

2025 Annual Benefit Report



Watson **20** Years

Letter from the CEO

This year marks 20 years since Watson began. That milestone, like many in life and leadership, is both a moment of reflection and a call to look ahead.

When we started in 2005, we believed that governance could be a force for good. That belief has only deepened over time. In a world marked by change, uncertainty, and rising complexity, strong governance is not a luxury – it's essential. Organizations today face growing expectations from interest holders, intensified scrutiny, and rapidly shifting external forces. Navigating this environment takes more than technical competence. It takes values-driven leadership.

Throughout 2025, we continued to support boards, executive teams, and communities across sectors in navigating big questions: How do we lead with integrity in turbulent times? How do we make space for new voices at the table? How do we continuously improve? How do we stay grounded in purpose in an increasingly polarized environment?

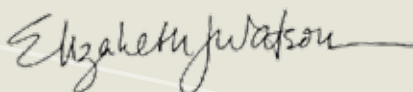
As you'll read in this year's report, we advanced our impact practices, from tracking client outcomes and team diversity to deepening our commitments to operating responsibly, inclusive recruitment, and board education. We also celebrated the incredible voices that make our work meaningful: clients, team members, and partners who have shaped and been shaped by Watson's work.

I'm especially proud of the messages we received on our 20th anniversary. "Impact," "integrity," "community," and "professionalism" were the words that came through again and again. These are the words we strive to live every day.

To those who have walked alongside us on this journey – thank you. Your trust and partnership have built this firm. And to our team: thank you for your courage, curiosity, and heart.

The future of governance is unfolding. Let's shape it together.

With gratitude,



Liz Watson, KC
Founder & CEO
Watson Board Advisors



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At Watson Board Advisors, we recognize and acknowledge that our work takes place on the traditional territories of Indigenous communities.

Our Vancouver office is in the traditional territory of the xʷməθkwəyəm (Musqueam), Skwxwú7mesh (Squamish), and Səlílwətaʔ/Selilwitulh (Tsleil-Waututh) Nations.

Our Toronto office is in the traditional territory of the Wendat, the Anishnaabeg, Haudenosaunee, Metis, and the Mississauga of the Credit First Nation.

We recognize the legacy of colonialism and the systemic racism that continues to affect Indigenous peoples in Canada and around the world. We seek to learn and understand, deepen our relationships, and respectfully meet our obligations to these communities through our work in governance and leadership. Out of respect and to further our understanding, we work to learn about the history, culture, and experiences of Indigenous people. We make concrete, ongoing efforts to ensure that how we do our work and guide clients is in line with our commitments to reconciliation and a more equitable and just society.

PURPOSE

At Watson, our purpose is simple and far-reaching. We exist to help organizations lead with impact by building stronger boards and better governance. We believe that when organizations are governed thoughtfully and lead with purpose, they can shape a more resilient, inclusive, and sustainable future. That's why every engagement we take on is rooted in advancing board effectiveness, leadership excellence, and values-driven decision-making.

Whether we're advising on governance practices, recruiting a CEO, facilitating strategic alignment, or evaluating board performance, our work contributes to stronger organizations and stronger communities.



Strengthening
the world
through
high-performing,
well-governed
organizations

LEADERSHIP & BALANCED SCORECARD

Watson is led by our Founder and CEO, Liz Watson, alongside a team of Partners and our Chief Operating Officer. Together, they guide the firm's strategy, operations, and long-term impact.

We continue to manage our firm through a balanced scorecard that reflects what matters most: client experience, financial health, team experience, and quality, innovation, and impact. This internal framework ensures that as we grow, we stay connected to what makes Watson distinct: client trust, learning culture, operational integrity, and impact.

VALUES

Our work is guided by a set of core values that reflect who we are and how we show up for clients, each other, and the communities we serve.



GUIDING PRINCIPLES

These values are supported by four principles that guide how we design and deliver our work with a focus on continuous improvement and positive impact:

High-performing organizations are central to sustainable communities, locally and globally.

The primary role of a board is to shape the future of the organization.

Boards must understand the past and present to steward the future.

How a board does its work is as important as what it does.



PURPOSE-DRIVEN

We lead with purpose and impact.

ALWAYS LEARNING

We are open, curious, innovative and insightful.



HUMAN-CENTRED

We take care with everything we do.

AUTHENTIC

We are intentional, transparent, and bold.

