KPMG

Directors Quarterly

Insights from the Board Leadership Center

October 2017

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Relying on fundamentals

The Fed's struggle to forecast inflation—one of its major policy objectives—reflects a challenge facing most organizations today: Are long-held assumptions about the fundamental forces driving key decisions still valid? Stubbornly low inflation despite continued slack in the U.S. labor market (still considered to be at "full employment" at 4.2 percent) is indeed puzzling.

The fundamentals driving corporate strategy and long-term performance are also in flux—technology and data giants moving into the groceries, transportation, and entertainment businesses; automation, artificial intelligence, data/analytics all poised to remake the workplace and shake up the talent pool; populist movements testing trade relations and splintering markets; environmental and social issues (from climate severity to workers' wages) factoring more deeply into long-term performance. All of this drives home the importance of focusing on the fundamentals of effective board oversight.

This quarter, we look at some of the critical factors driving high-performance boards: composition and diversity in the boardroom, which investors have squarely in their sights, and how the board can help connect environmental, social, and governance (ESG) issues to strategy and long-term performance. We also cover timely financial reporting and auditing developments that should be on the audit committee's radar, including key areas of SEC focus and PCAOB initiatives.

We will explore all of these issues, and much more, at our 2018 KPMG Board Leadership Conference (formerly the Audit Committee Issues Conference), January 8–10, in San Diego. Through panel discussions, peer exchanges, and keynotes—including White House communications veterans Nicolle Wallace and Jay Carney, author Michael Lewis, and Eurasia Group's Ian Bremmer—we will delve into the forces and factors driving boardroom discussions and business decisions in the year(s) ahead. I hope you will join us (for more information and to register, visit kpmg.com/boardleadershipconference).

Enjoy this edition of *Directors Quarterly*, and share it with your colleagues and fellow directors as part of a robust discussion of the fundamentals that may be changing and the risks and opportunities that lie ahead.

Dennis T. Whalen
Leader
KPMG Board Leadership Center

Focus on board composition

Board composition is in the spotlight. The business environment is fast-paced and complex, making it imperative that companies have the right people in the boardroom helping to guide strategy and oversee risk. As we look ahead to 2018, we expect board composition and the related issues of director diversity, tenure, and qualifications to remain a high priority for companies, boards, investors, and other stakeholders.

As evidence of the continuing importance of these issues, a number of high-profile institutional investors, including BlackRock, State Street, and Vanguard, focused on board gender diversity as an engagement priority in 2017. Further ensuring that these issues will stay at the forefront in 2018, New York City comptroller Scott Stringer, the fiduciary for five public pension funds totaling nearly $160 billion in assets, recently launched a campaign asking companies to provide information about their diversity policies, including disclosure on the race and gender of their directors (see Pension funds double down on diversity, p. 5).

Companies are also focused on these issues: An analysis by Equilar of 500 of the largest U.S. companies (by revenue) found that one in six included a board skills matrix in their 2017 proxy statements, up from about one in eight in 2016.[1]

Equilar's 2017 *Board Composition and Director Recruiting Trends* report, sponsored by the KPMG Board Leadership Center and Semler Brossy Consulting Group, offers a comprehensive snapshot of what boards of public companies look like today along with commentary on current trends in board composition and director recruiting.

To complement the insights gleaned from the Equilar report, the KPMG BLC asked directors and thought leaders in corporate governance and board issues to share their views on how boards should approach the issue of refreshment, what companies should communicate to investors about the composition of their boards, the changes they expect to see in board composition, and what could help to move the needle on diversity in the boardroom. Their perspectives on the current state of board composition and what lies ahead are captured in a new report, Focus on Board Composition. Following is an excerpt.

[1] See Equilar, Board Composition and Director Recruiting Trends, September 2017

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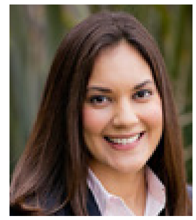
What are the most significant changes you expect to see in board composition over the next few years?

