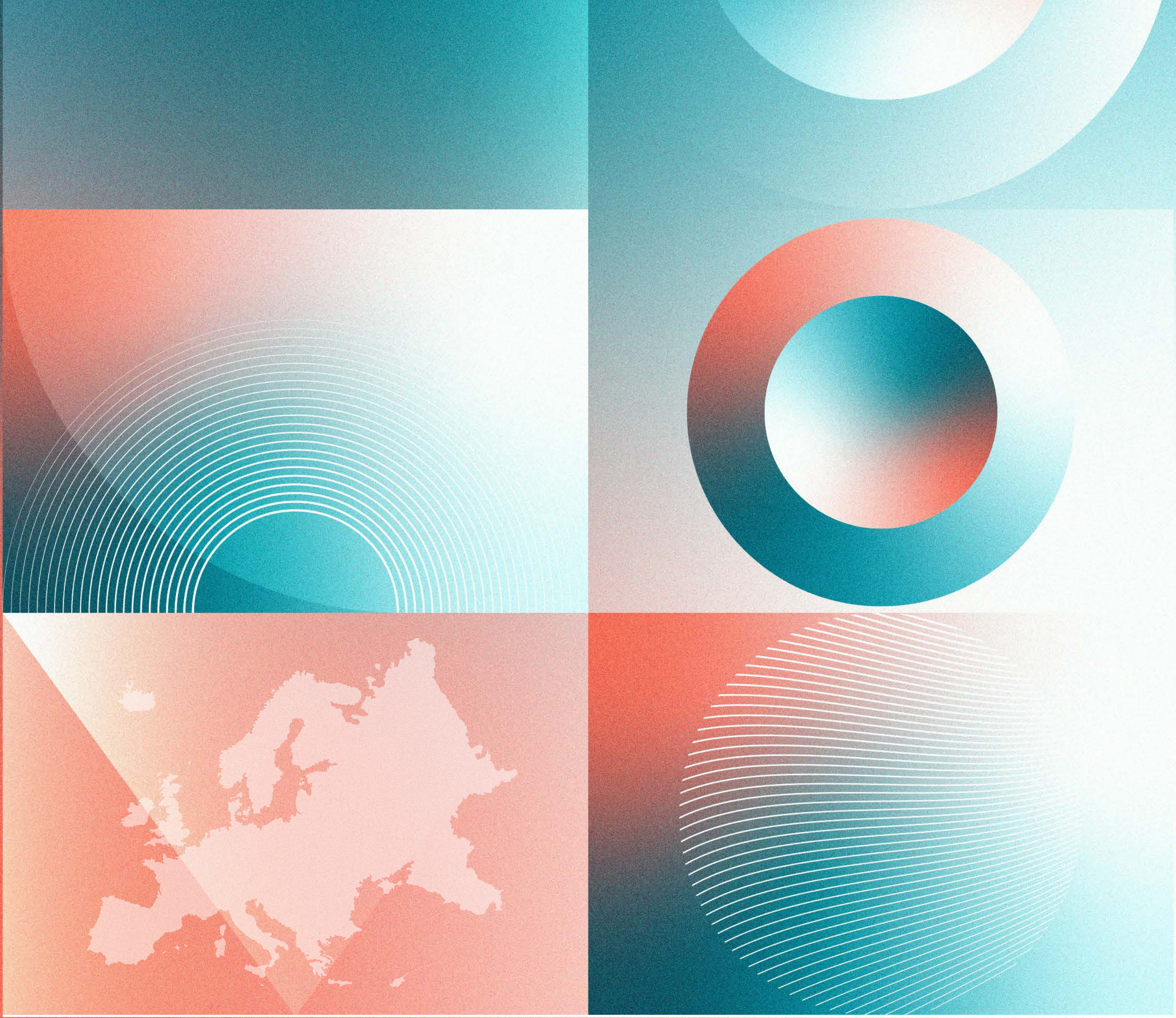
Board Monitor
Europe 2024

Navigating shifting sands:
Six shifts boards are making to thrive now



Welcome to Board Monitor Europe 2024

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Our analysis of the newest class of directors added to the boards of companies on the major indices across Europe[1] and historical trends in the backgrounds of people being added to those boards, as well as boards in major markets around the world, is available here:

Explore the data

For many years, Heidrick & Struggles has been tracking the trends that have shaped the global governance arena including important long-term changes in board independence, diversity, financial oversight, risk management, and in the shareholder base the directors serve.

More recently, we have been helping our clients understand the expanding environment in which they are operating. How is the role of business in society changing? What are the implications for directors? What does the future hold?

Clarity has been hard to find as directors struggle to draw reasonable boundaries and consider their responsibilities in the midst of a rolling global pandemic, geopolitical uncertainty and conflict, emerging technologies, cybersecurity concerns, and a long list of social and environmental concerns. While there are important industry and regional differences—indeed, differences from one company to another, most accept that the role of the board is expanding. More is at stake. More is uncertain. And more is expected now of directors.

> The global business context has been changing rapidly as society looks to businesses, today, to address the growing set of concerns in the economic, social, and environmental landscape. This is having a direct impact on the role of governance and the expectations of individual board members, who are increasingly under the spotlight. The pressures on European directors are perhaps more acute than their counterparts globally, given the rising and constantly shifting regulatory stance in the region. Moreover, the proximity of regional conflicts and a continued focus on sustainability, climate change mitigation, and other risks are calling for effective stewardship from the top."

Sonia Tatar

Executive Director, INSEAD Corporate Governance Centre

New approaches are emerging for boards and individual directors who see promise in this shifting landscape. In what follows, we draw on the results of two recent surveys of CEOs and directors around the world, and our experience, to describe how directors and CEOs are answering six questions that are reshaping the boardroom.

Six questions reshaping the boardroom

1. Who is influencing the board agenda today—and are board members happy with that?
2. Where does the board spend its time—and are those the right places?
3. How are boards addressing the widening risk environment?
4. Are boards more operationally involved?
5. How are boards engaging with the workforce?
6. How are boards thinking about diversity today?

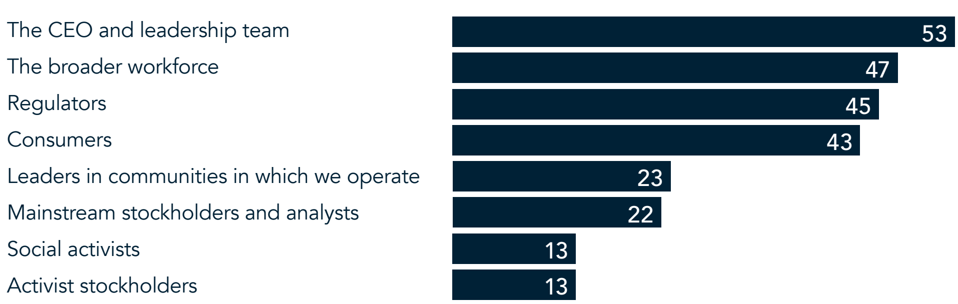
1 This year's *Board Monitor Europe* tracks and analyzes trends in non-executive director appointments to the boards of the largest publicly listed companies in Belgium (BEL 20), Denmark (OMX Copenhagen 25), Finland (OMX Helsinki 25), France (CAC 40), Germany (DAX and MDAX), Ireland (ISEQ), Italy (FTSE MIB), the Netherlands (AEX), Norway (OBX), Poland (WIG20), Portugal (PSI 20), Spain (IBEX 35), Sweden (OMX Stockholm 30), and Switzerland (SMI Expanded).

Who is influencing the board agenda today—and are board members happy with that?

The concept of stakeholder capitalism has been around for more than 70 years, going back to at least as early as the 1950s, when W. Edwards Deming wrote that "the aim proposed here for any organization is for everybody to gain—stockholders, employees, suppliers, customers, community, the environment—over the long term." The concept has been at the center of constructive debate since, especially in the United States, where boards are setting priorities for their work in a governance environment marked by a growing agenda and in a political climate marked by polarization.

To better understand the relative influence of stakeholders today, we asked directors and CEOs to stipulate which stakeholders have accelerated their influence most in the post-Covid environment. Overall, they report that the CEO and leadership team, the broader workforce, regulators, and consumers and customers have increased their influence more than others.