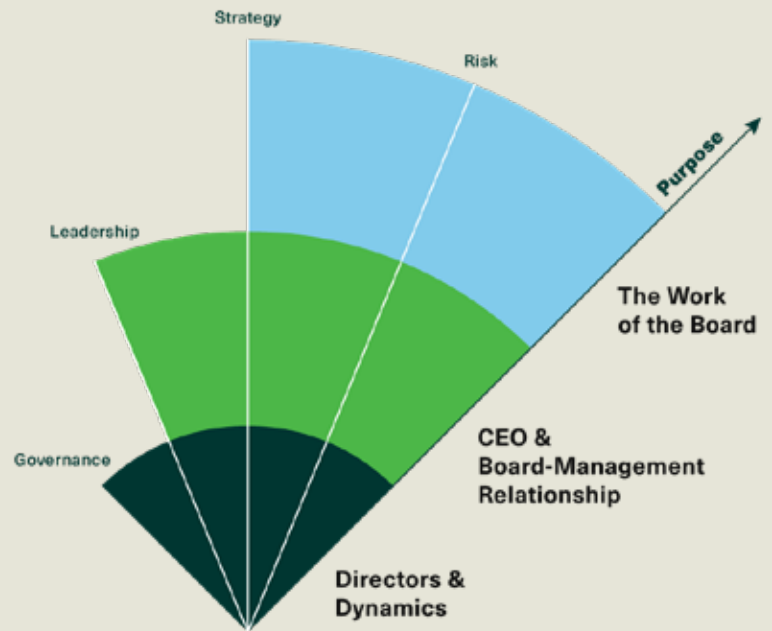


COLLABORATIVE

We achieve more together.

OUR WORK

As the leading board advisory firm in Canada, we've supported more than 500 boards across all sectors, ownership structures, and stages of evolution. In partnership with our clients, we help recruit and select the right directors and CEOs, strengthen governance practices, and navigate strategy and risk in a rapidly changing world.



At Watson, we recognize that three layers make up the world of the board and apply to every issue they deal with. Boards that struggle to recognize the importance of these layers often feel complacent, misaligned, or are lacking trust. On the other hand, when all three layers are healthy and aligned, directors feel confident, prepared, and engaged to advance the organization's purpose and tackle its most important issues collaboratively with management and each other.

At Watson, we believe that board effectiveness in the real world means qualified, diverse leaders working well together with the right focus on the right issues, supported by sound structures and practices. Our three-layered model describes how all these elements interact; each layer builds on the previous one.

1000+
engagements

500+
organizations
supported

20
YEARS
of elevating
board practice in
Canada

Here are the offerings we typically support clients with to build a high-performing board:

Building A Strong Board

*Director Search / Board
Renewal / Board Composition*

Boards are at their best when every member adds value. From identifying the board's needs, to recruiting and selecting new directors, to succession planning for board leadership, to ensuring the board's composition is right for the next phase of business, we help clients ensure they have the team to shape the future.

Finding & Supporting Your CEO

*CEO Search / Performance /
Succession Planning /
Leadership & Culture*

Organizations need the right leader to work in close partnership with the board and take them to the next level. From crafting the right success profile for the next CEO, to helping find and evaluate highly qualified candidates, to assessing and supporting their performance and leadership, to planning for succession, we help clients find and support the most important partner in the board's work.

Understanding Your Board's Performance

*Board Evaluation /
Director Feedback*

Improving as a board starts with understanding where it is strong and what would make it even more effective. From conducting board evaluations to designing respectful processes for director feedback, we give boards and directors a more objective and insightful view of their performance, along with practical ways to improve.

Evolving Governance

*Governance Review /
Structures & Practices*

Good governance evolves with each organization. From comprehensive governance reviews to the design and implementation of structures and practices, we equip clients with the governance frameworks and tools they need to support the next phase of their organizational journey.

Achieving Alignment & Engagement

*Strategic Facilitation /
Board Education*

A board is most effective when it engages the right issues at the right level at the right time. From facilitation to education and coaching, we help your board align at the highest level, and optimize how, where, and when it tackles the most strategic issues facing your organization.



20 Years of Impact

A LOOK BACK

This year marks 20 years since Watson first launched with a vision: to help organizations lead with purpose and govern with impact. What began as a small practice rooted in the belief that governance is ultimately about people has grown into a national advisory firm that has shaped how boards and executive teams think, lead, and evolve.

From our first board effectiveness review in 2005, to launching our director and CEO recruitment offerings in 2013, to better serving our clients nationally with the opening of our Toronto office in 2019, we've continued to ask hard questions, listen closely, and guide intentionally. In every engagement, we aim to leave organizations stronger than we found them, and people more confident in their roles as leaders.

We're proud of the journey. But more than that, we're grateful. For the clients who trust us, the colleagues who challenge and support us, and the communities that shape the work we do.