Patricia Salas Pineda: With a greater focus on board refreshment by stakeholders and many current directors reaching board age limits, there will be a wave of retirements, particularly among baby boomer and older directors. This should lead to a new and younger generation of board members. As certain areas, such as technology, grow in importance and relevance to business strategies, I believe there will be a greater receptivity to younger candidates below the CEO level who bring expertise and insights that can help a company remain competitive. There will be an even greater push for diversity of thought, skills, experience, and backgrounds. As more boards work towards becoming more reflective of American and global consumers and diverse workforces, we will see more gender, racial, and ethnic diversity. This diversity will continue to grow as boards and companies embrace the significant value derived from having a diverse board in a highly diverse marketplace. If we look at Latinos as an example, U.S. Latinos are 18 percent of the U.S. population and are projected to grow to 30.2 percent by 2050. They are also the youngest ethnic group in the U.S. and are driving consumption growth for all mass consumer categories. In 2015, the gross domestic product (GDP) produced by Latinos in the U.S. was $2.13 trillion; if it were an independent country, the Latino GDP would be the seventh largest in the world. I believe that U.S. Latino directors not only bring business acumen, experience, and expertise to the board table but also valuable insights into the rapidly expanding U.S. Latino consumer market.

Jared L. Landaw: In order to help companies stay competitive in today's challenging global markets, I expect the composition of boards to become more carefully curated over the next few years. Thoughtful nominating committees will focus on ensuring that the directors in the boardroom have the right mix of backgrounds, skills, and experiences to meet the company's strategic and operating needs, ensure that decisions are well made, and provide the management team with guidance on the myriad of issues that the company will inevitably face. After all, a board of directors is a governing body that is designed to work together as a team. If it is going to perform at its best, it will need to be put together like one, by carefully recruiting directors with complementary skills.



Belen Gomez: Investors are influencing, and will continue to play a major role in, how boards think about and approach board composition processes. We'll see more proposals and engagement on the topic. We've already seen investors such as CalPERS, CalSTRS, State Street, and others taking action. They have great visibility and influence to create impact through their voting policies. We'll also see more deliberate action from the issuer community to increase diversity. We see more and more companies committing to diversity goals for both gender and ethnic representation in the coming years. As more directors age off of boards, we'll see a more diverse group of new directors joining from the current executive ranks.

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Focus on board composition *continued*

> **"The importance of technology to every company is already driving change in the boardroom. Whether it's an understanding of technology-driven disruption, cyber security oversight… well-rounded executives who understand technology are a hot commodity in the boardroom."**

Blair Jones: The overall look and feel of boards will change as boards continue to work to attract a more diverse set of candidates, in terms of race, gender, and cultural background as well as experiences, broadening to include more customer and stakeholder insights as well as digital and technology experience. Boards are likely to have higher age spreads, more international representation, and more representation of women and minorities.

Susan Angele: Tech, tech, tech. The importance of technology to every company is already driving change in the boardroom. Whether it's an understanding of technology-driven disruption, cyber security oversight, the workforce implications of automation and artificial intelligence, or having the knowledge to probe and challenge the overall efficiency of a company's technology-related capital allocation, well-rounded executives who understand technology are a hot commodity in the boardroom and this trend is likely to accelerate as older directors reach retirement age or tenure limits and new board members are recruited. This will likely lead to a younger pool of first-time board members, given that executives often reach a board-appropriate level in their careers earlier in the tech industry than in other industries. And on some boards, this may eventually have a snowball effect. When one director has expertise in technology, they become the board technology expert. When numerous board members have a comfortable understanding of technology and its implications, the overall tenor of strategy discussions may change and over time, this can influence overall board composition. This would take more than a few years, but I can envision a time when all board members are expected to have some level of technology literacy.

To read the rest of the interviews, see Focus on board composition at kpmg.com/blc.

