask About These Diligent Capabilities

- ESG data solutions
- Risk management integrations
- Subsidiary management capabilities



3. Secure All Board & Executive Communications

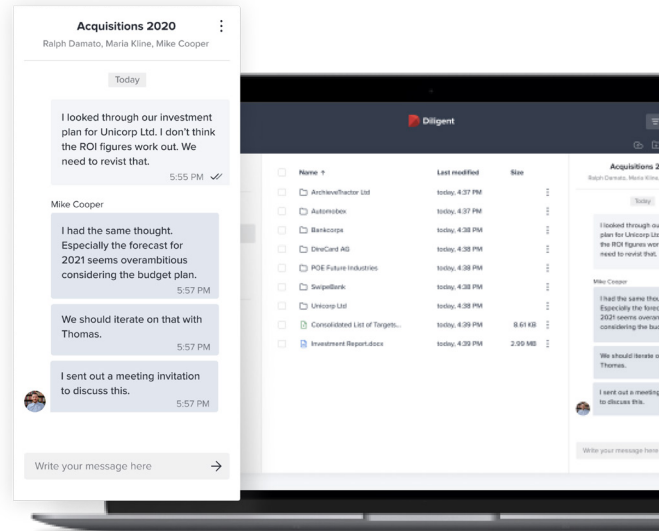
Maintain a secure line of sight into confidential channels while minimizing risk.

In a virtual, work-from-home world, the risk of cyber breaches has skyrocketed, and so have the implications. Following a cyber breach, significant business consequences ensue including loss of valuable IP, loss of consumer trust, reputational damage, fines and negative press – just to name a few.

Boards and executives remain the most attractive targets, yet few organizations have sealed off communications on encrypted channels. A comprehensive governance program mitigates information leaks, enables easy collection of critical information from board members and executives, and ensures a dedicated communication channel in crisis times.

Required Capabilities

- Leverage one secure platform to manage all sensitive board and executive materials (e.g., board books, meeting minutes, financials)
- Securely share virtual meeting links
- Protect peer-to-peer communication between board members or executives
- Securely share documents with trusted third parties (e.g., auditors, consultants, outside counsel)
- Enable the ability to remotely wipe data on devices that are lost or stolen
- Establish advanced settings for privacy shielding, user permissions and data storage
- Establish a secure, dedicated channel for crisis communications
- Establish virtual data rooms for special projects or M&A transactions



Ask About These Diligent Capabilities

- Board meeting management
- Virtual meeting capabilities
- Secure peer-to-peer messaging
- Secure meeting workflows

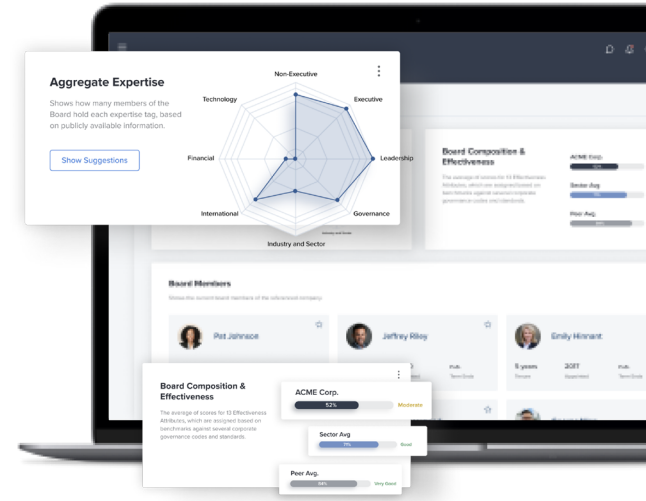


4. Drive Board Performance

Cultivate an engaged board and leverage directors' strengths effectively.

To future-proof the organization for the challenges ahead, board performance and composition are key. Board members and their skill sets must be diverse in ways that mirror the organization's long-term strategy and equip the organization to address evolving stakeholder demands. Optimizing board processes also plays an important role in shifting the time and energy from administrative processes to more strategic outputs.

When a board is functioning at its best, diversity becomes a mindset, not a finish line; evaluations are regarded as opportunities for improvement rather than a check-the-box exercise; and board processes are streamlined wherever possible.



Required Capabilities

- Collect and analyze board evaluations within your board management software
- Establish a process for virtual signatures and minutes approvals
- Curate important action items onto a board member homepage
- Access a vast database of board candidates based on advanced search criteria
- Access a large network of diverse and rising candidates based on desired criteria
- Tap into a rich library of governance research and thought leadership

See Diligent in Action

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Ask About These Diligent Capabilities

- Board homepage & notifications
- Board candidate database
- Automated D&O questionnaires
- Research, events, thought leadership
- DocuSign integration

[SCHEDULE A MEETING](#)



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