Celebrating our past
Shaping our future

WHAT WE HEARD

To mark the occasion, we invited clients, collaborators, and community members to share reflections. Their messages – dozens of them – were full of appreciation, candour, and insight. One word stood out more than any other: **impact**. Watson’s impact has been described as:

“Transformational... [with] discretion, insightful expertise, and commitment to your clients.”

“You are the butterfly in the forest, creating an exponential whirlwind of change in our world.”

“The best governance review I’ve ever experienced...supporting us to be the best board we could be.”

“Watson set the standard for excellence in governance advisory.”

What these messages have in common, beyond admiration for Watson’s professional expertise, is an emphasis on humanity. Again and again, people spoke about heart, care, courage, professionalism, and Watson’s ability to tell the truth with both candour and compassion. It’s not just that Watson delivers results, it’s how.

THEMES FROM 20 YEARS OF FEEDBACK

Across the reflections we received, a few recurring themes emerged:

Tailored over templated: Clients noted Watson’s unwavering refusal to take a cookie-cutter approach, consistently designing processes that fit their context and culture.

Guidance during change: From leadership transitions to governance crises, Watson is described as a trusted, steady hand, and often the first call.

Human-centred thinking: Whether in board assessments or recruitment, Watson’s deep understanding of people and dynamics stands out.

Raising the bar: Many noted that Watson didn’t just help them “keep up”; we helped them lead.



Looking Forward

While we're honoured to reflect on two decades of work, this milestone is also a launching point. The future of governance is evolving, shaped by changing interest holder expectations, digital transformation, and urgent calls for justice, equity, and sustainability. Watson's role is to stay curious, courageous, and deeply engaged with our clients and communities. To ask what's next, and help boards lead with clarity, conviction, and heart.

As one message put it: ***“You don’t just follow best practices — you set them.”***

THIRD PARTY ASSESSMENT FRAMEWORK

When preparing this Report, we assessed our performance in meeting our Benefit Company commitments based on the B Lab Impact Assessment tool, used by over 150,000 businesses worldwide. As a comprehensive impact management tool, the B Impact Assessment is categorized into five distinct impact areas that represent the company's Governance and four key interest holder groups: Workers, Community, Environment, and Customers. The assessment measures performance across the following categories, awarding points for each category to provide an overall Impact Score. More information on each of the four interest groups is below:



GOVERNANCE evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect their mission and formally consider interest holders in decision making through their corporate structure (e.g. benefit corporation) or corporate governing documents.



WORKERS evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction. In addition, this section recognizes business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment.



COMMUNITY evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic development, and formal charitable giving commitments.



ENVIRONMENT evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes the direct impact of a company's operations and, when applicable, its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less toxic alternatives to the market, or educate people about environmental problems.



CUSTOMERS evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts & media products, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations.

IMPACT ASSESSMENT RESULTS & DISCUSSION

OVERALL RESULTS

Watson scored 89 points on the B Lab Impact Assessment tool this year, reflecting a continued commitment to operating in a responsible, inclusive, and impact-focused way. This is a modest but meaningful increase from last year's score of 88.

As with prior years, we note that a score of 80 is required for an organization to be considered for B Corp certification, an independent verification process that is separate from our status as a Benefit Company. We are proud to be well above that benchmark, and we view the score as a signal of the strength of our internal practices, as well as a guide for where we can go further.



This year's improvement was driven by two core developments:

- **External validation** of our practices, including new certifications related to living wage and accreditation as a Certified Women-Owned Enterprise through WeConnect International.
- **Implementation of a formal process** to measure the outcomes and impact of our client work, a step that reflects our broader purpose to drive long-term change in governance and leadership.

We continued to perform strongest in the areas of Governance and Talent, the latter being how we refer to our people, rather than the standard “Workers” terminology used in the B Lab framework. Our strong results in these categories reflect long-standing commitments to inclusive policies, living wage practices, and a high-performing, people-centered culture.

Watson also maintained strong performance in the Community and Customer categories. Improvements here were largely driven by efforts to better capture and track how we work, specifically, how we measure client outcomes, support diverse leadership pipelines, and embed the principles of equity and inclusion into recruitment. In the Community area, we began tracking employee volunteer hours, and we continue our commitment to responsible sourcing and local impact.

Environment remained our lowest-performing area. While our day-to-day footprint as a professional services firm is relatively small, we recognize the importance of tracking our environmental impact. In the past year, we explored options to improve measurement and set reduction goals, though limitations in gathering data in our leased spaces continue to present challenges.