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Pension funds double down on diversity

In separate announcements, both the New York City Pension Funds and the California Public Employees' Retirement System (CalPERS) called for greater engagement and disclosure regarding board diversity among their public company holdings.

"Diversity isn't a box to be checked—it's a strategy for economic success," said New York City Comptroller Scott Stringer in a press release. "Today, we're doubling down and demanding companies embrace accountability and transparency."

"Simply put, board diversity is good for business," said Anne Simpson, CalPERS investment director, sustainability.

Both pension systems are following up on the recent success of proxy access initiatives that afforded significant holders of public equity, at least 3 percent collectively in most cases, to directly nominate director candidates on the annual proxy. Together, the pensions oversee roughly $519 billion in assets.

For New York, Stringer sent letters to the boards of 151 companies—92 percent of which have "proxy access" and 80 percent of which are in the S&P 500—calling on them to publicly disclose the skills, race, and gender of board members and to discuss their process for adding and replacing board members, known as the "board refreshment" process, with the Comptroller's Office.

Similarly, CalPERS sent letters to 504 companies in the Russell 3000 Index requesting that they develop and disclose a corporate board diversity policy and implementation plan to address the lack of diversity. CalPERS said it will closely monitor the companies' progress and enter into confidential engagements when necessary, and will consider withholding votes from directors at future annual general meetings for companies that fail to respond. A directory of diverse candidates, called "3D," developed by CalPERS and the California State Teachers Retirement System (CalSTRS), is now available through the Equilar Diversity Network (KPMG Board Leadership Center is a sponsor).

And following on a 2015 campaign for greater disclosure of director diversity through the use of a board matrix, Stringer and the New York City Pension Funds are calling for the inclusion of demographic information on each director and would like to engage nominating and governance committee members and chairs at the companies it contacted.

Sample board matrix

	Board of Directors							
	Name 1	Name 2	Name 3	Name 4	Name 5	Name 6	Name 7	Name 8
Skills & Experience								
Board of Directors Experience	X			X				
[Specific] Industry Experience		X					X	
CEO/Business Head	X			X				
International	X					X	X	
Human Capital Management/Compensation			X				X	
Finance/Capital Allocation		X			X		X	
Financial literacy/Accounting (Audit Committee Financial Expert or "ACFE")			X			X		
Government/Public Policy	X			X				
Marketing/Sales			X		X			
Environmental Science/Policy/Regulation						X		
Academia/Education								
Risk Management				X				
Corporate Governance		X						X
Technology/Systems					X			X
Business Ethics			X			X		X
Real Estate		X			X			X
[Custom 1]								
Demographic Background								
Board Tenure								
Years	15	15	10	8	7	7	4	1
Sexual Orientation (voluntary)								
LGBTQ	X							
Gender								
Male		X	X	X	X	X		X
Female	X						X	
Non-Binary								
Age								
Years old	60	63	65	62	60	67	55	47
Race/Ethnicity								
African American/Black	X							
Asian, Hawaiian, or Pacific Islander								
White/Caucasian		X	X	X		X	X	X
Hispanic/Latino					X			
Native American								
Other								

Source: Office of NYC Comptroller Scott M. Stringer

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Financial reporting and auditing update

The 2018 effective date of the revenue standard for public companies is almost here. Although companies are rightly focused on the accounting requirements, they also must focus on the broader aspects of adoption, which are critical to successful implementation. These include internal controls over financial reporting and disclosures.

Although the revenue standard is the primary focus for most companies, implementing the leases and credit impairment standards follows closely in its path. Companies that are further along in their implementation efforts for these standards are realizing that they need more time and resources than they originally expected to properly sort through and implement the new requirements. The SEC staff continues to closely monitor SAB 74 transition disclosures for newly issued accounting standards.

