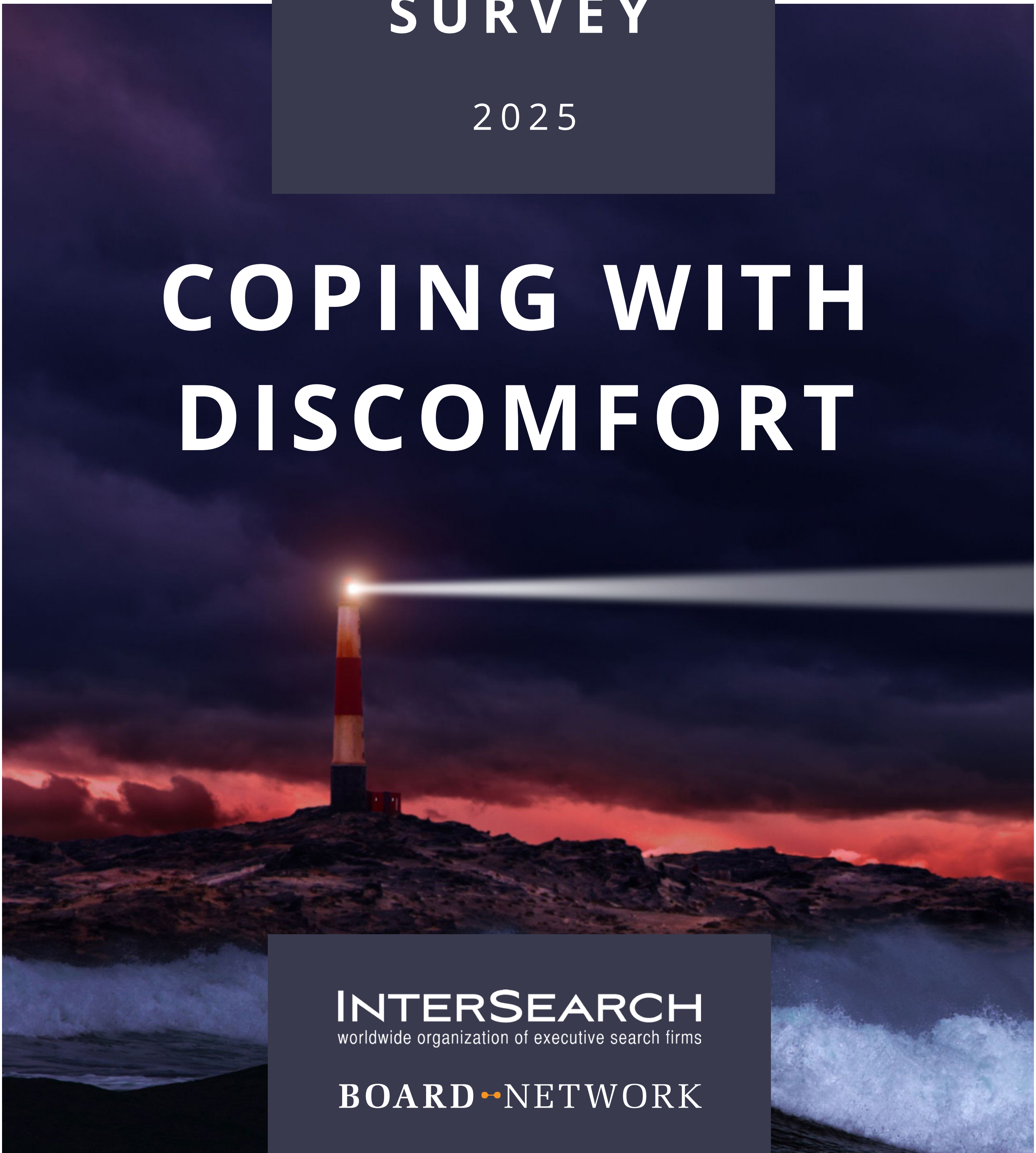
GLOBAL BOARD SURVEY

2025

COPING WITH DISCOMFORT



InterSearch
worldwide organization of executive search firms

BOARD NETWORK

CONTENTS

EXECUTIVE SUMMARY
– THE HEART OF THE MATTER

INTRODUCTION

Stress, struggles and hardships are no foreigners to the majority of corporate boards in the early days of 2025. On the other hand, times of change often pose good opportunities for growth.

Boards and executive management teams across the globe, no matter the size of the business or the industry they deal in, are quickly learning that **the corporate playbook is being rewritten as we speak** - and at an extreme pace.

The rule-based society, safe-guarded by multilateral institutions, treaties and judicial courts, is being tested to its limits.

Technological advancements and innovations, political dogma shifts and increased geopolitical tensions, climate change impacts of unprecedented nature, and a remarkable change in the media landscape are all framing the new realities of countries, governments, societies, institutions and companies.

Hence, the globalized economy that many of us had grown accustomed to since the fall of the Berlin Wall, is quickly being replaced by regimes of increased focus on national interests; a growing overlap between security policy and security of supply of energy, water, etc.; challenged supply-chains; economies challenged by trade barriers; and the shaping of new international alliances.

All **this leaves most corporate boards at a strategic crossroads.** Some will find quick paths towards growth and prosperity while others will strain in trying to cope with discomfort. **Winners will be those who succeed in adapting, innovating and evolving within the new realities** - no matter if they concur or not with the political circumstances, the economic policies or the societal megatrends.

For long, corporate priorities within areas like sustainability, DEI, social responsibility, ethical governance, environmental initiatives, etc. were not just able to but encouraged to and rewarded for running in parallel with old-fashioned KPIs like revenue growth, gross profit margin, EBITDA, cash flow and liquidity, debt-to-equity ratio, earnings per share, total equity, and total shareholder return.

However, with a massive U-turn of the public agenda initiated by the 47th president of the USA, Donald Trump, most of the above which could be described as **stakeholder capitalism-initiatives that gained quite a foothold during the past decade across the corporate world are now quickly being re-evaluated and some places disposed of.** Other companies are weighing their defined purpose and corporate values against severe judicial threats and financial implications imposed by the new American government.

The re-balancing of priorities for particularly large corporates with either US headquarters or lots of trade with the US, has become an imminent concern of all boards at such companies. No matter what they choose to do in the time ahead, they risk losing backup from either investors, employees, customers or public authorities – and worse; what might gain them in one country could cause severe problems for them in another. Add to this possible tariffs and counter-tariffs across countries and regions, and **you have the most complex and challenging world environment in 80 years,** business-wise, economically and politically.

The impact on the rest of the world from the political shift in the US remains to be determined, but undoubtedly, there will be both winners and losers in the States as well as elsewhere, but one thing is certain; in trying to navigate all the uncertainty, **boards globally need to get used to coping with discomfort.** There will be very few easy wins for anyone.

This puts tremendous pressure on political, public, and not least business leaders. They are the ones with the ultimate responsibility for the long-term viability and survival of the businesses they head up.

Between January – February 2025, we asked around our sizeable global network of chairs and board members, and we are very proud to hereby present to you the findings of our **Global Board Survey 2025 – Coping with Discomfort.**

For the tenth year, we have been looking at what's hot, what's not and what's next within Corporate Governance and Board Leadership – because we know that what drives the board will always most certainly cascade down to executive management and from there further down the organization.

CONTEXT

InterSearch – Worldwide Organization of Executive Search Firms and Board Network – The Danish Professional Directors Association have together performed this Global Board Survey 2025 in January and February 2025 among a record-high number of **3,034 corporate chairs and board members from 83 different countries and legal jurisdictions on all populated continents.** The regional distribution of our respondents is **42% from EMEA, 35% from Americas** and **23% from APAC.**

Respondents represent every imaginable industry, all sizes of companies from small startups to heritage organizations with turnovers of more than USD 100 Billion per year, and all kinds of ownership structures, ref. the demographic data at the end of this report.

With a survey population as big and diverse as ours, often regional or country-specific tendencies will show, or historically or culturally defined demographic trends will surface, however we also see some very strong, universally valid results and trends which we want to highlight here:

- For the tenth year in a row, our global board survey shows that **boards have once again worked harder in the past year than ever before,** but just as important, directors expect to spend increased time on almost every single item on the board agenda in the year to come, also for the tenth year in a row. Perhaps not too surprising, that also means that **boards in general feel that their remuneration is unsatisfactory.**

- **A small majority of boards remain optimistic regarding the future for their companies,** however answers vary greatly between different geographies

- **Four very significant megatrends stand out in the eyes of global board members; War / Geopolitical Instability, AI, Growing Nationalism, and Sanctions & Trade Barriers.** This leaves one of the past 5 years' 'evergreen top 3s', Sustainability, far behind – a clear testament to how the agenda is changing rapidly at the moment.

- Similarly, when predicting the most important board trends in the coming year, two trends outshine the rest; AI and Increased Political & Geopolitical Focus. Again, a rather dramatic change compared to the previous 5 years.

- When probed about the more immediate external challenges, **Competition, Political / Geopolitical Issues, and Financial Turmoil / Inflation rank as the top 3 external issues that boards expect to be dealing with during the next 12 months**

- **Among internal challenges which boards will be prioritizing in the next 12 months, respondents mention Strategy first, followed by Sales, and HR-issues.** These are actually identical to our findings in 2024.

- This year, we wanted to check the temperature within four select areas of investment cases, and while three of these gain a positive score (AI, Geopolitical Matters, Sustainability), one area; **DEI can expect a decline in terms of dedicated resources.** We see an obvious correlation between the Trump-administration's new policies and this score.