Global: Stakeholders who have accelerated their influence most in the post-Covid environment (%)
(Somewhat more and significantly more)



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,568

Interestingly, given the direct fiduciary responsibility the board has to the company's owners, and despite increased shareholder scrutiny and shareholder democratization policies in the asset management arena, only 22% of respondents reported the increased influence of mainstream shareholders and 13% that of activist shareholders. Our survey data does not suggest that shareholders do not have influence in the boardroom, or that it isn't growing; rather that influence is not growing at the same rate as that of some other stakeholders.

There is no doubt that shareholders—the large asset managers and activists—are influencing the board selection and development work we do with our clients, but the larger focus remains fixed on the operational and commercial needs of the business, on the needs of customers and the workforce."

Sylvain Dhenin

Regional practice managing partner, Europe & Africa, CEO & Board of Directors Practice, Heidrick & Struggles

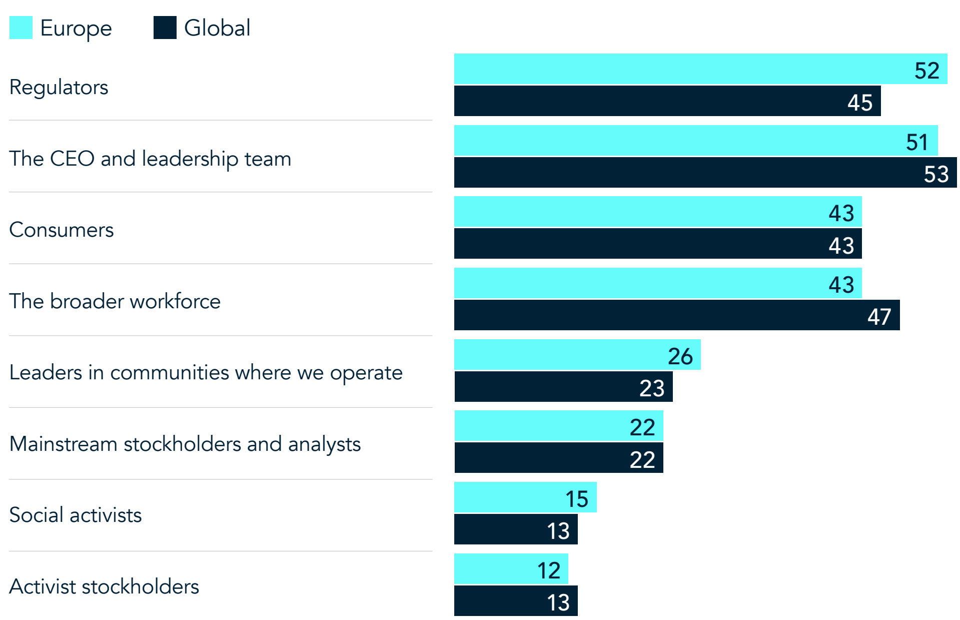
The pressure on boards continues to increase and comes from multiple sources including investors, regulators, government, media, and our wider society. The spread of issues also continues to proliferate, ranging from environmental, social, and governance issues to geopolitical issues to AI and cybersecurity issues. The challenge in this context is for boards to remain focused on the big issues and not get too involved in the day to day. Board directors need both breadth of experience and a depth of expertise in particular topics, as well as the abilities to ask great questions and operate with agility and a willingness to learn."

Alice Breeden

Regional practice managing partner, CEO &Board of Directors Practice, Europe and Africa, Heidrick & Struggles

Europe in context

Europe and global: Stakeholders who have accelerated their influence most in the post-Covid environment (%)



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,568

Perspectives across sectors and markets

Regulators more often are seen to have increased influence on the boardroom agenda in the financial services industry than in other industry segments; likely a function of climate, fairness and inclusion, data and cybersecurity, and payments and cryptocurrency regulation that is hitting the sector first. US regulators are increasing their influence in US boardrooms, but not at the same rate as seen in Europe, where regulatory pressures are more pronounced.

> Regulators have increasing influence in the sector globally, given the inherent systemic risk and impact of the sector on overall economies. Regulatory influence is pronounced—because cybersecurity, payments and crypto, and climate concerns are hitting the financial services sector first."

Jenni Hibbert

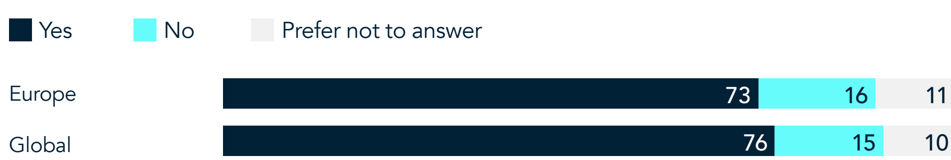
Global managing partner, Go-to-Market; Regional leader, Europe & Africa, Heidrick & Struggles

Satisfaction with level of influence

We also asked respondents how satisfied they are with the current influence of stakeholders, generally and on a relative basis. A majority of respondents globally report a high level of satisfaction (76%).

- Those reporting the highest levels of satisfaction with the current stakeholder mix also report spending increased time understanding emerging technologies, AI, and cyberrisk. They also most often report that the leadership team has more influence post-Covid-19.
- Those who report less satisfaction with the stakeholder mix more often also say that regulators, activist shareholders, and social activists have more influence than before Covid on the board agenda. They also more often report increased time spent on financial performance and stakeholder concerns.

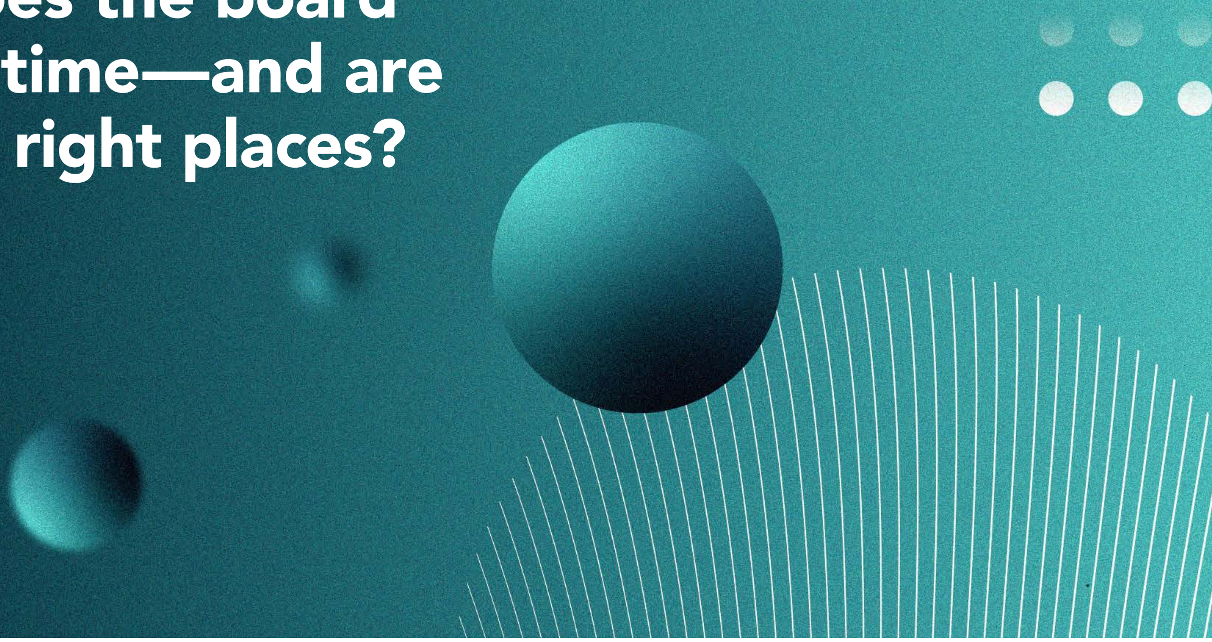
Europe and global: Who is influencing the board? (%)
According to CEOs and board members, do these groups have the right amount of influence?



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,567
Note: Numbers may not sum to 100%, because of rounding.

The forces that influence board governance are hard to predict. The importance of attracting and retaining workers and customers has never been higher—and is likely to continue. For all that has been written about the rise of shareholder access and scrutiny, it is only starting to take hold in the boardroom, relative to other stakeholders.

Where does the board spend its time—and are those the right places?