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KPMG Board Leadership Conference

January 8–10, 2018

San Diego, CA

kpmg.com/blc

These as well as other accounting and financial reporting developments potentially affecting your company in the current period or in the months ahead are summarized below. For more detail about these and other issues, see KPMG's *Quarterly Outlook*.

New standards and guidance

Revenue recognition—time is running out. The 2018 effective date of the revenue standard for public companies is almost here. In addition to focusing on the accounting requirements, companies also must focus on the broader aspects of adoption, which are critical to successful implementation—particularly internal controls over financial reporting and disclosures.

New or modified controls required

Companies need to update accounting policies and related manuals, accounting position papers, process flowcharts, the design of related internal controls, and their assessments of those internal controls. For most companies, there are many new risk points, estimates, and judgments related to the new accounting that will require an internal controls response even if the financial statement change is not significant.

Companies will also need to consider the potential effect of changes in internal controls on management's quarterly and annual disclosures and certifications about disclosure controls, procedures, and internal controls.

At transition, a company needs effective internal controls over the transition adjustment(s) and those controls will vary based on the chosen transition method. These controls will be different from ongoing controls over the operation of the standard because they will be active only one time during adoption.

Significantly expanded disclosure requirements

Companies must ensure that the systems, processes, and controls that they implement are sufficient to capture the information needed for the new disclosures. As there are a number of challenging new disclosure areas, companies should expect that these disclosures will likely be an area of focus by investors and regulators.

Preparing a mock disclosure before the effective date is a leading practice. This will help companies to determine whether they have the appropriate processes and systems in place to extract the information needed for the disclosures.

Continued SEC staff focus on SAB 74 disclosures

As noted above, the SEC continues to focus on SAB 74 transition disclosures regarding the potential effects that recently issued accounting standards will have on their financial statements when adopted. The SEC staff expects the level and specificity of these disclosures to increase as companies make progress in their implementation efforts. The SEC staff also has stated that when a company does not know or cannot reasonably estimate the effect of adoption, the company should describe its progress in implementing the standard and the significant implementation matters that it still needs to address.

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Further, the SEC staff expects that even if a company anticipates little change to its balance sheet and income statement, the changes to the related disclosures may be material. In assessing whether adoption is expected to materially affect their business, companies should consider possible changes to recognition, measurement, presentation, and disclosure.

Implementing the new leases accounting standard. The leases standard will be effective for public companies in 2019. By now, companies should be identifying their population of leases, and deciding how to transition (e.g. whether to elect the transition practical expedients) and what policy elections to make for their ongoing lease accounting (e.g. as a lessee, whether to separate lease from non-lease components for different classes of underlying assets and whether to elect the short-term lease recognition and measurement exemption). Companies also need to carefully revisit and revise their internal controls and processes to address the transition and ongoing reporting requirements of the new guidance.

Financial instruments: New hedging standard; implementation reminders.

Changes to hedge accounting
In August, the FASB issued a new standard that allows companies to better align their hedge accounting and risk management activities, and potentially reduce the cost and complexity of applying hedge accounting. While the new standard is not effective until 2019 for calendar year-end public companies, early adoption is permitted as early as the third quarter of 2017.

Effective date nears for recognition and measurement standard.
The FASB's standard about recognition and measurement of financial assets and financial liabilities will be effective in 2018 for public companies. The most significant operational changes likely will relate to the new guidance for investments in equity securities that currently apply the cost method because the fair value is not readily determinable. Under the standard, companies can elect to measure these equity securities at fair value or use a new measurement alternative that adjusts the cost basis for impairment and transaction prices observed for identical or similar securities of the same issuer.

Measuring credit impairment
The FASB's new credit impairment standard will be effective in 2020 for public companies with calendar year-ends. Companies should be analyzing the implications of adopting this standard and considering the adequacy of their disclosures about the expected effects of adoption. Although the standard is not effective until 2020, companies that will be most affected by its requirements should be making significant progress toward adoption. The nature and extent of preparations will vary, but companies will need to thoroughly evaluate the effect of the standard and determine what changes will be necessary. Companies may need to collect more data, and significantly change their systems, processes, and internal controls to comply with the standard.