- Yet, boards have up until now continued their diversity efforts and **numbers of diverse candidates on boards continued to grow in 2024** - especially within the areas of gender, nationality, functional competencies, and age. However, in terms of how many respondents now support gender-quota initiatives the number is down from **52% last year to 49% this year.** What hasn't changed though is that the support continues to rely heavily on the respondent's own gender: A staggering **75% of women support such initiatives while this is only true for 39 % of the men.**

- This year, 34% of respondents believe the board composition should change from a competence point of view (up from 28% last year), but more significantly 30% would like to replace one of their fellow directors, **29% say that two of the current directors should leave while a worrying 17% state that 3 or more directors ought to be dismissed**

- Also notable is that **the level of satisfaction with Executive Management has fallen remarkably.** Only 38% say that they see no need for changes to the EMT. That number was 53% last year. To that point it causes worry for us that **as few as 30% of global boards say that they have adequate succession plans in place for the CEO and the rest of the EMT.**

- **Boards in general find that they lack competencies within AI, innovation / R&D, cyber risk, and public affairs** the most. On the other hand, the vast majority feel well positioned within functional expertise areas like general management, industry knowledge, strategy, finance / economics, governance / compliance, and M&A.

- This year, we probed our respondents about their CEO's possession of certain competencies and personality traits. In general, the scores were high. Industry understanding scored the highest followed by the right cultural values. Last, but still not doing bad, was sufficient X-factor.

- The importance of having both an independent chair as well as an independent majority of board members continues to resonate the most with companies of size; our survey finds that **the higher the turnover, the more likely a company is to put weight on the importance of independent board members**

- In general, respondents rate the quality of the board's overall performance quite high, but in general factors like **better understanding of the company's strategy, adjustment of agenda priorities, and better alignment between EMT and the board, are named the top factors to likely improve the board's overall performance**

- **The strategic areas which the boards feel the least comfortable around are AI / digitalization, talent management / HR, and cyber risks / data privacy.** Within all three areas, the lack of confidence is at such a level that it calls for immediate attention since we also know from this year's survey that these are all areas that pose some of the largest external and/or internal challenges for companies in general. **The truly worrying part is that this pattern is identical every year.**

- **Board recruitment is getting more and more professionalized with 46% of boards using Executive Search firms** to help identify board candidates. The big majority of boards, however, continue to also take advantage of the board members' as well as shareholders' personal networks.

- A large increase in the use of regular board evaluation is another factor pointing to the increased professionalization of boards. **As many as 70% now say they perform regular, structured board evaluations.**

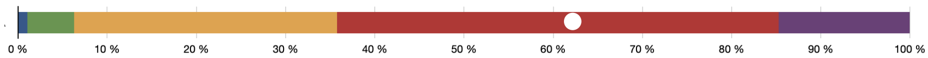
- **51% have attended an Executive Education Board Program** of more than 4 days' duration, underlining the growing professionalization of boards.

THE ANALYSIS

TIME SPEND AND BOARD COMMITTEES

Ten years in a row. The workload of boards increased once again this year. As little as 6% of respondents spent less time in the past 12 months (compared to the previous 12 months) while 65% put in more hours preparing for and participating in the board meetings.

How much time have you spent on this specific board in the past 12 months in comparison to the previous 12 months?



- 1,05% Decreased significantly
- 5,26% Decreased slightly
- 29,47% Stayed the same
- 49,47% Increased slightly
- 14,74% Increased significantly
- Weighted Average

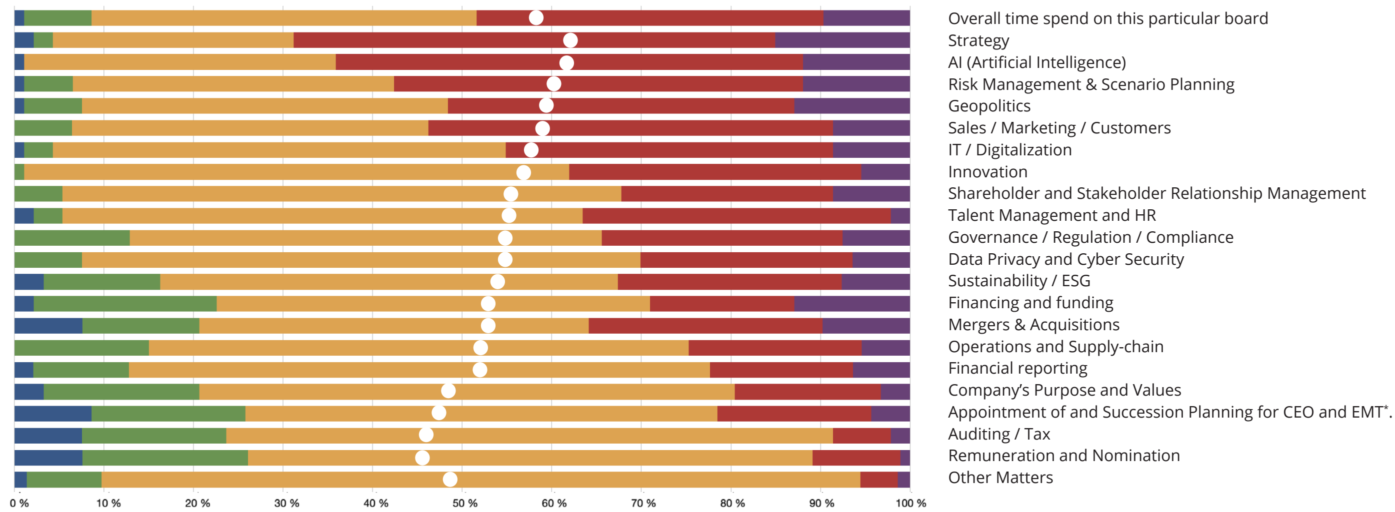
When further probed about their expectations for the coming year, boards say they expect to spend even more time on 16 out of 21 specified agenda items. Particularly strategy, AI, risk management, geopolitics, and sales / customers, can expect to gain even more attention in the coming year.

Only the company's purpose / values, succession planning, audit / tax, remuneration / nomination, and so-called other matters are likely to get less attention according to our respondents.

With a continuous increase in time demand, steadily growing over all 10 years during which we have published our Global Board Surveys, boards have undoubtedly moved closer to the business and daily management. Not only is this a growing trend year on year, but we won't underestimate the impact of what the uncertainties during the past few years and going forward (geopolitical uncertainty, possible trade barriers, etc.) have meant for that trend.

However, we want to caution boards about the fact that **the best CEOs almost all expect a reasonable level of autonomy to maintain motivation** plus the fact that an (almost) full-time working board in reality means that the business had simply added another level of senior management. This could increase the risk of the board not being able to keep an arm's length to operational decisions and would thus significantly decrease its value as the right body to oversee risk, control and governance procedures.

How much time do you expect to spend on the following items on this board in the next 12 months compared to the past 12 months?



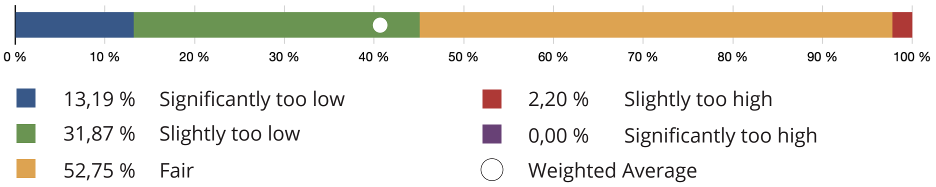
- Significantly less time
- Somewhat less time
- Same as now
- Somewhat more time
- Significantly more time
- Weighted Average

* Executive Management Team

BOARD REMUNERATION

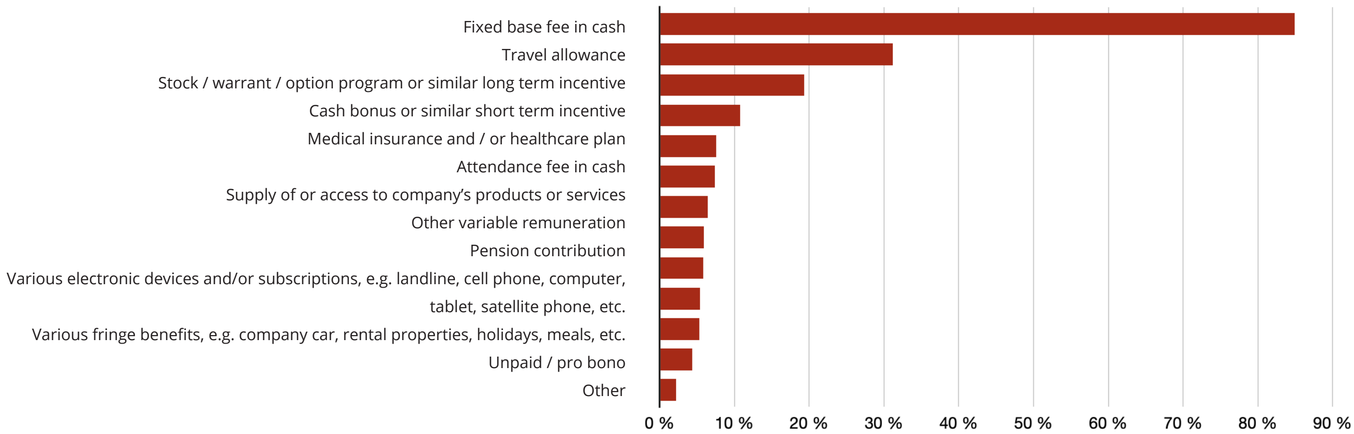
Since workloads keep increasing every year, it should be no surprise that in every single surveyed country, **board members at a weighted average continue to feel underpaid.** As this survey has not mapped the remuneration levels as such, we cannot testify if there has been any kind of fee adjustment over the years and if so to what extent. Yet, the conclusion seems clear enough; considering the time spent, the personal contribution, industry benchmark, company's performance, assumed responsibilities and liabilities, etc., the total remuneration is considered either slightly or significantly too low.