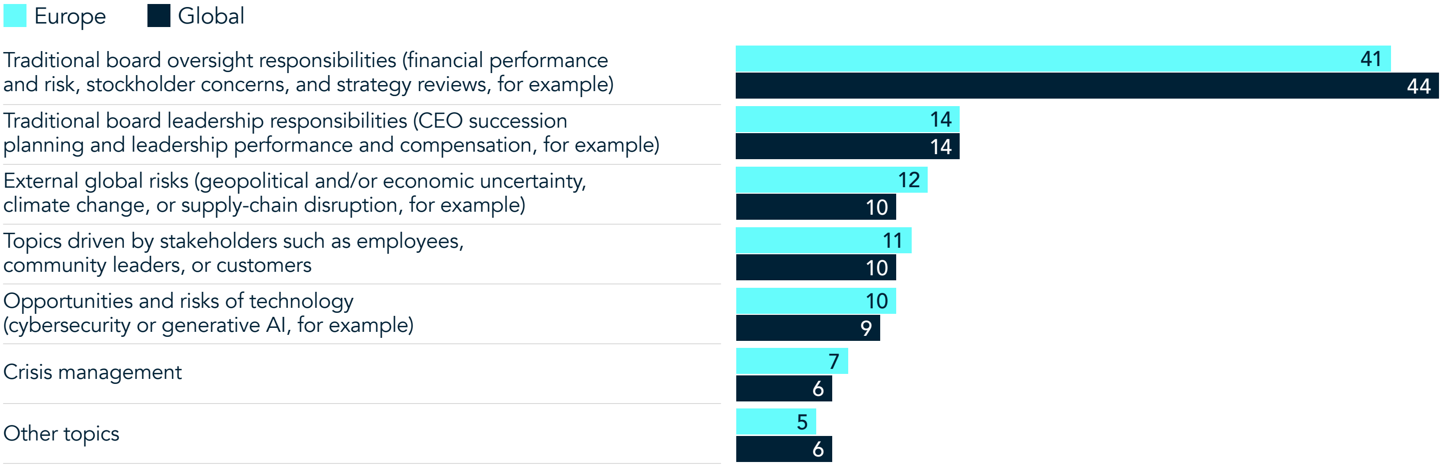


More and more companies are learning to thrive in this environment, adjusting to consider and address an expanding number of issues. As new influences come to the fore, boards are also shifting how they spend their time. We asked directors and CEOs both how they split their time in meetings and which topics receive more of their attention in a post-Covid environment.

Allocation of meeting time

There is broad agreement globally, among both CEOs and directors, that the board meeting agenda remains primarily focused on “traditional board oversight responsibilities” (financial performance and risk, stockholder concerns, and strategy reviews, for example) and “traditional board leadership responsibilities” (CEO succession planning and leadership performance and compensation, for example). Together, these categories take up nearly 60% of boards’ time. External global risks, the opportunities and risks associated with technology (AI and cyber) and other stakeholder issues capture about 10% each in the balance of the meeting schedule. Crisis management and other topics round out the balance.

Europe and global: Average share of meeting time spent on... (%)



Source: Heidrick & Struggles’ survey of CEOs and board members, February 2024, n=2,715

Most pressing topics now versus pre-Covid

Globally, more respondents report spending more time on emerging technologies/AI and cybersecurity compared to pre-Covid than any other category. Consistent with our findings on who is influencing the board, attention to mainstream and activist shareholder concerns show the lowest increase.

More respondents in Europe report an increase in time spent on emerging technology and AI concerns than any other area, consistent with the average global response.

AI is fast becoming a top board agenda in Europe due in part to the rapid evolution from hype curve to practical application, as well as the potential loss in competitive advantage if they don't explore (and embrace) AI's capabilities. That being said, it feels like most European boardrooms are approaching AI with a healthy dose of pragmatism and not succumbing to the 'fear of missing out' and making rash decision. It's a delicate balance to get right and boards (and broader leadership teams) are having to learn fast, build use cases, and get their arms around the relevant internal and external governance frameworks for this exciting new technology."

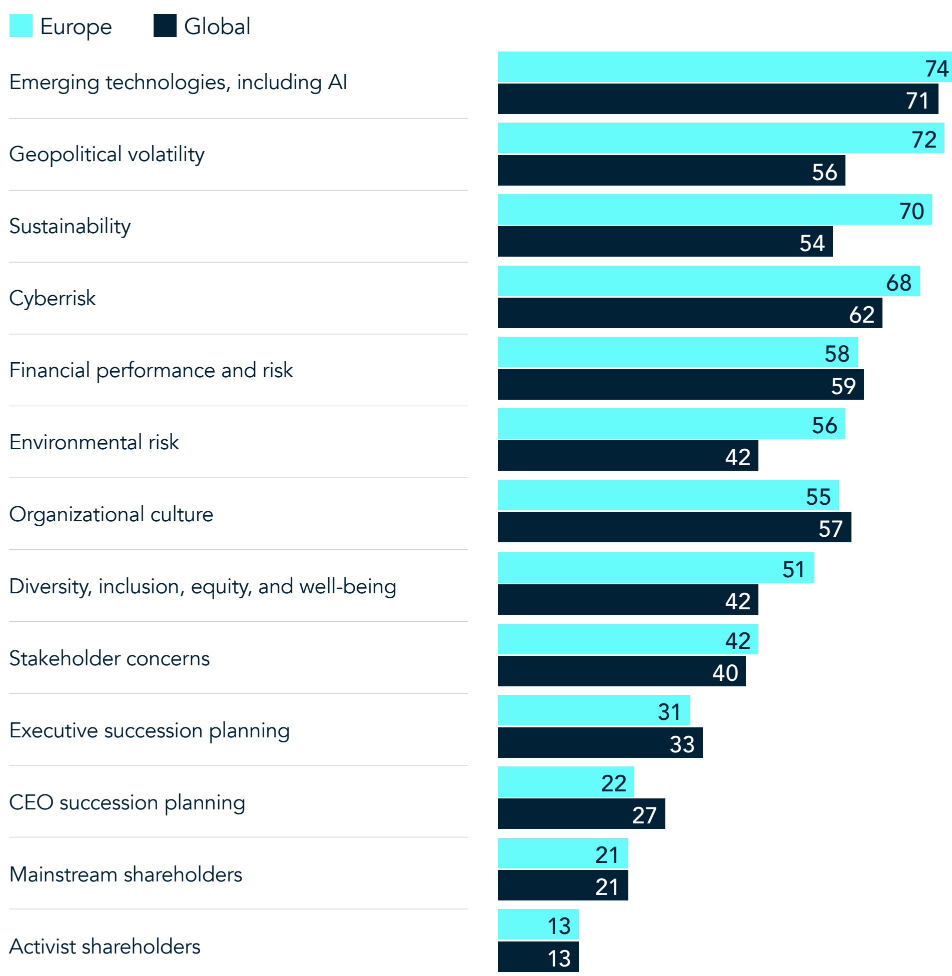
Sam Burman

Global managing partner, Artificial Intelligence, Crypto & Digital Assets, Cybersecurity, Health Tech, and Industrial Tech sectors; Heidrick & Struggles

More satisfaction with where the board spends time includes more time spent on CEO succession planning

CEO succession planning falls near the bottom of the list of areas where directors around the world say they've spent more time post-Covid, at 11th out of 13 options. However, 40% of directors who say their time is spent in the right places say they've increased time spent there, compared with only 28% of those who aren't satisfied. This suggests that at least some directors are concerned that succession planning is not receiving the attention it deserves—a reasonable concern given the findings of other recent research we've conducted showing that 57% of CEOs and directors had little or no confidence that their company's CEO succession planning was positioning the organization well for the future.

Europe and global: Topics on which the board has most increased the amount of time spent (%)



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,687

Respondents in Europe far more often than their global peers report **spending more time on geopolitical, sustainability, and environmental risks**.

> Our European clients, most notably those in the industrial and energy sector, remain focused on measuring and improving performance on broad sustainability and environmental goals. Board-level sustainability concerns have leveled off relative to other priorities (for example, geopolitical risk, AI, cybersecurity) as climate-related regulatory, measurement and disclosure standards have become more clear and corporate governance frameworks have matured."

Claire Skinner

Global managing partner, Heidrick Consulting

On the whole, **respondents at larger companies, those with more than $1 billion USD in annual revenue, report spending more time in every area, except financial performance and risk, while their counterparts at smaller companies are more often spending more time specifically in that area.** Respondents at public companies are also more often saying they are leaning into emerging issues compared with their private company counterparts.