PCAOB adopts new standard to enhance the auditor's report.

On June 1, the PCAOB adopted a new auditing standard that, subject to SEC approval, will require the auditor to include in the audit's report a discussion of critical audit matters (CAMs). The standard defines CAMs as matters that have been communicated to the audit committee; are related to accounts or disclosures that are material to the financial statements; and involve especially challenging, subjective, or complex auditor judgment.

Under the new standard, the auditor's report will disclose, among other things, the tenure of an auditor, and will also include the phrase "whether due to error or fraud" in describing the auditor's responsibility under PCAOB standards to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The new standard retains the pass/fail model of the existing auditor's report.

For large accelerated filers, the requirement to communicate CAMs will be effective for audits of fiscal years ending on or after June 30, 2019; for all companies, it will be effective for audits of fiscal years ending on or after December 15, 2020. All other requirements of the new standard are effective for audits of fiscal years ending on or after December 15, 2017.

Management and audit committees should take advantage of the time before the reporting requirements for CAMs take effect to discuss the new reporting requirements with their auditors. Early dialogue will be key for effective and timely implementation of this aspect of the new standard.

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Investor Intelligence and Insights

Three questions boards should ask about the governance team

by Stephen L. Brown

Today, many directors are engaging directly with shareholders on a variety of issues—especially when the company is dealing with a crisis. However, on a day-to-day basis, directors rely on management to interface with shareholders to explain the company's and board's position on issues, as well as the board's oversight practices.

Shareholders—institutional investors and fund activists alike—are more assertive than ever. They are not hesitant to cast negative votes against directors and support activists' slates. Shareholders want to understand the board's perspective and position on key strategic, governance, environmental, and social issues. That said, in addition to considering having directors engage directly with shareholders when appropriate, it is prudent for boards to ensure that their governance teams are optimally positioned to best represent the board. After all, if shareholders are dissatisfied with their engagement, they cannot fire the engagement team; their recourse may come at the annual proxy voting booth against directors.

Boards may ask the following three questions of the CEO as part of their assessment of the governance team:

1 Who serves on the governance team and are they the right people?

This question aims to help ensure that the governance team has the most current skills, talents, and practices for engaging with investors in today's environment. Your largest institutional investors have a rather finite length of time to engage with your team. The last thing they want is to leave the discussion with ineffectual responses and unanswered questions.

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There is no set rule about who should be on the team, but directors should be comfortable that the team:

— includes the necessary subject matter experts (e.g., legal, corporate governance, investor relations, executive compensation, corporate social responsibility, and communications);

— has the subject matter experts routinely coordinate and collaborate with each other;

— continuously updates their knowledge of all pertinent governance issues; and

— designates as investor-facing team members who have experience engaging with investors who are willing and prepared to confidently and adequately respond investor concerns as appropriate.

2 How thorough is the team's shareholder engagement and surveillance plan?

Understanding management's annual shareholder engagement plan is crucial. The plan should detail the team's interaction with the company's top shareholders, as well as those shareholders' questions and requests. This exercise should help determine whether the team satisfactorily manages the dynamic makeup of large institutional investors. Specifically, many large institutional investors may have multiple portfolio managers with differing viewpoints covering the company. While all of these viewpoints should be considered, it is essential that the governance team understands who exercises the investor's voting power on proxy issues. That knowledge may help avoid surprise negative votes against the directors at the annual meeting.