How would you rate your total compensation level for this particular board, considering time spent, personal contribution, industry benchmark, company's performance, assumed responsibilities and liabilities, your personal brand exposure, etc.?



While not measuring the remuneration levels, our survey has instead mapped the various components of the total compensation. **A fixed base fee in cash remains the rule of thumb** with 85% of respondents reporting this to be an element of their compensation. 31% receive a travel allowance, 19% have a long-term incentive program, and 11% operate with a bonus scheme. 6% of survey respondents work pro-bono.

Which elements are part of your remuneration for this particular board?



MEGATRENDS AND BOARD TRENDS

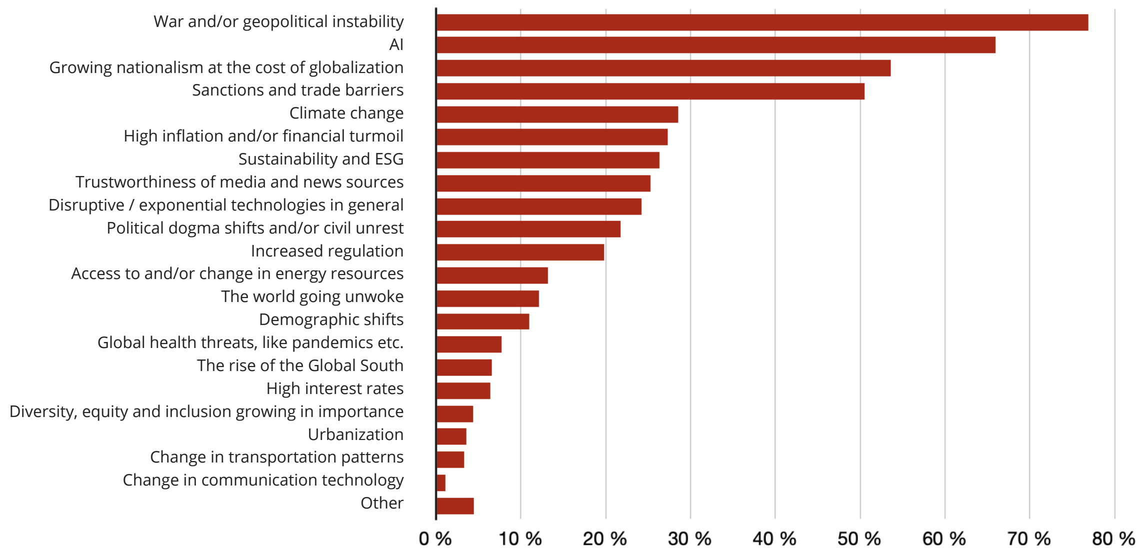
Megatrends are defined as trends that have economical, societal and/or political impact of magnitude across several geographies over a span of time of at least 3 years.

Megatrends have been in our focus in every Global Board Survey we have done in the past 10 years, and it is striking to observe how the top 3 megatrends differ from last year:

A remarkable **77% mention war / geopolitical instability as megatrend no 1 in 2025.** That figure is up from 60% last year. Second comes AI at 65% (it was 66% last year). Third place is growing nationalism on expense of globalism by 54% (compared to only 29% in 2024). Megatrend no 4 this year was similarly reported as sanctions and trade barriers at 51% (against 14% last year).

Last year's unrivalled no 3 was sustainability / ESG at 49% - this year that didn't amount to more than 26%.

Which 5 megatrends do you expect to have the most significant impact on society and the economy in your country in the coming 3 years?

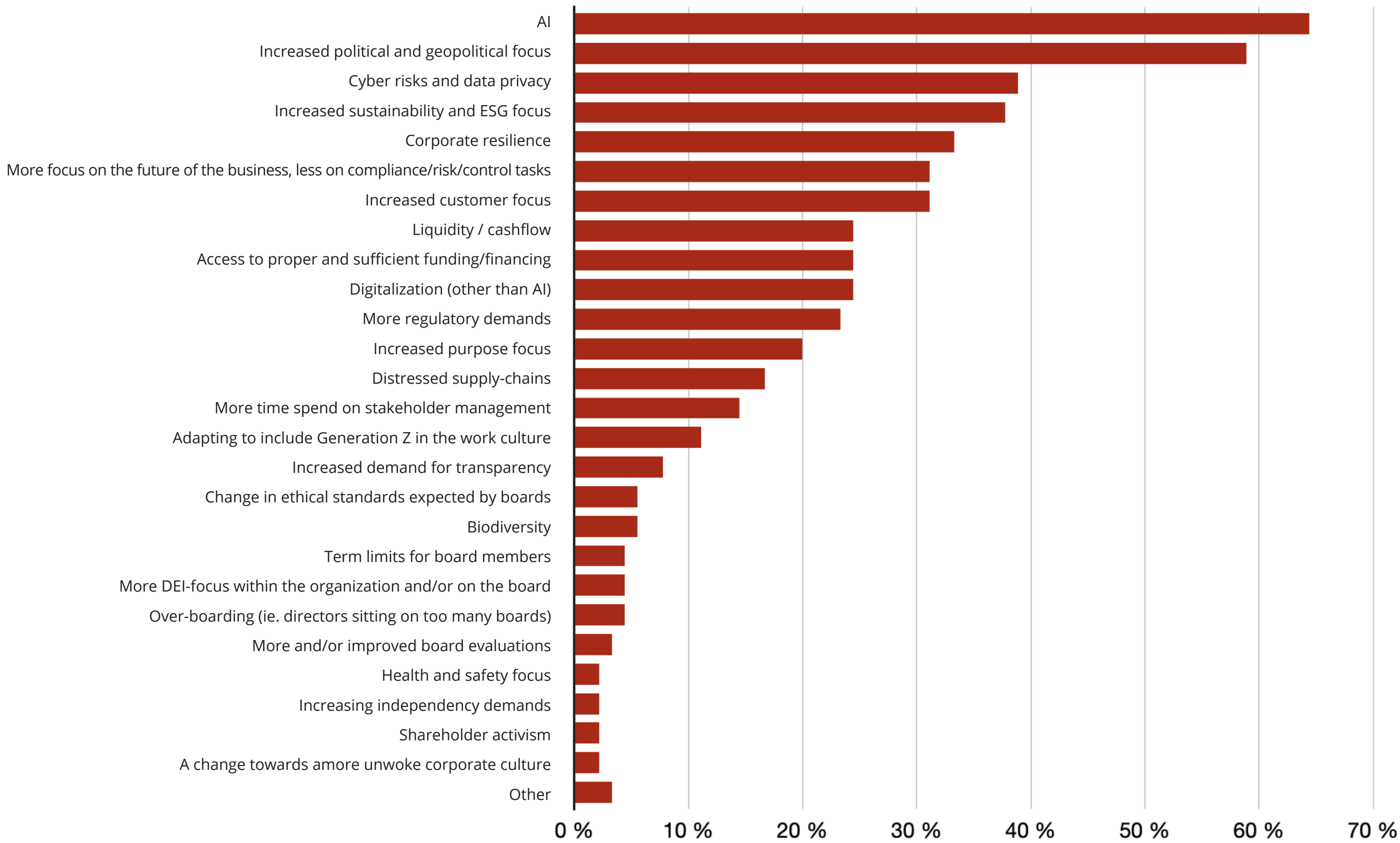


Megatrends obviously have significant impact on what is trending in the boardroom, and this year is no exception. However, regulation too plays a role, although decreasingly, when it comes to boards' priorities.

Hence, **65% identify AI as board trend no 1 this year.** 58% said that last year. Second among board trends comes increased political and geopolitical focus at 59%. At third place, respondents name cyber risks and data privacy with 39%. In this year's ranking, place no 4 is taken by increased sustainability and ESG focus (which was no 1 last year) while board trend no 5 this year is corporate resilience.

None of the topics in the top 5 can be considered easy tasks of an uncomplicated nature for boards to deal with. On the contrary. And between themselves there is a lot of interdependent friction with a mix of inherent opportunities and challenges, and of short-term as well as long-term nature. All in all meaning that **boards are being constantly tested on their learning agility and ability to adapt to change from both externalities and internalities.**

Which 5 board trends do you expect to have the most significant impact on the board / Corporate Governance agenda in your country in the coming 3 years?



GAZING INTO THE FUTURE

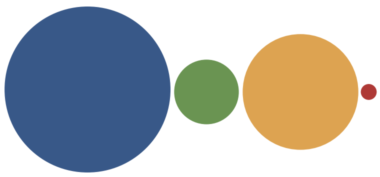
To obtain an understanding of the development in boards' general view on their company's financial outlook, every year we ask them about two things; about their expectations for the company's performance in the coming 24 months compared to the previous 24 months, and about their expectations for the company's performance in the coming 24 months compared to their closest competitor(s).

This year provides two significant findings; 1) **a majority of global boards remain optimistic about the future,** although to a lesser extent than last year, and 2) **boards have grown relatively more optimistic about their competitive advantage compared to previous years,** even though the difference is not very big.

What are your expectations for the company's financial outlook for the coming 24 months compared to the past 24 months?