The board landscape has always been in flux, and directors have always adjusted. In the same way that the push for independence, board diversity, and stronger financial oversight substantially reshaped today's boardroom, directors are again testing traditional boundaries as they consider addressing demands from an expanding and more influential set of stakeholders, and on a growing list of issues considered "external" and less relevant in the past. We now turn to the ways in which the most effective boards are responding.

How are boards addressing the widening risk environment?

Most directors accept that the complexity, intensity, and accelerating rate of change in the boardroom requires a new approach to governance. Ironically, perhaps, in an environment where there is a call for leaders to have more expertise on every topic, what really helps them succeed are wisdom, business judgment, and learning. These capabilities have never been more important. Governing in this environment requires new and practical approaches to ensuring expertise and managing risk.

To better understand how boards are adjusting to this new reality, we asked what steps they have taken since Covid began to better manage uncertainty and risk. Respondents remain anchored primarily in risk management practices that are "internal" in nature; that is, derived from interactions among the board itself and between the board and management. However, we also see a growing willingness to draw in the contributions of "external" experts.

> European boards need access to expertise to address growing risks in the areas of cybersecurity, AI, climate, and geopolitical risk. What remains fundamental is the ability to ask questions, challenge, and bring broad-based business acumen and judgment. Directors need to be able to contribute broadly, well beyond their area of deep expertise."

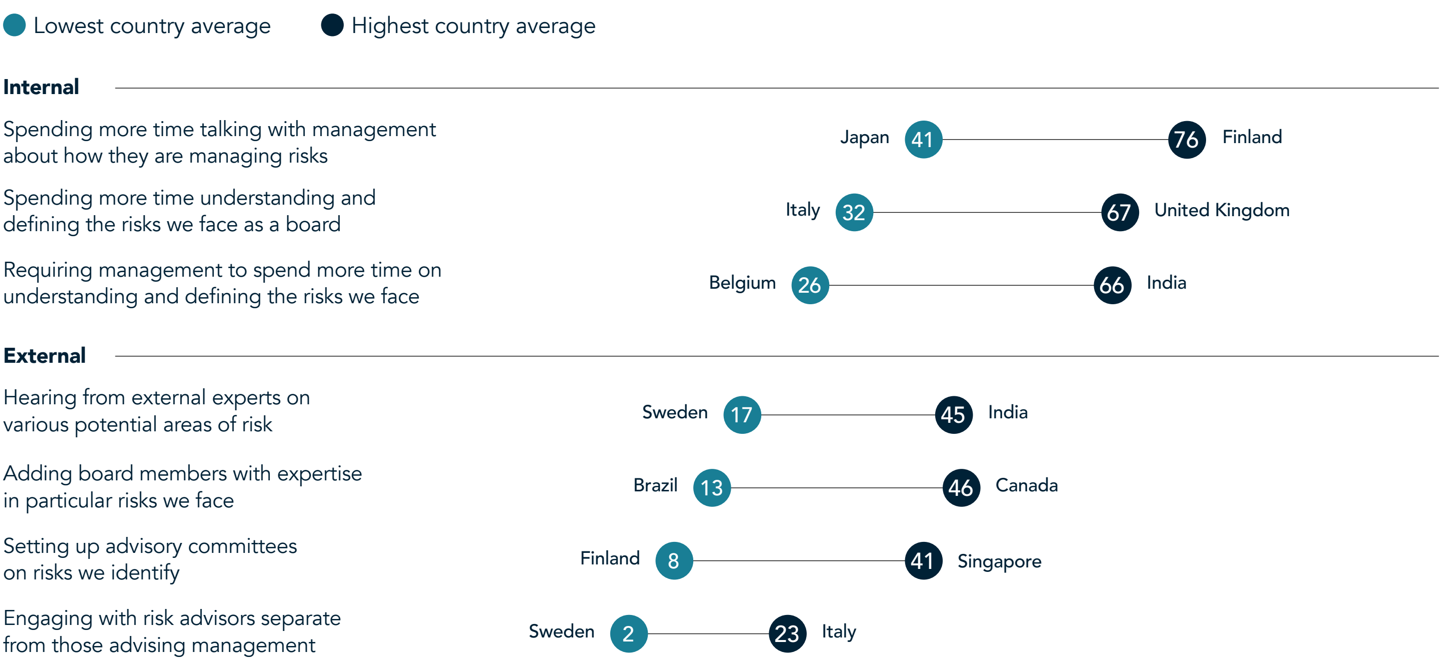
Nicolas von Rosty

Partner and leader, CEO & Board of Directors Practice, Germany, Heidrick & Struggles

Europe and global: Ways in which the board is managing risk and uncertainty post-Covid (%)

Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,552

Global: Ways in which the board is managing risk and uncertainty post-Covid (%)



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,552

Perspectives across sectors and company types

- Globally, respondents at financial services companies, more than those at companies in any other sector, have most often taken active "external" steps to address risk and uncertainty: 41% have added board members (versus 28% overall); 44% use outside experts (versus 35% overall); and 24% use advisory boards (versus 22% overall).
- Consumer company respondents say they have least often added external risk management resources: 23% have added board members (versus 28% overall); 31% use outside experts (versus 35% overall); and 21% use advisory boards (versus 22% overall).
- Public and private companies alike have accelerated their risk management efforts, but public companies have accelerated more aggressively than private companies in every tactic we asked about.
- Respondents at larger companies more often than those at smaller companies report they are adding outside board members or hiring external experts.

Post-Covid, the risk landscape has widened for businesses. While companies remain anchored in financial and operational risk management practices, the spectrum is growing and now includes significant emerging cyber, AI, and geopolitical risks on top of growing environmental and social concerns and regulations. Increased investment, both internally and externally, is paying off for companies that invest in novel approaches to expanding capacity and expertise.

Are boards more operationally involved?

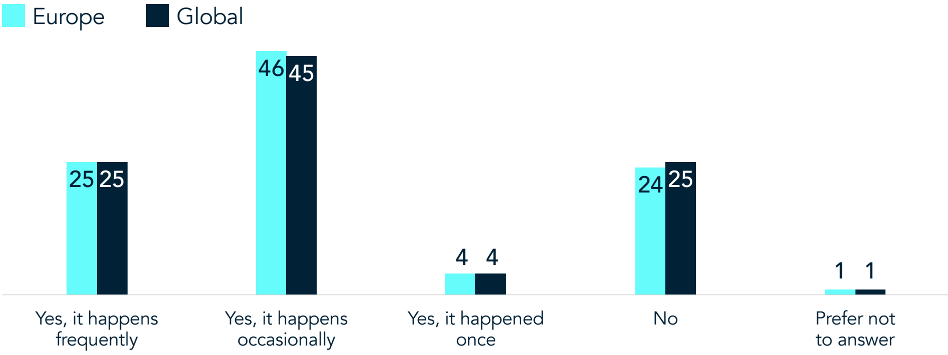
Few dispute that more is at stake and more is expected of directors now.[2] As the role of business in society expands, directors have been grappling with the boundaries of their respective roles. This has accelerated since Covid and is testing the sacrosanct "nose in, fingers out" standard that marks an important boundary between the board and management in ways we have not seen until recently.

To better understand this complicated issue, we asked directors and CEOs the following question: "There is an impression that many board members are more operationally involved than ever before, some crossing the traditional line between oversight and management. Have you seen this on your board?"

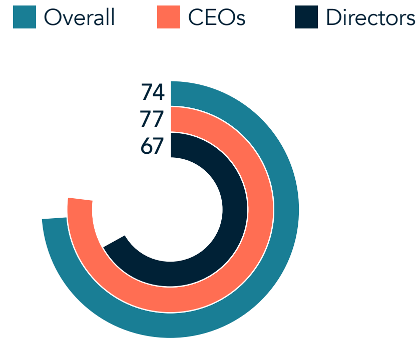
Globally, a majority of respondents report that board members are more operationally involved: 25% say it happens frequently; 45% occasionally; and 4% that it has happened once. Only a quarter report that they have not crossed that line. Notably, CEOs more often than directors report operational involvement from the board.

Europe and global: Boards' increasing operational involvement (%)

Has your board been more operationally involved?



Share that say there has been increased operational involvement overall (%)



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,569
Note: Numbers may not sum to 100%, because of rounding.