HIGHLIGHTS OVER THE PAST YEAR

GOVERNANCE



- In addition to our existing certification as a living wage employer in British Columbia, Watson became certified as a living wage employer in Ontario.
- We also achieved certification as a Women-Owned Enterprise through WeConnect International, a global organization that verifies women's business ownership and leadership.
- Both certifications require an independent review and verification of our employment practices, compensation structures, and ownership/control mechanisms, further affirming our commitment to responsible business conduct and public purpose.

CLIENTS



- Watson continues to serve a wide range of organizations, including publicly traded companies, privately held businesses, charities, associations, educational institutions, and public sector entities. Our decision to take on client work continues to be informed by considerations of the organization's mission, reputation, and genuine commitment to governance and improvement.
- We launched a quarterly client feedback process this year to better understand satisfaction, outcomes, and areas for improvement. This includes defined performance indicators for tracking the client satisfaction.
- For recruitment work, Watson began tracking the diversity of candidate pipelines, supported by team training to collect this information in a respectful, trust-based way.
- A comprehensive privacy assessment was conducted by a third-party consultant. Following the assessment, all team members completed privacy training, and we strengthened our internal policies on notifications and data retention.
- Watson received external accreditation from the Association of Executive Search and Leadership Consultants (AESC). Certification involved a formal review of our recruitment practices to ensure alignment with global best practices in ethics, excellence, diversity, and confidentiality

ENVIRONMENT



- Based on internal and external feedback, we created a gender-neutral washroom in our Vancouver office, with updated signage and features that align with principles of safety and inclusion.
- We explored options to track energy and water consumption in our leased facilities. Due to technical limitations in accessing this data, we were not able to produce a comprehensive baseline this year. This remains an area of focus moving forward.

HIGHLIGHTS OVER THE PAST YEAR

TALENT

- We began tracking additional diversity indicators for our own team, alongside improvements to internal systems to monitor equity in hiring, promotion, and compensation decisions.
- In consultation with employees, we enhanced our extended health benefits, expanding coverage for team members and their families.
- As part of onboarding, all new team members now complete mandatory, self-paced DEI training, designed to establish a consistent baseline of understanding around equity, inclusion, and reconciliation.
- We continued to gather team feedback regularly, through quarterly anonymous surveys and one-on-one check-ins with firm leadership, including the CEO.
- Our investments in learning continued across multiple levels, supporting external education, internal training, conference attendance, and certification programs. In doing so, we remain responsive to the evolving landscape of governance, risk, and leadership.

COMMUNITY

- Watson's thought leadership this year included:
 - Publishing our Shaping the Future interview series, amplifying the voices of directors across sectors.
 - Content highlighting the value of diverse leadership, including features during Women's History Month focused on the representation of women on boards.
- Our donation matching policy continued, supporting team contributions to Canadian charitable causes with company-matched funding.
- We contributed expertise, time, and financial resources to a range of governance-focused community programs, including:
 - Speaking to participants in the Board Diversity Network, a program preparing equity-deserving professionals to step into board roles.
 - Delivering governance training for the Engaged Leadership Program with the Greater Vancouver Board of Trade.
 - Participating in Indigenomics on Bay Street, a gathering advancing Indigenous economic empowerment through storytelling and dialogue.
- Several team members serve on not-for-profit boards. Watson continues to support this form of purpose-aligned community service during working hours, and we have now begun tracking volunteer time to better understand its impact.

Final Thoughts

As we reflect on Watson's 20th year, we do so with pride in how far we've come — and clarity about what lies ahead.

The world around us is growing more complex. Ongoing geopolitical conflict, fractured trade relationships, the acceleration of artificial intelligence, and mounting pressures on people, systems, and the planet are reshaping the context in which organizations operate. The challenges are real and at times, overwhelming. But so too is the opportunity for thoughtful leadership.

In moments of complexity, governance matters more, not less.

Strong boards have always been essential to responsible and resilient organizations. Today, their role is even more critical. Boards must ask the right questions, listen with care, take bold and informed decisions, and ensure that purpose is not lost in the noise. The best boards recognize that governance is not a compliance exercise; it is a human one. One that requires empathy, rigour, and the courage to lead with values.

At Watson, we remain deeply committed to strengthening governance in Canada. Whether through search, advisory, education, or thought leadership, we work alongside our clients to shape governance that is not only technically sound, but also principled, inclusive, and future-facing.

Our work is guided by optimism. We believe that organizations, when well-governed and well-led, can be powerful forces for good. That belief has carried us through the past two decades, and it will continue to guide us in the years ahead.

Thank you for being part of our journey.

20 years in — and we're
just getting started.

**Keep learning, leading,
and raising the bar with us.**

watsoninc.ca



How will *you*
shape the future?



Watson **20** Years