2025

- 53,85 % Better
- 15,38 % Worse
- 29,67 % Unchanged
- 1,10 % Do not know



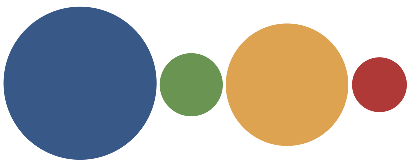
2024

- 60,69 % Better
- 9,25 % Worse
- 29,48 % Unchanged
- 0,58 % Do not know

2023

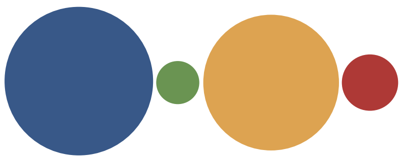
- 48,39 % Better
- 21,29 % Worse
- 27,74 % Unchanged
- 2,58 % Do not know

What are your expectations for the company's financial outlook for the coming 24 months compared to that of your closest competitor(s)?



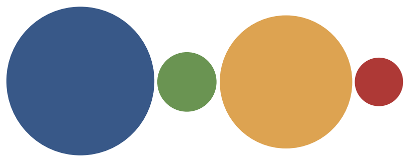
2025

- 51,65% Better
- 8,79% Worse
- 32,97% Equal
- 6,59% Do not know



2024

- 48,55 % Better
- 4,05 % Worse
- 40,46 % Unchanged
- 6,94 % Do not know



2023

- 48,39 % Better
- 7,74 % Worse
- 38,71 % Unchanged
- 5,16 % Do not know

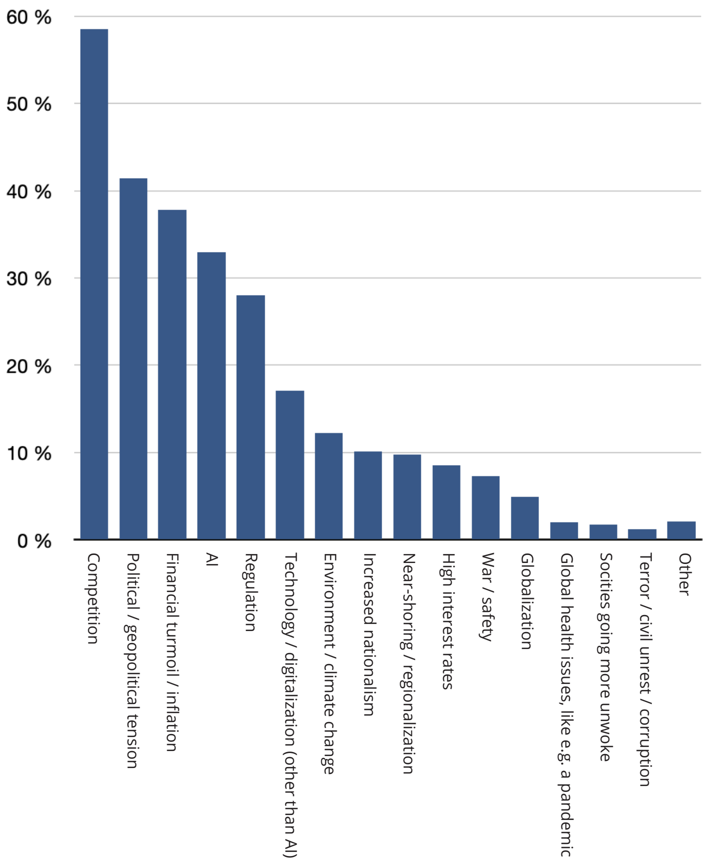
We also surveyed respondents' beliefs in relations to the most immediate external as well internal challenges for the company. Just as we have seen in previous years, they are to a great extent interlinked.

On the external side, competitors are seen as the by far biggest challenge, while political / geopolitical issues, financial turmoil / inflation, and AI follow in the next spots. This outcome resembles what we saw last year although with a few minor changes.

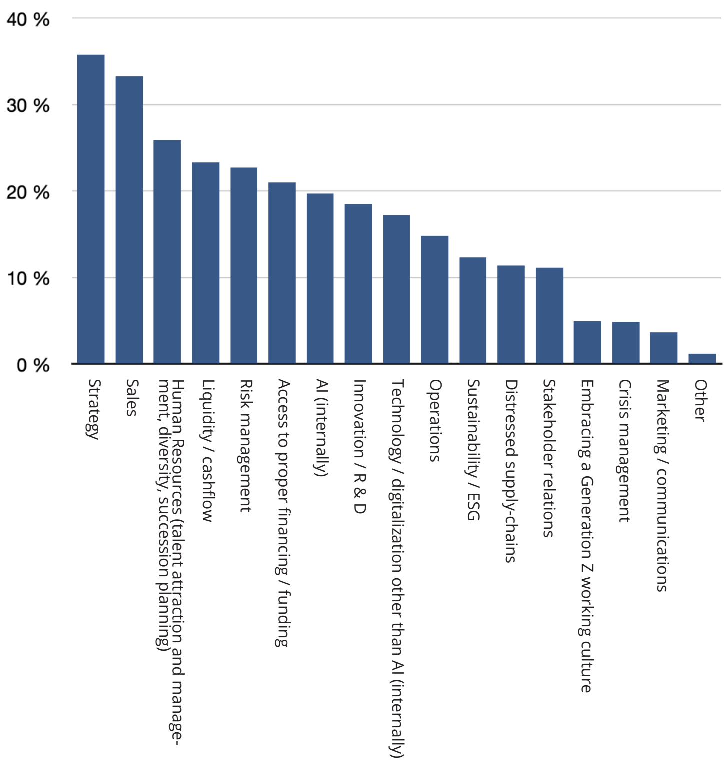
On the internal side, Strategy takes the number one spot, followed by sales, HR, and liquidity / cashflow. This picture is 1:1 identical to last year's survey.

What is most interesting is how there is an apparent correlation between what are considered to be the biggest immediate challenges and which competencies boards in general express that they lack the most, ie. an almost classical example of a 'known unknown', ref. below in the section "Competence Demands and Succession Planning".

Over the next 12 months what are the 3 most important external challenges your company faces

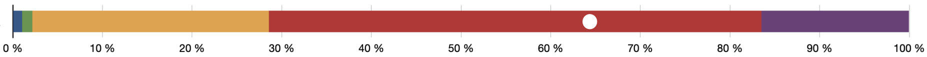


Over the next 12 months what are the 3 most important internal challenges your company faces



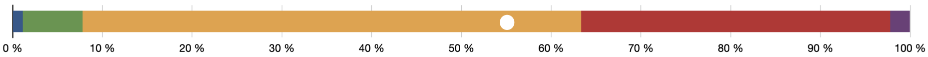
To understand how strategic priorities and resource allocation might change in the coming year, we wanted this year to check the temperature within four select areas of investment cases, and while three of these gain a positive score (AI, Geopolitical Matters, Sustainability), one area; **DEI can expect a decline in terms of dedicated resources.** We believe there is an obvious correlation between the Trump-administration's new policies and this score.

In the coming 12 months, our investments in AI will



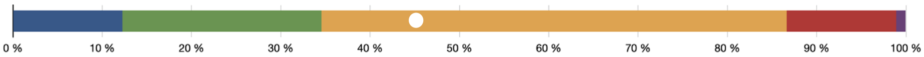
- 1,05% Significantly decrease
- 1,15% Slightly decrease
- 26,37% Remain unchanged from last year
- 54,95% Slightly increase
- 16,48% Significantly increase
- Weighted Average

In the coming 12 months, our investments in sustainability will



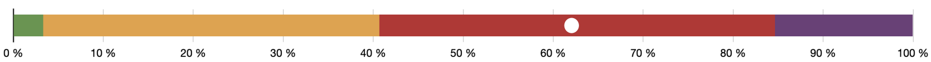
- 1,11 % Significantly decrease
- 6,67 % Slightly decrease
- 55,56 % Remain unchanged from last year
- 34,44 % Slightly increase
- 2,22 % Significantly increase
- Weighted Average

In the coming 12 months, our investments in DEI (diversity, equity and inclusion) will



- 12,25 % Significantly decrease
- 22,30 % Slightly decrease
- 52,11 % Remain unchanged from last year
- 12,23 % Slightly increase
- 1,11 % Significantly increase
- Weighted Average

In the coming year, our investments in coping with geopolitical matters will



- 0,00 % Significantly decrease
- 3,30 % Slightly decrease
- 37,36 % Remain unchanged from last year
- 43,96 % Slightly increase
- 15,38 % Significantly increase
- Weighted Average

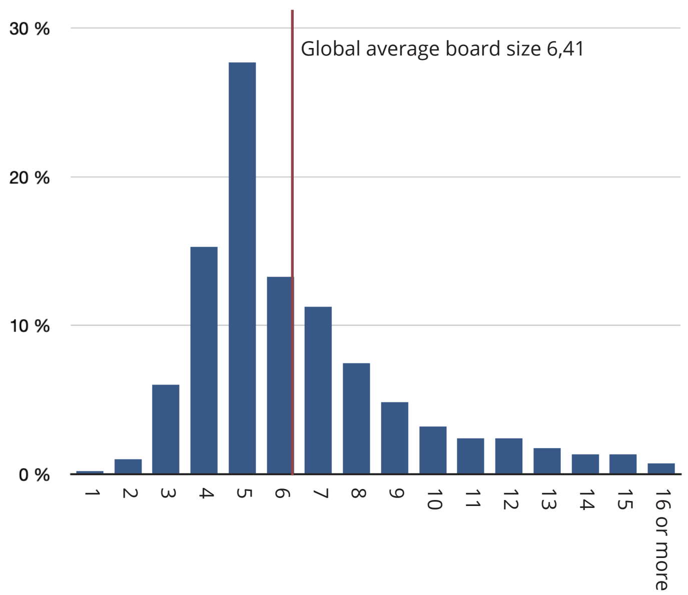
BOARD COMPOSITION – SIZE AND DIVERSITY

The total number of board members vary significantly – from 1-16. Most common is a board of 5 directors, with **the global average board size being 6.41 directors.**