2 For more on these evolving expectations, see Jeremy Hanson and Tim Gallagher, "CEO and board succession in the age of impact An evolving model: Trends and recommendations," Heidrick & Struggles, heidrick.com; and *The Future of the American Board*, NACD, October 13, 2022, nacdonline.org, p. 11.

The relationship between the board and management and particularly the chair and the CEO is critical to driving a high performing organization. Having a stronger pulse on the business without overreaching will continue to be a challenge. The board's role is changing quite significantly—far more significantly than we probably appreciate. I think the board needs to play a more active role in a whole range of things because you won't have the experience and capacity in the CEO to deal with these complexities. You'll need some of it from the board."

Alice Breeden

Regional practice managing partner, CEO & Board of Directors Practice, Europe and Africa, Heidrick & Struggles

What reasons do those who have become more operationally involved cite?

- CEOs most often say it's because board members want to learn more about operations than regular reporting allows.
- Directors most often say it's because they have specialized knowledge the executive team doesn't.

Europe and global: Reasons why boards are more operationally involved (%)

Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=1,858

Perspectives across sectors and markets

Around the world, respondents in financial services least often report operational involvement: 65% say so, compared with a range of 73%–78% across all other sectors.

I think the board's role is changing quite significantly—far more significantly than we probably appreciate. I think the board needs to play a more active role in a whole range of things because you won't have the experience and capacity in the CEO to deal with these complexities. You'll need some of it from the board."

Mark Cutifani

Chairman, Vale Base Metals; board member, Total Energies; former CEO, Anglo American

The role of a director is becoming ever more onerous as reflected in the need to become more involved operationally as well as changing external considerations. Some directors regard regulatory involvement as a pendulum; however, given the broadening array of risks—technology, cybersecurity, and climate—present in the business environment, greater regulatory oversight is best seen as a secular trend."

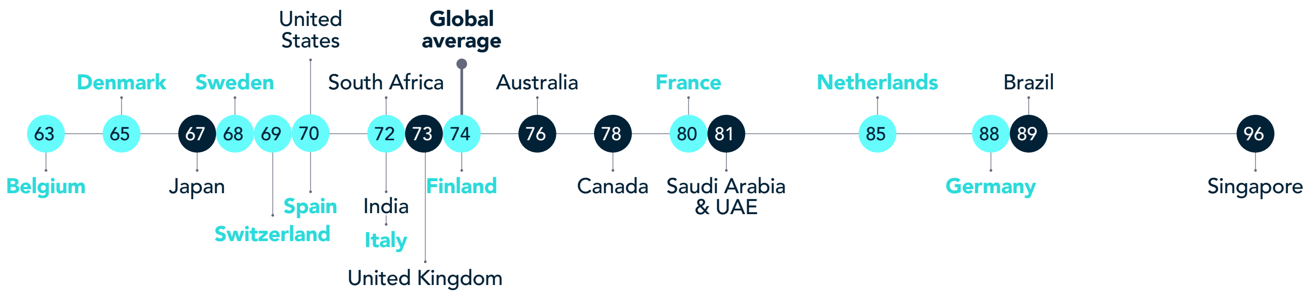
Colin Hunt

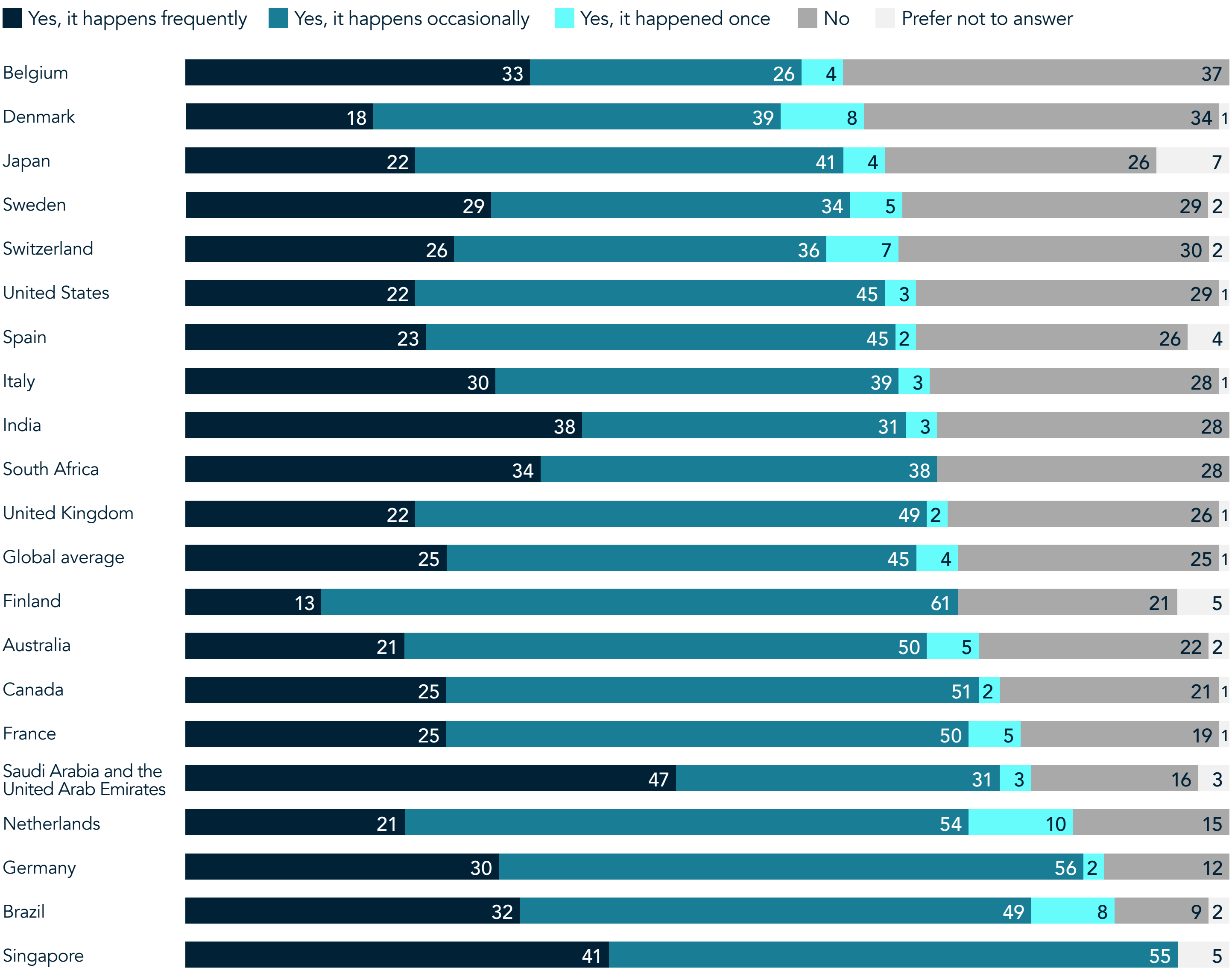
CEO, Allied Irish Bank

And there are marked differences across markets, with respondents in the Middle East most often saying it happens frequently, and those in Belgium most often saying it hasn't happened.

Global: Boards' increasing operational involvement, by country

Share of respondents that have reported increased board involvement overall, by country (%)





Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,569

Note: Numbers may not sum to 100%, because of rounding.

More operational involvement by the board in privately owned companies

Seventy-seven percent of private company respondents—those at private equity– or venture capital–backed companies or family-owned companies—report more operational involvement by the board, compared with only 70% of public company directors.

Thirty percent of private company respondents report operational involvement happens frequently.

Private company respondents also say board members get involved for different reasons:

- 39% say it's because the board has specialized knowledge the executive team does not have, compared with 33% of respondents at public companies
- 16% do so because the CEO does not have the bandwidth to handle increased responsibilities and needs help from the board, compared with 12% of respondents at public companies

There is, of course, less regulatory burden on privately owned companies and greater expectation of board member involvement overall as board members are, on the whole, direct owners.

> The lull in private capital investing in the United Kingdom and Europe over the past 18 months has meant that the number of appointments to the boards of private capital–controlled businesses has dipped. However, the value and importance of external chair and non-executive director appointments to the boards of private capital investee companies remains undiminished, and we expect to see the number of appointments increase in line with deal activity."