Additionally, directors should know how the team stays on top of the latest governance issues and what issues are top of mind for shareholders. The board should ask whether management:

— has planned meaningful engagements for the proxy "off-season" that provide significant investors time for in-depth discussion with management on how and what they think about key governance issues and company-specific issues;

— is developing strong relationships with shareholders, which will be important particularly during times of crisis;

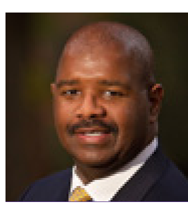
— is interacting with the shareholder and governance communities to gather intelligence on the current investor sentiment and emerging governance demands; and

— periodically reports learnings to the board so directors can be properly informed about what's top of mind for their shareholders.

3 Can the team talk the "board's book"?

Shareholders are intensely focused on board oversight of strategy, risk, environmental, social, and governance issues, and board composition. Thus, in the absence of an independent director attending the engagement, it is imperative that the governance team be prepared to accurately explain the board's position on these issues. Past experience has proven that many teams are unprepared to accomplish this task. Moving forward, the board should ensure that the team can provide credible and defensible articulation of the board's position, which may be slightly different than defending the company's position on the same issues. An effective response should describe how the board engages management on strategy, risk, and ESG and details board processes related to director refreshment.

Shareholder demands have evolved over time. The threat of activism is now a fundamental business risk that must be managed. Boards should ask questions to help ensure that their governance teams have the appropriate talent and a well-developed plan to address these new challenges and properly represent the board's views.



Stephen L. Brown is Senior Advisor to the KPMG Board Leadership Center. He previously served as head of corporate governance for TIAA.

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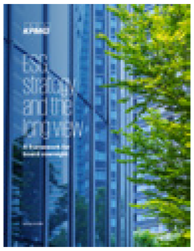
ESG, strategy, and the long view

A framework for board oversight

The role of the corporation in society is an abstract, politically polarizing question that is not high on the priority list of most boards. Yet, embedded in this question are strategic and operational issues critical to long-term value creation. And these issues are attracting heightened attention from investors, consumers, and other stakeholders.

From our perspective, many of these issues fall under the broad rubric of environmental, social, and governance (ESG), from climate change impacts and worker safety to workplace diversity, executive compensation, and board composition. Given the significant opportunities and risks associated with ESG, companies that excel at identifying and incorporating these issues into their strategy enjoy a competitive advantage in the marketplace and among institutional investors. It is increasingly clear that ESG and ROI are connected.[1]

So why isn't ESG top of mind in every boardroom? Too often, the pressures of short-termism—from quarterly earnings reports to investment vehicles valued daily or monthly, to management compensation incentives—cause companies to neglect ESG issues, which, by their nature, tend to be more long term oriented in the context of strategy and performance. Language can also present barriers, and the subject is often difficult to define. Is it corporate social responsibility? Shared value? Conscious capitalism? Triple bottom line? Responsible business? Corporate citizenship? Sustainability?



"ESG" encompasses those issues that are prominent on investors' and other stakeholders' agendas today and commonly cited in corporate responsibility and sustainability reporting:

- Climate change impacts
- Water and waste management
- Natural resource scarcity
- Product and worker safety
- Supply chain management
- Workplace diversity and inclusion
- Talent management
- Employee relations
- Human rights
- Health
- Labor practices
- Executive compensation
- Political contributions
- Board independence, composition, and renewal

And context matters. How ESG issues are framed for discussion in the boardroom—and across the company—will influence whether they are viewed as business issues that are essential to long-term value creation or soft topics that are more marketing and brand/reputation driven. For example, a company's approach to the topic of "climate change" might be considered politically fraught and relevant primarily to the company's reputation. But a discussion of how long-term risks to manufacturing operations and the supply chain created by severe weather patterns is likely to be more meaningful and productive.

In addition to the challenges of short-term pressures and finding a common language, there is no cookie-cutter approach to ESG. The strategic importance of specific ESG issues can vary widely by company and by industry. A company's ESG profile may change as the company's business changes, and a company's philanthropic activities captured in a glossy report can create the perception (and complacency) that ESG is being addressed—that the company is "doing its part." In fact, addressing ESG as the long-term strategic issue that it has become and embedding it into the company's core business activities (strategy, operations, risk management, and corporate culture) is a formidable challenge—requiring an understanding of why ESG matters to the company's

[1] DB Climate Change Advisors, Deutsche Bank Group, Sustainable Investing: Establishing Long-Term Value and Performance, June 2012.