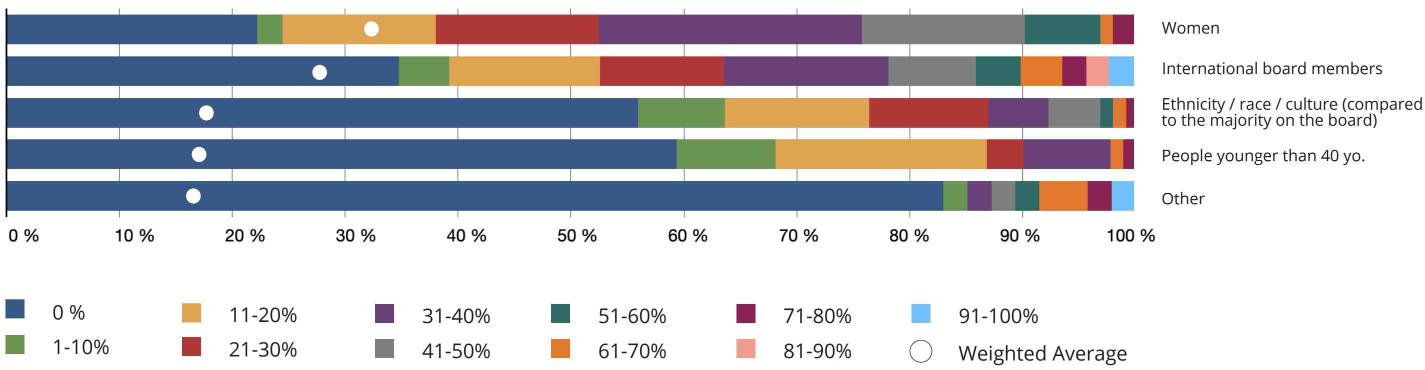
In terms of diversity, we have seen a remarkable development since last year. We have examined the share of women directors as well as other diversity parameters such as international board members, ethnicity, age etc. Most notably, today **32% of all directors are women** (a strong surge from 25% last year) – but **nevertheless, 22% of all boards still have zero female representation** (although notably down from 28% last year).

International board members make up for the second largest diversity group with 29% representation amongst our surveyed boards. That number was 24% last year. Ethnical diversity has 17% representation, up from 11% in 2024, while younger board directors also account for 17%, a change from 14% over the past year.

How many directors is the board composed of?



How diverse is your board within the following areas?



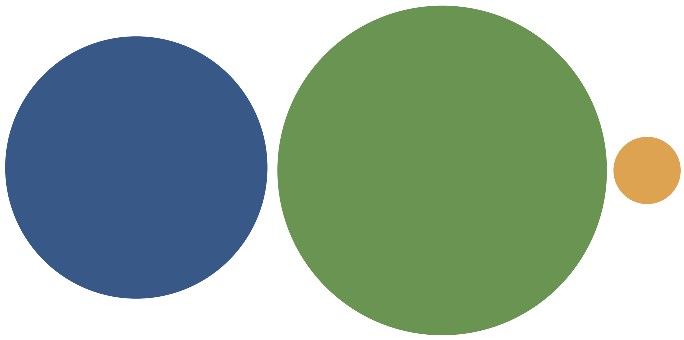
Following up on the previous question, we examined if respondents found that increasing focus on diversity on boards has had an effect over the past 12 months on how their board is composed. 38% said yes, and of these a striking 74% said that it had been gender-driven while 46% had looked for candidates of international background.

Increased gender diversity continues to be largely driven by larger companies just as in previous years, but the SMEs are showing the biggest progress, although from small numbers in past years.

Only 5% of companies with more than USD 1B in annual turnover have zero women on their boards – compared to 22% of boards overall.

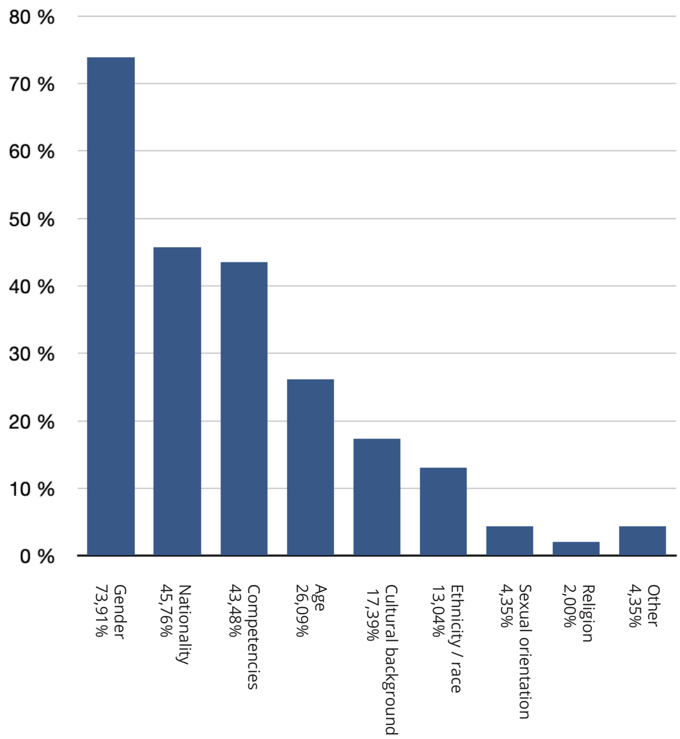
When probed if respondents agreed with initiatives like e.g. gender quotas, a weighted average of 49% of all respondents said yes to some or a great extent, however with a remarkable difference between men and women among the respondents, just as in previous years. **A staggering 75% of women support gender quota-initiatives, while this is only true for 39% of the men.**

Has increasing focus on diversity on boards had an effect over the past 12 months on how your board is composed?

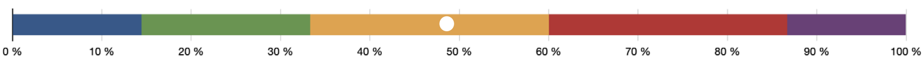


- 37,82% Yes
- 59,71% No
- 2,47% Do not know

If yes, within



On a scale from 1 to 5, where 1 is “strongly disagree” and 5 is “strongly agree”, do you support initiatives leading towards increased gender diversity in the boardroom, like e.g. gender quotas by either law or as part of the Corporate Governance Code?



- 14,44% Strongly disagree
- 18,89% Disagree
- 26,67% Neutral
- 26,67% Agree
- 13,33% Strongly agree
- Weighted Average

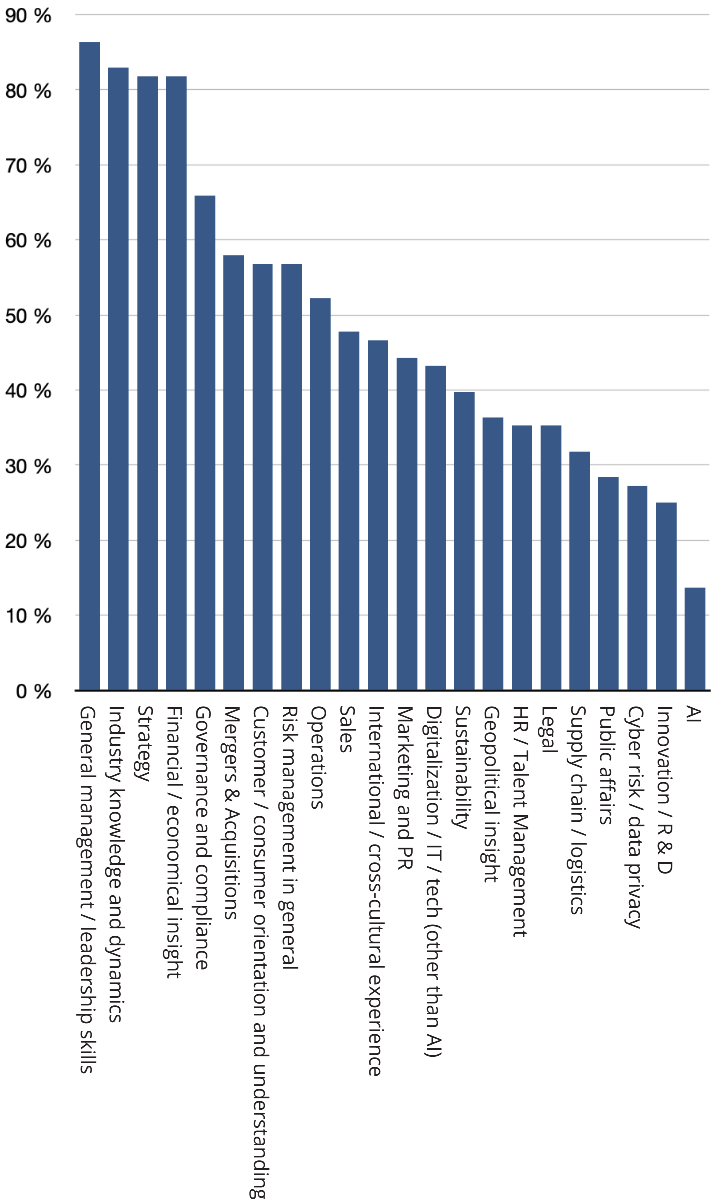
COMPETENCE DEMANDS AND SUCCESSION PLANS

When trying to map which competencies are sufficiently represented on the current board in light of the company's current strategy and financial situation, the areas where boards feel strongest suited are general management, industry knowledge, strategy, and financials.