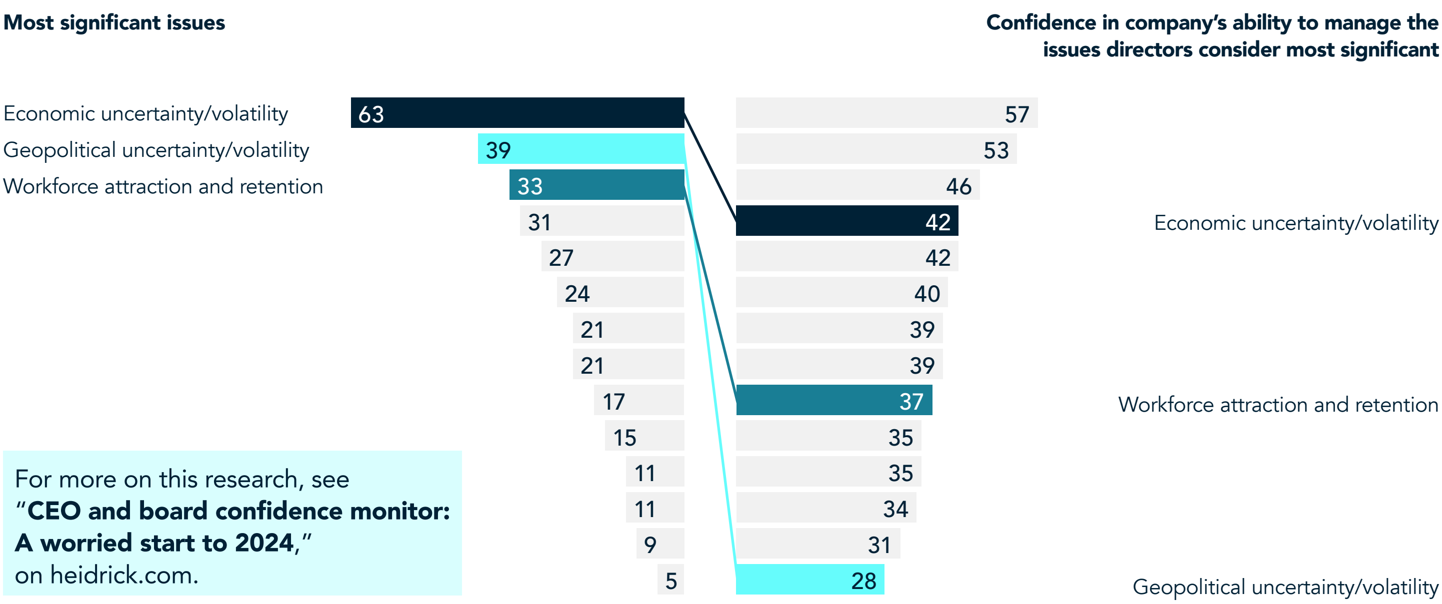
Will Moynahan

Partner in charge, Heidrick & Struggles' London office; Regional managing partner, Europe & Africa, Private Equity Practice; and member, CEO & Board of Directors Practice

How are boards engaging with the workforce?

As we entered 2024, other recent research has found, workforce attraction and retention was the third-highest concern of directors, behind geopolitical risk and economic uncertainty—but it ranked in the bottom half of issues the board feels the company is equipped to address.[3]

Global: Most significant issues and confidence in company's ability to manage them (%)



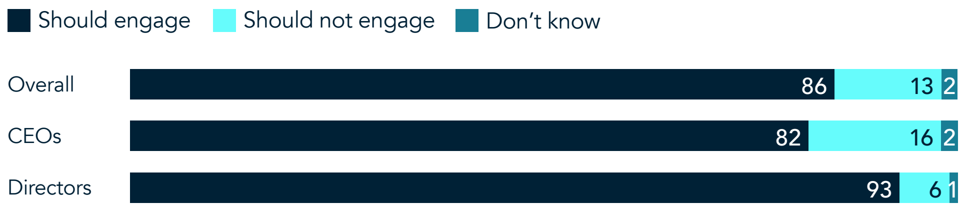
For more on this research, see "**CEO and board confidence monitor: A worried start to 2024**," on heidrick.com.

Source: Heidrick & Struggles' survey of CEOs and board members, November 2023, n=3,156

3 "CEO and board confidence monitor: A worried start to 2024," Heidrick & Struggles, January 17, 2024, heidrick.com.

To better understand the impact of this on how the board does its work, we asked respondents how they think they should engage with employees other than the most senior executives. **A significant majority (86%) believe directors should engage with employees deeper in the company; only 13% believe they should not** (the rest said they didn't know). But there is a notable difference between CEOs and directors: 93% of directors believe they should engage; 82% of CEOs say the same.

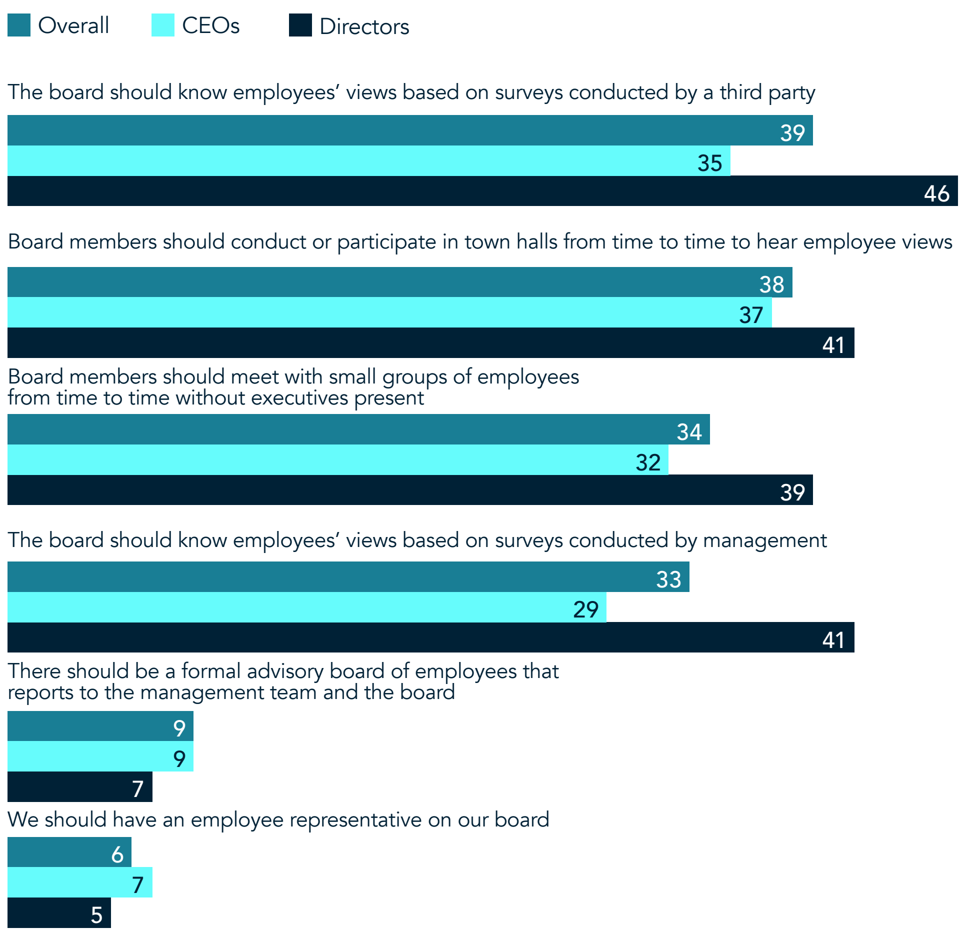
Global: Board members' engagement with employees deeper in the firm (%)



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,547
Note: Numbers may not sum to 100%, because of rounding.

On a global basis, respondents most often preferred to engage with the workforce through the use of surveys, town halls, and direct engagement with small groups of employees without management present. Here, too, there are some differences between how directors and CEOs think boards should seek engagement.

Global: Ways boards should engage (%)



Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,547

Europe in context

Europe and global: Ways boards should engage (%)

Source: Heidrick & Struggles' survey of CEOs and board members, February 2024, n=2,547

Perspectives across sectors and company types

- Respondents at larger companies more often favor engagement with small groups of employees without management present than those at smaller companies (42% and 32%, respectively).
- Respondents in the financial services sector most often favor engagement with employees without management present; 44% compared with a high of 35% in other sectors.

Given the growing influence the workforce has on business globally, it is not surprising that directors are engaging more and exploring novel approaches to understanding the needs of this increasingly important stakeholder. While reticent to allow formal engagement approaches, most directors—with the support of many but not all CEOs—are interested in more direct interaction.