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long-term performance, a clear commitment and strong leadership from the top, and enterprise-wide buy-in. Companies—and boardroom discussions—are moving at different speeds in addressing ESG issues today. But wherever a company is on this journey, the board can help lead the organization forward by focusing on the big picture. Which ESG issues are of strategic significance to the company? How is the company managing ESG-related risks and opportunities and embedding ESG into the strategy and culture to drive long-term performance? How is the company telling its "ESG story" to investors and other stakeholders?

To help boards understand and shape the total impact of the company's strategy and operations externally—on the environment, the company's consumers and employees, the communities in which it operates, and other stakeholders—and internally, on the company's performance, we present a five-part framework.

Total Impact Strategy encourages companies and boards to widen their aperture for a fuller view of ESG, strategy, and long-term performance.

Total impact strategy

Our framework for board oversight of ESG as a strategic issue recognizes that creating long-term value increasingly requires companies to understand the impact of their strategies on key stakeholders—investors, employees, customers, communities—as well as on the natural resources and supply chains that the company relies on. Total Impact Strategy encourages companies and boards to widen their aperture for a fuller view of ESG, strategy, and long-term performance.

Wherever the company is on the ESG journey, this oversight framework can help to drive a robust conversation about what ESG risks and opportunities may impact the company's key stakeholders, corporate strategy, and long-term performance and how they will be addressed. Companies that identify and incorporate these issues into their strategy will clearly stand apart—to investors, customers, employees, and the communities in which they operate—as forward-thinking organizations, focused on long-term performance and value creation. For more, read *ESG, strategy, and the long view.*

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Mark your calendar

WCD EMEA Institute, Madrid
October 24–25

A program for women directors from Europe, the Middle East, and Africa featuring keynotes and panel discussions.

Register at *womencorporatedirectors.org.*

FT-ODX, New York
November 1–2

Completely off-the-record, ODX (Outstanding Directors Exchange) New York is limited to sitting public company directors and will include a conversation with former SEC Chair Mary Jo White, as well as panel discussions on risk oversight, talent assessment, and shareholder engagement.

Register at *live.ft.com*.

Leading Minds of Governance, New York
November 29

For this National Association of Corporate Directors (NACD) program, governance experts will provide updates on critical governance matters and then open the floor for an audience-led question and answer session. While the agenda will be heavily influenced by the attending directors, conversation catalysts will include board dynamics, audit risks and rewards, cyber resilience, staying ahead of litigation and compensation.

Request an invitation at *nacdonline.org.*

NACD Master Class, Miami
December 7–8

This highly dynamic and interactive two-day program from NACD is developed exclusively by and for experienced directors, fostering thought leadership around the latest topics and emerging issues affecting the boardroom.

Register at *nacdonline.org*.

KPMG Board Leadership Conference, San Diego
January 8–10, 2018

The Board Leadership Center's annual conference for corporate directors will feature keynotes and panel discussions on issues affecting corporate boards in 2018 and beyond, including guests Michael Lewis, Ian Bremmer, and former White House communications chief Nicolle Wallace and press secretary Jay Carney.

Register at *kpmg.com/boardleadershipconference*.

Suggested reading

Board Composition and Recruiting Trends *Equilar*

Executive Pay Issues Trending in the Boardroom *KPMG*

Culture for a Digital Age *McKinsey & Co.*

Blue Ribbon Commission Report on Culture as a Corporate Asset *NACD*

Governance in Investor-Owned Private Companies *NACD*

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kpmg.com/blc
T: 1-877-576-4224
E: us-kpmgmktblc@kpmg.com

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