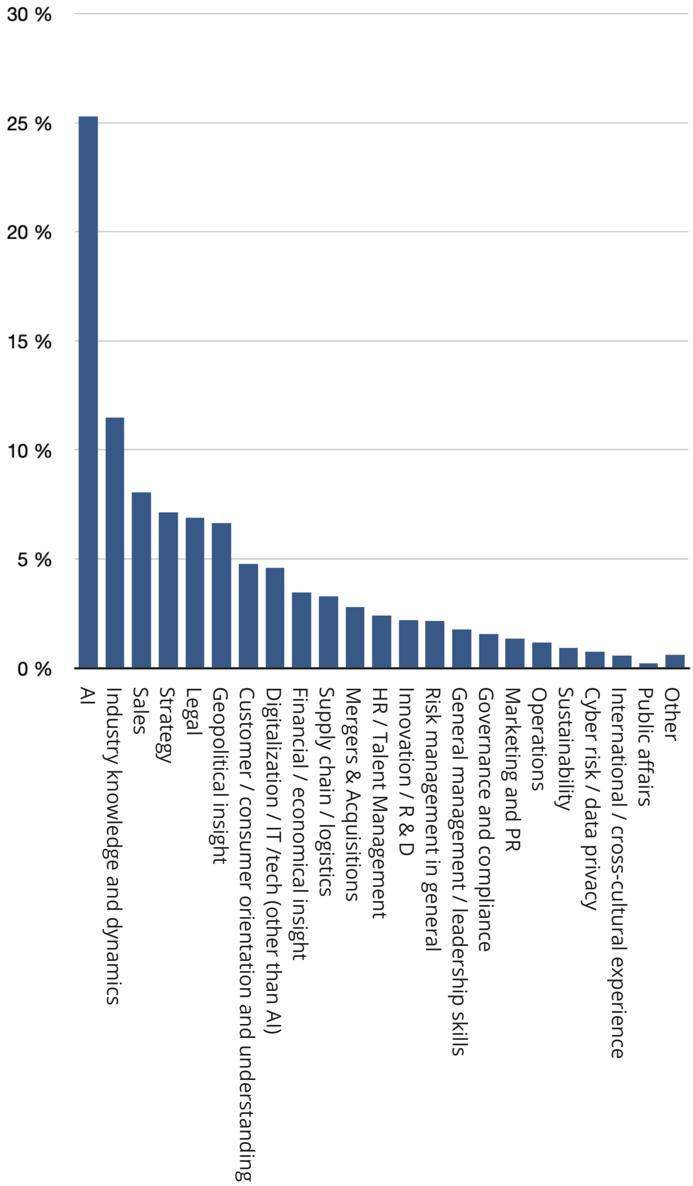
On the other hand, **boards globally need strengthening within AI, innovation / R&D, cyber risks / data privacy, public affairs, and supply chain / logistics.** There is – for the eighth year in a row – a strong and obviously worrying correlation to some of the most important megatrends, board trends and perceived future challenges here.

As many as **25% of respondents named AI as their no 1 priority by far when asked what competence they would ideally like to add if they had a free choice of one more board colleague.** This was followed, although at quite a distance, by industry knowledge, sales, strategy, legal, and geopolitical insight.

Which competencies would you say are present on the board to a sufficient extent considering the company's strategy and financial situation right now?



If you could add one more member to the current board, which competency would you personally prioritize?

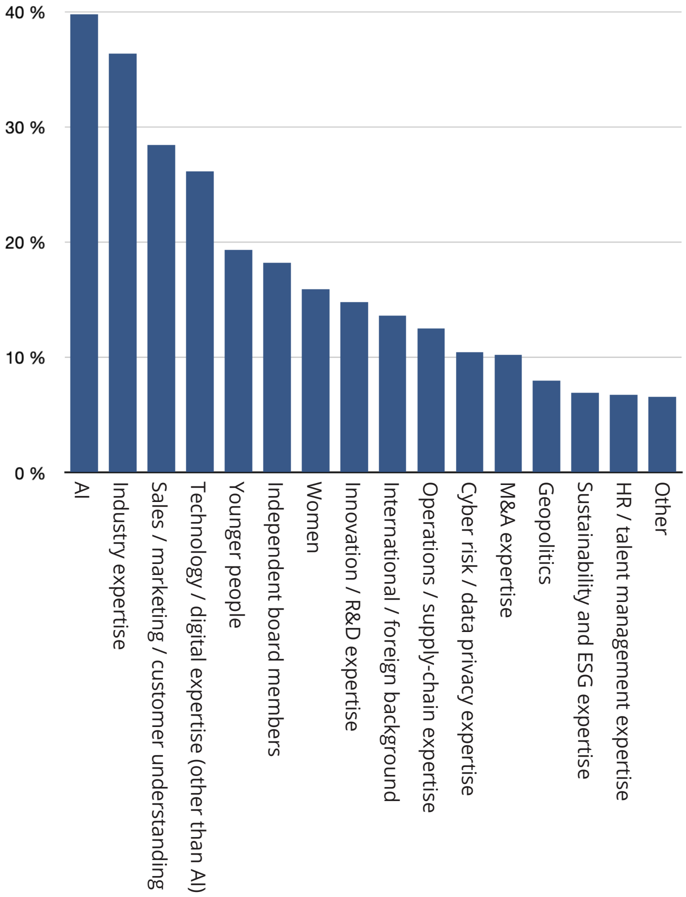


34% of the survey population - compared to only 28% last year - would like to change how the board is composed from a competence point of view.

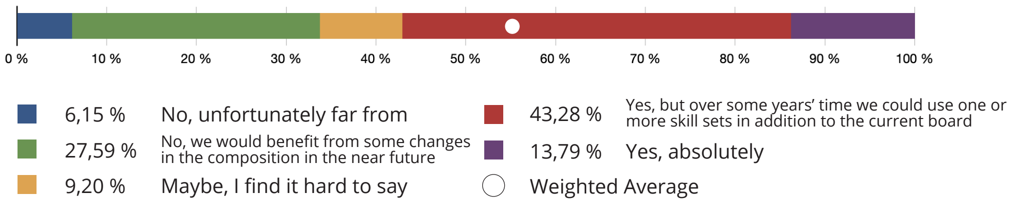
Now, one thing is what an individual director would prefer to add to the table in terms of new competencies on the board, another thing could be what the actual priorities for incoming board members are defined to be. Our survey shows a reasonable level of correspondence between 'the dream situation' and 'the agreed compromise'. What boards are currently looking for is AI competencies, industry knowledge, sales / marketing / customer understanding, and tech expertise (other than AI).

Strikingly, competencies like **HR, cyber, innovation / R&D, and supply-chain all remain under-prioritized in current board refreshment strategies even though all these areas are considered to pose very big challenges and acknowledged to be areas where the current boards do not have sufficient capabilities.** From our experience, we believe that habitual thinking along the lines of 'you can not necessarily get everything you wish for' could be a show-stopper however that could come with some drastic consequences and should be robustly challenged.

Please name your board's actual 3 highest priorities for future board profiles?

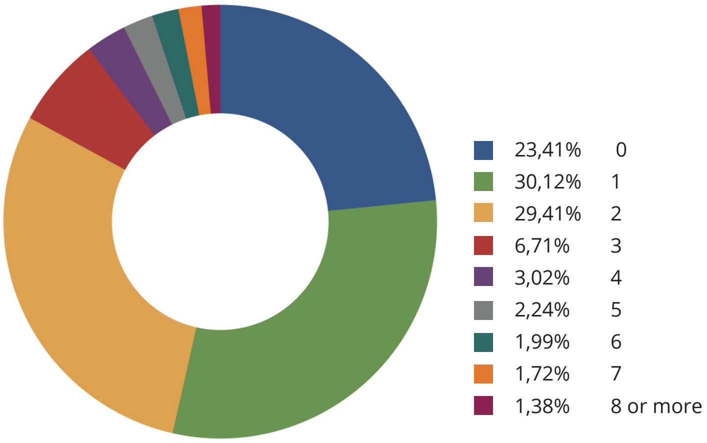


Do you believe that the current board composition matches the competencies needed for the future in light of the compay's strategy?



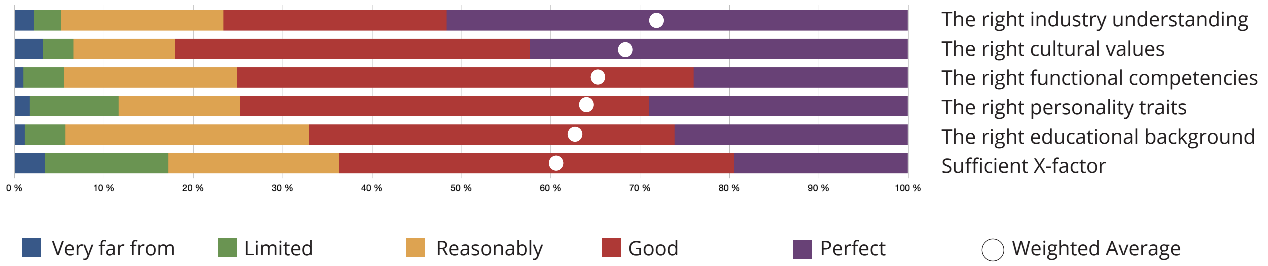
As a follow-up, we probed our respondents about how many board members in their view ought to be replaced at the next given opportunity, and only 23% said none. **30% thought that 1 board member should be replaced, 29% said that 2 directors ought to go, and 17% found that 3 or more board members should be replaced.** Just as in previous years' surveys, it appears that respondents' satisfaction with their peer board members is not so high after all.