> As ever, your data-rich research provides valuable insights on evolving board dynamics and concerns. The role of a director is becoming ever more onerous as reflected in the wish/need to become more involved operationally as well as changing external considerations. Some regard regulatory involvement as a pendulum, but given the broader array of risks, technology, cybersecurity, and climate present in the business environment, greater regulatory oversight is best seen as a secular trend."

Colin Hunt

CEO, Allied Irish Bank

How are boards thinking about diversity today?

The business world, for all its faults, has proven its ability to respect our differences, using them as a source of valuable debate, and to work above and around our divisions to solve complex problems, drive innovation, and create value. This is perhaps why business has a trust edge over government and the media. For most of us, this edge is hard to put into words, but you know it when you feel it; that lift inside when you realize your colleagues, customers, and employees don't vote, live, vote, or pray like you and you couldn't care less. This is when business is at its best. Governing and leading across abiding cultural divisions may be the most important thing business has to offer society.

Diversity among the newest directors

Our clients are gaining confidence in their ability to build boards and management teams that reflect the populations they serve—in an expanded sense of the word. We have seen shifts in governance in Europe, such as the EU directive drive progress in this area. We see that boards' long-term commitment to gender and ethnic diversity remains intact and is expanding to improve leadership across an ever-increasing, complex set of issues."

Carole Deffez

Partner, CEO & Board of Directors and Healthcare & Life Sciences practices, Heidrick & Struggles

Our clients remain committed to building boards that reflect the employee and customer populations they serve. The long-term trends reflect strong progress—and uncover room for improvement. This is a never-ending task."

Tobias Petri

Partner in charge, Copenhagen office, and member, CEO & Board of Directors Practice, Heidrick & Struggles

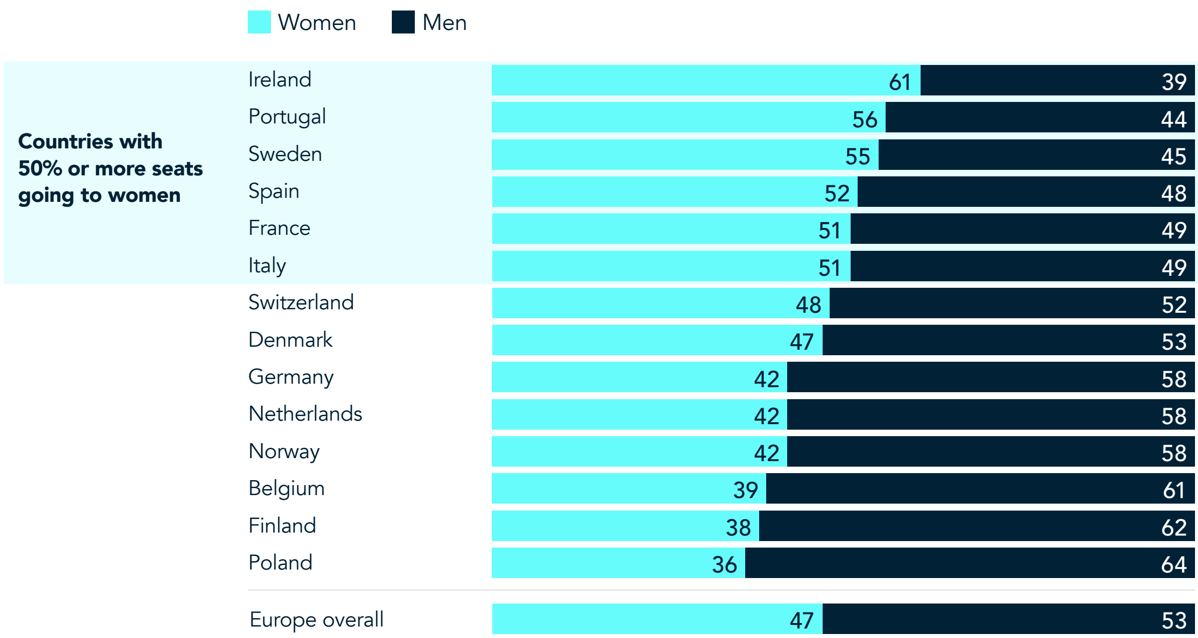
Diversity among the newest directors

Each year, we analyze the new appointments to the boards of companies listed across Europe, including overall turnover, new directors' former and current executive roles, and age, among other aspects of their backgrounds.[4] For the full year of 2023, we saw a small uptick in the number of seats filled though a small downturn in the share of seats going to first-time directors. Overall, diversity trends remained steady.

Gender

EU regulation requires that boards have at least 40% (and not exceeding 49%) of the underrepresented gender among non-executive directors or at least 33% (and not exceeding 49%) among all board members for listed companies by the end of June 2026.[5] Progress toward that goal has been steady over recent years, with the share of seats going to women ranging from 43% to 49%. In 2023, 47% of seasts went to women in Europe overall, and in six countries more than half of seats went to women.

Europe: Share of female director appointments, 2023 (%)



Source: Heidrick & Struggles' analysis of European boards. In 2023, there were 527 seats filled.

Note: Numbers may not sum to 100%, because of rounding.

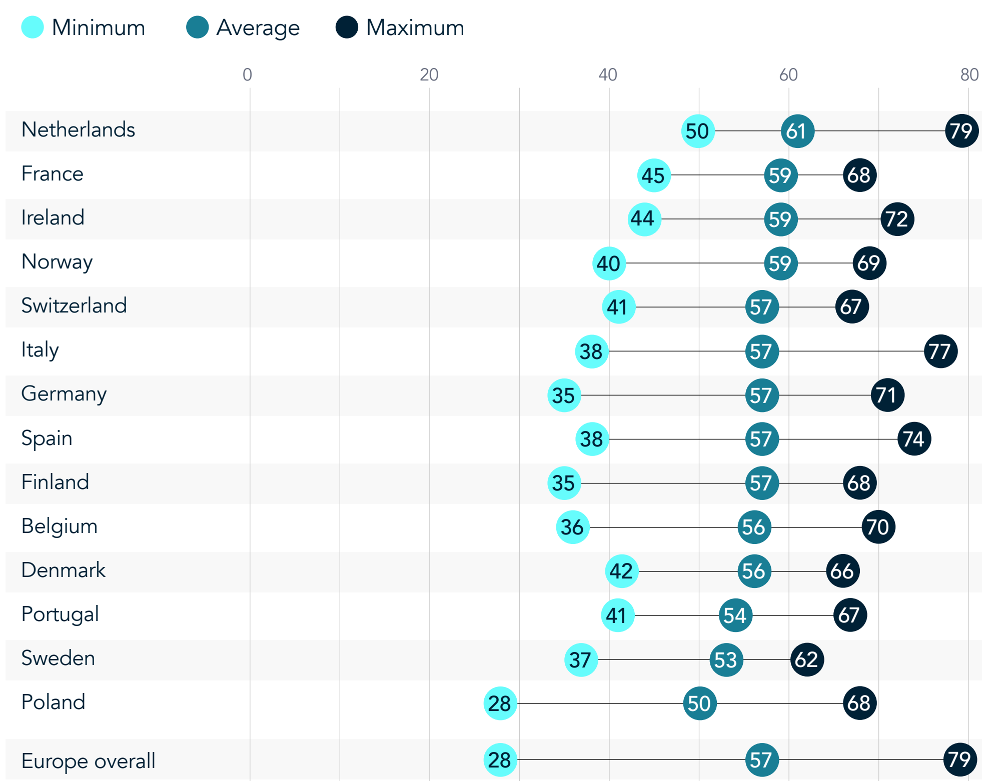
4 "Board Monitor 2024: Explore the data," Heidrick & Struggles, heidrick.com.

5 "Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures," EU-Lex, November 23, 2023, eur-lex.europa.eu.

Age

The average age of newly seated directors has crept up since 2020, from 55 to 57. What's most notable this year is the range of ages, from 28 to 79.

