



Disclosure Committees Continue to Evolve to Meet New Expectations

New York City, New York, August 14, 2024 — The [Society for Corporate Governance](#) (Society) has released [Corporate Governance in focus – Harnessing disclosure committees for modern reporting](#). Prepared in collaboration with EY, the report reveals that formal disclosure committees or comparable groups continue to be a corporate norm—with 96% of Society member survey respondents reporting that they have one in place, to support traditional and emerging disclosure expectations and requirements.

Among the key findings:

- 60% of disclosure committees now regularly review cybersecurity risk and governance disclosures and nearly 40% now regularly review human capital disclosures, up from 32% and 13%, respectively, in our 2021 survey, likely reflecting increasing regulatory and stakeholder scrutiny and expectations.
- Nontraditional roles, such as the heads of Risk, Human Resources, and Information Security, are increasingly among the regular members of companies' disclosure committees.
- Nearly half of respondents involve their disclosure committees in determining whether cyber incidents are material and require Form 8-K disclosure, while the balance look to another individual or group of individuals to make that determination.

“Among other things, the updated report illustrates how the composition and scope of disclosure committees are changing to meet new and forthcoming reporting mandates. Committees increasingly include members of management outside the traditional profile, consistent with the committee’s expanding scope of review, which includes human capital, cybersecurity, and other nonfinancial disclosures, as well as more traditional financial and financial-related disclosures such as non-GAAP metrics. At the same time, the report evidences the fact that disclosure committees remain a nearly universal practice among public companies despite not being legally required,” said Randi Val Morrison, Senior Vice President and General Counsel of the Society.

“We are delighted to have had the opportunity to once again partner with EY to provide this updated resource to our members,” said Paul Washington, President & CEO of the Society. “With high quality SEC and other regulatory disclosure being among our public company members’ chief responsibilities and priorities, an understanding of how disclosure committee peer practices are evolving to keep pace with the changing regulatory and stakeholder landscape is critically important.”

The new report updates the [Disclosure committee report - Practices and trends](#) publication released in November 2021, which was completed jointly by the Society, EY, and the Financial Education & Research Foundation (FERF).

The report is the result of a February 2024 survey of Society members, primarily corporate secretaries, in-house counsel, and other in-house governance professionals. The respondents represented companies of different sizes and across multiple industries.

About the Society for Corporate Governance

Founded in 1946, the [Society](#) is a professional membership association of more than 3,800 corporate and assistant secretaries, in-house counsel, outside counsel, and other governance professionals who serve approximately 1,700 entities, including approximately 1,000 publicly held companies of almost every size and industry. Society members are responsible for supporting the work of corporate boards of directors and the executive managements of their companies on corporate governance, disclosure matters, and mergers and acquisitions.

Media Contact:

Randi Val Morrison
Senior Vice President and General Counsel
Society for Corporate Governance

rmorrison@societycorp.gov
<https://www.societycorp.gov>