How many directors should in your view be replaced at the next possible General Assembly (or sooner)?



This year, we asked our respondents about their CEO's possession of certain competencies and personality traits. In general, the scores were high with satisfaction ratings between 61% - 71% as a weighted average. Industry understanding scored the highest followed by the right cultural values. Last, but still not doing bad, was sufficient X-factor.

In order to deal with the company's future challenges as well as opportunities, to what extent does your current CEO possess the following:



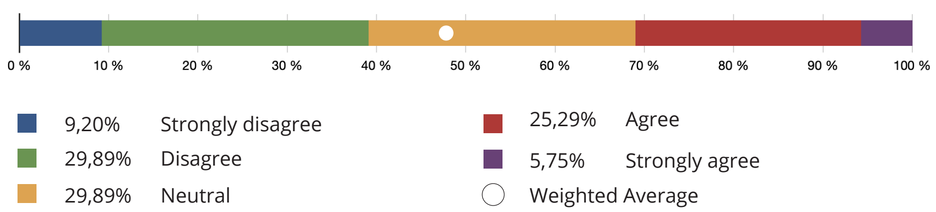
Coming from this – and considering that 77% of our survey population would like to replace one or more board members at first given opportunity - it must be reassuring for Executive Management Teams that satisfaction with their performance seems to be relatively higher among respondents.

38% say that they see no changes needed on the EMT. Yet, that number is considerably down from 53% last year. 20% would consider changing the CEO, 22% would consider to look for a new CFO, and 15% think of replacing the COO. A combined 32% would like to see other changes to the EMT coming into effect.

Which members (if any) of the Executive Management Team should in your view be considered for replacement within the next 12 months

Whatever level of satisfaction may exist with the current CEO and his/her EMT, changes will inevitably come regardless – either on the initiative of the board or by the people on the EMT themselves - and thus we wanted to investigate how well-prepared boards are in relation to succession plans covering the CEO and the rest of the EMT. A disturbing low number of **only 31% believe that they have succession plans well in place** (although up from 25% last year), and **39% straight out disagrees that their plans are adequate** – if at all existing. Interestingly, these numbers are almost identical to last year's findings, which means that despite the poor ratings, no improvement has been achieved.

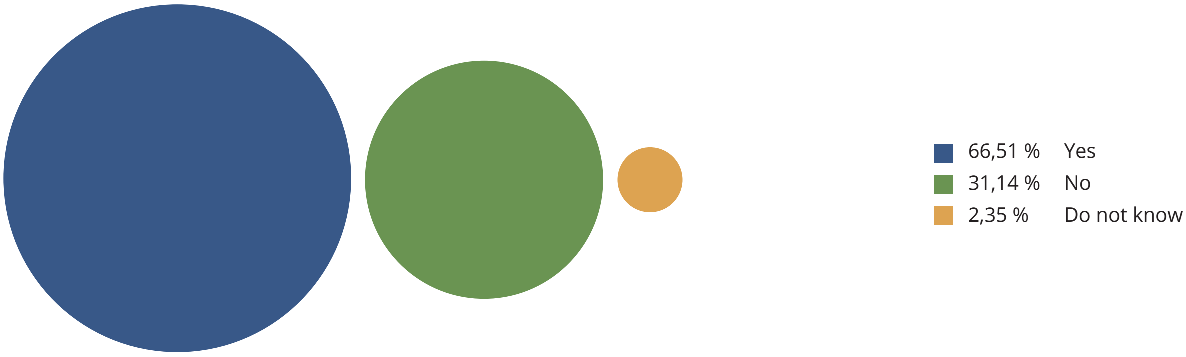
On a scale from 1 to 5 where 1 is "strongly disagree" and 5 is "strongly agree", do you believe that your board has adequate succession plans in place for the CEO and the rest of the Executive Management team?



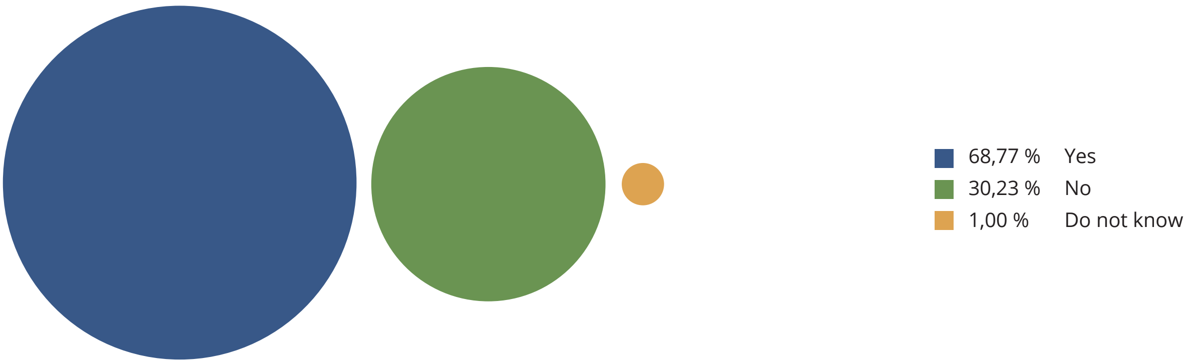
INDEPENDENCY

Two large global trends among institutional investors are undoubtedly their continued focus on decreasing the level of over-boarding among board members, and increasing board members' level of independence from the company and its major shareholders. In this sense, this year's report holds positive news as **67% report that the majority of the board members are independent** of the company and its largest shareholder(s), while 69% say that the Chair is also to be considered independent. Last year's numbers came in at 64% and 62% - hence a fine improvement on both accounts.

Is the majority of the board members independent of the company and its largest shareholder(s)?



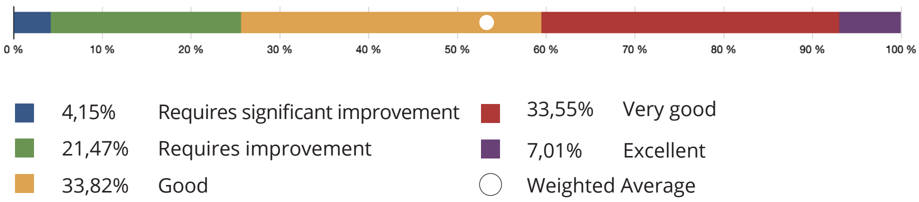
Is the chairman of your board independent of the company and its largest shareholder(s)?



BOARD EFFECTIVENESS, DYNAMICS AND PERFORMANCE

In general, directors express a relatively high degree of satisfaction with their board's overall performance. Thus, the weighted average is Good. Yet only 7% believe it to be truly excellent, and a total of **26% think that the board's performance could either slightly or significantly improve.** That number was only 19% last year.

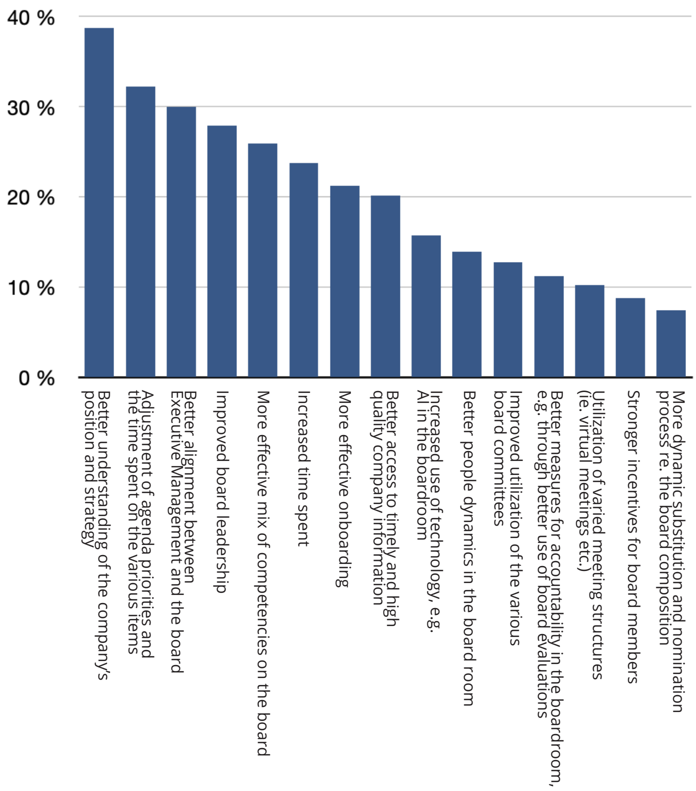
How would you rate the quality of the board's overall performance?



When challenged about what could possibly increase the board's performance further, a great variety of answers came into play. **Number one factor to improve board performance was identified as better understanding of the company's position and strategy,** second came adjustment of agenda priorities, and third was better alignment between EMT and the board.

Embedded in the response data for this question lies **a worrying misalignment** between the findings regarding the self-image of the board's overall understanding of the company's strategic positions (below) and the fact that better understanding of the company's position and strategy is being voted top improvement factor by 39%.

In your opinion what 3 factors would best improve the overall performance on your board?



When asked about the board's overall understanding of the company's strategy within 13 specific subareas, the weighted average is above 50% within 10 areas – but below within 3 areas.