Europe: Average age at appointment

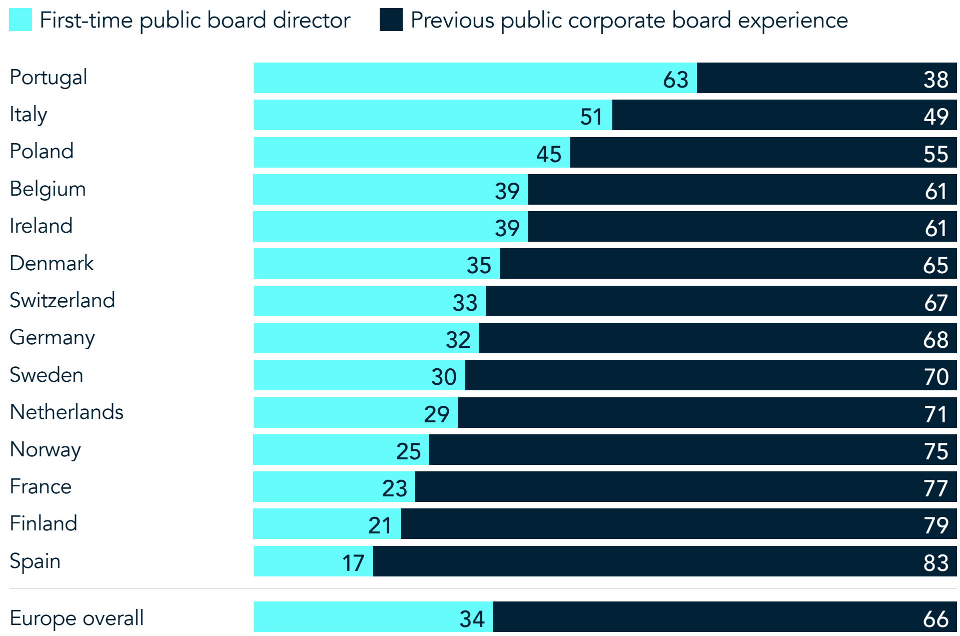


Source: Heidrick & Struggles' analysis of European boards. In 2023, there were 527 seats filled.
Note: Numbers may not sum to 100%, because of rounding.

Experience

The share of first-time directors has fallen from a high of 48% in 2020, when boards around the world were seeking new expertise in unprecedented circumstances, to a more typical 34%. This indicates that boards are still seeking a steady flow of fresh perspectives.

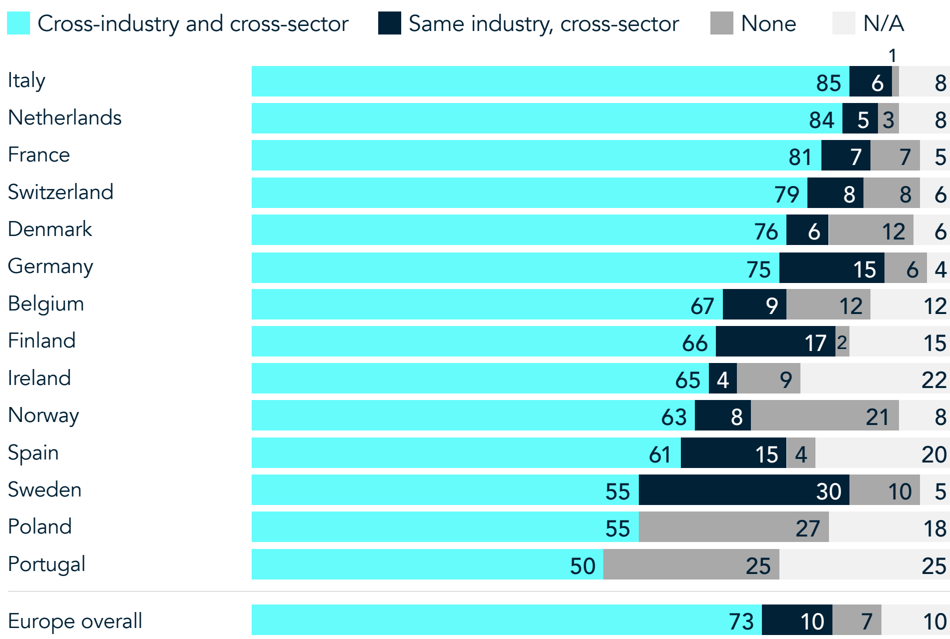
Europe: Previous public board experience of 2023 appointments (%)



Source: Heidrick & Struggles' analysis of European boards. In 2023, there were 527 seats filled.
Note: Numbers may not sum to 100%, because of rounding.

That goal is also evident in the fact that nearly three-quarters of seats went to people with experience in industries other than the one their company is in.

Europe: Cross-sector experience of 2023 appointments (%)



Source: Heidrick & Struggles' analysis of European boards. In 2023, there were 527 seats filled.
Note: Numbers may not sum to 100%, because of rounding.

Recommendations

1. **Increase stakeholder engagement**
A majority of directors are increasing engagement with stakeholders of many kinds. Engagement with the workforce varies widely by region, and from company to company. In Europe, (and the United Kingdom) regulators top the list of those having more influence.

2. **Cultivate a learning culture on the board**
Directors are accustomed to being hired for their expertise—for being experts. This won't change, but the scope of expertise required is expanding beyond the capacity of a traditional board. In this environment, "learning to learn" and business judgment have never been more important. Effective chairs set the tone for learning.

3. **Expand sources of expertise**
Still, a growing number of boards are also using mechanisms such as advisory committees, external advisors, and on-demand talent platforms to surround the board with the range of rapidly changing skills needed to create capacity and govern in this expanding environment.

4 **Increase investment in succession planning**
In this widening risk environment, and with rising investor pressure on directors, effective boards are adopting an ongoing approach to succession planning—for both the CEO and board itself. Reactive recruitment projects are a thing of the past. Still, our research shows concern among many directors that succession is being pushed down the priority stack and not actively addressed.

5 **Govern across boundaries**
Polarization has reached severe levels in a growing number of countries. The new face of diversity includes and goes well beyond traditional definitions and boundaries. The implications for business are far reaching. Make certain that director candidates have the experience, wisdom, empathy, and proven reputation of working across societal and inter-company boundaries.

6 **Leverage others**
As the scope of board responsibility expands, lean on the corporate secretary for help. Challenge service providers and outside experts to take on more, collaborate with each other, and rethink their business models (standards, pricing, conflicts). Lean on the executive team, and on peer companies, to develop collaborative insights and drive change.

Acknowledgments

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CEO, Allied Irish Bank

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Methodology

In November 2023, Heidrick & Struggles fielded an online survey that garnered responses from 3,156 respondents. Of those, 2,320 respondents were CEOs and 836 were non-executive directors. Forty-one percent were in Europe; 38% in North America; 10% in Asia Pacific; 4% in both Latin America and the Middle East; and 2% in Africa. Respondents represented companies of all sizes; 23% reported annual revenue of US $1 billion or more. Companies ranged across all industries.

In February 2024, Heidrick & Struggles fielded an online survey that received responses from 2,653 respondents. Of those, 1,927 respondents were CEOs and 726 non-executive directors. Thirty-seven percent were in Europe; 37% in North America; 9% in Asia Pacific; 4% in the Middle East; 3% in Latin America; and 1% in Africa (and 9% N/A). Respondents represented companies of all sizes; 26% reported annual revenue of US $1 billion or more. Companies ranged across all industries.

This analysis is part of Heidrick & Struggles' long-standing study of trends in board composition in countries around the world. Produced by our global CEO & Board Practice, these reports track and analyze trends in non-executive director appointments to the boards of the largest publicly listed companies in Australia (ASX 200), Belgium (BEL 20), Brazil (B3), Canada (TSX 60), Colombia (COLCAP), Denmark (OMX Copenhagen 25), Finland (OMX Helsinki 25), France (CAC 40), Germany (DAX and MDAX), Hong Kong (Hang Seng), Ireland (ISEQ), India (Nifty Top 200), Italy (FTSE MIB), Mexico (BMV IPC), the Netherlands (AEX), New Zealand (NZX 10), Norway (OBX), Poland (WIG20), Portugal (PSI 20), Saudi Arabia (Tadawul), Singapore (STI 30), South Africa (JSE Top 40), Spain (IBEX 35), Sweden (OMX Stockholm 30), Switzerland (SMI Expanded), the United Arab Emirates (ADX and DFM), the United Kingdom (FTSE 350), and the United States (Fortune 500). Information about executives is gathered from publicly available sources, BoardEx, and a Heidrick & Struggles proprietary database.

CEO & Board of Directors Practice

Heidrick & Struggles' CEO & Board of Directors Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients' most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board of Directors Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital, enables us to provide sound global coverage for our clients.

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