Most particularly **boards feel the least comfortable around AI and digitalization, talent management / HR, and cyber risk / data privacy.** Albeit this in isolation should not be too much of a surprise as these areas are farthest away from the board's traditional focus, it should remain a reason to worry, ref. above, because of two things: 1) All three areas are perceived to be among the biggest challenges for the company in the year ahead, and 2) this has also been the case every year the past 8 years, i.e. **no lessons have been learned, and no action taken.**

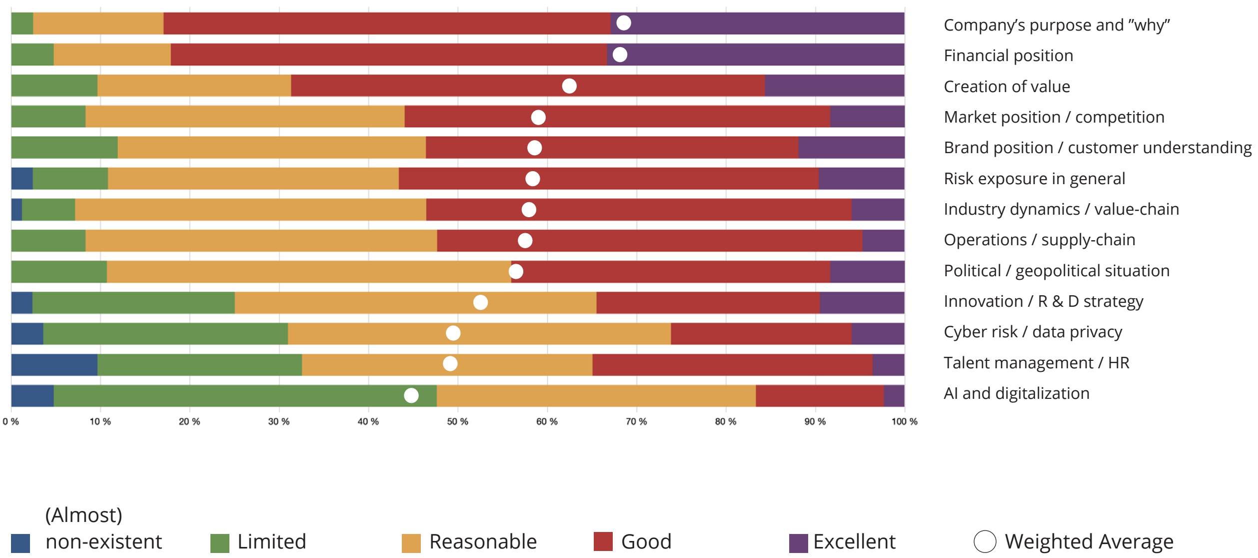
Boards' strongest areas of strategic understanding by a far margin are Company's purpose and why, and Financials – both with a weighted average comfort rating over 68%.

We believe that overall **this must call for increased diversification and imply refreshment of the composition of most boards in the near future.** Otherwise, boards can hardly be called prudent and diligent regarding the clear and present danger from cyber criminals, nor regarding the potential opportunities that could come from a much more thorough understanding of AI.

The last point on the top 3, Talent management and HR, is an equal reason to worry. Almost every single company today will in their corporate presentation explain how their biggest asset is their employees. However, **how does a limited understanding at the very top of the organization of how to best attract, retain, develop, motivate, and promote talent resonate with an assumed goal of protecting this asset?**

Hence, we stress once again that a refreshment of boards should be called for to make room for board members with top people and HR skills. **Workforces of today are very different from when the average board member of 55.5 years of age grew up through the ranks of corporations 25-35 years ago.**

How would you rate the board's overall understanding of the company's strategy within the following areas?



When asked to rate the working climate on the board, **board members in general express a high degree of satisfaction with their peers and with the board dynamics displayed.** Satisfaction rankings lie between 61% - 69% across the various parameters.

Especially the fact that enjoyment of board meetings, high level of mutual trust, and a solid atmosphere for candid discussions and feedback, take the top 3 spots is to us evidence of boards being able to conduct themselves and their meetings in a meaningful and respectful manner to the benefit of not only the company but also all its shareholders as well as other stakeholders.

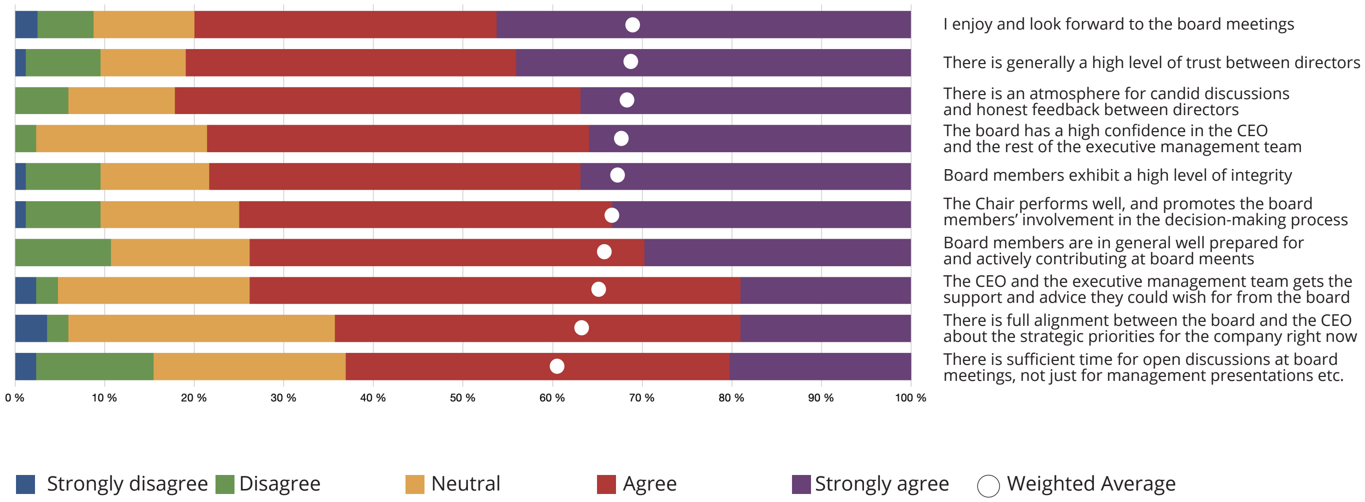
One of the factors that can often be used to determine if a company will excel compared to its competitors, i.e. advance from poor to good – or from good to great – is the effectiveness of its board, and that usually depends on the inner dynamics on the board.

That is why **on board recruitments we always advise the nomination committee, the chair and the shareholders to look equally at Competencies, Character and Chemistry** (with the rest of the board) when composing the board.

Trust can be built through working together – but the tendency for many companies to use existing board members' and shareholders' personal networks to recruit new board members from, indicates that (too) many boards put too much emphasis on trust through existing relationships, not realizing what they are then missing out on in terms of competence versatility and cognitive diversity.

We further believe that if formalities, compliance, check-lists and endless reporting on historical issues take up the predominant part of the board agenda, leaving only very little room for intelligent questions, constructive criticism, sound debate, and broad-minded business discussions, then boards would only have a role to play in companies where the management is already on their heels either due to misconduct, misrepresentation or simply poor performance.

How would you rate the working climate on the board?

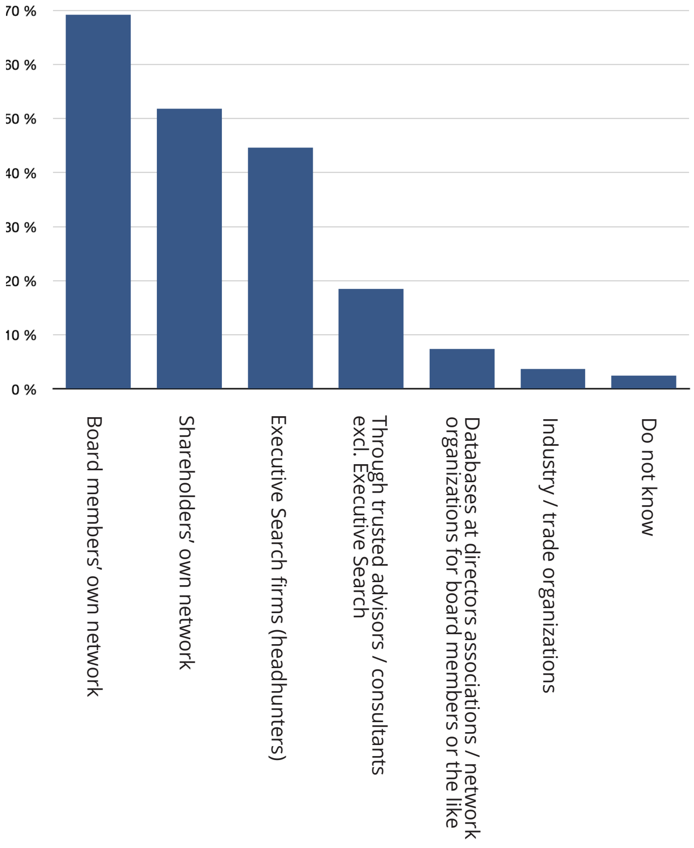


BOARD RECRUITMENT AND BOARD EVALUATIONS

As indicated above, “Old Boys Network” is still the predominant source to identify and attract new board members – either through board members’ own networks or shareholders’ personal relationships. **The use of Executive Search firms is now at 45%** in accordance with increasing demands of a larger degree of independence, diversity and process transparency (not to mention professionalism in the process). With that in mind, we expect the utilization of Executive Search firms to keep growing exponentially - with up to 50% in the coming 5 years.

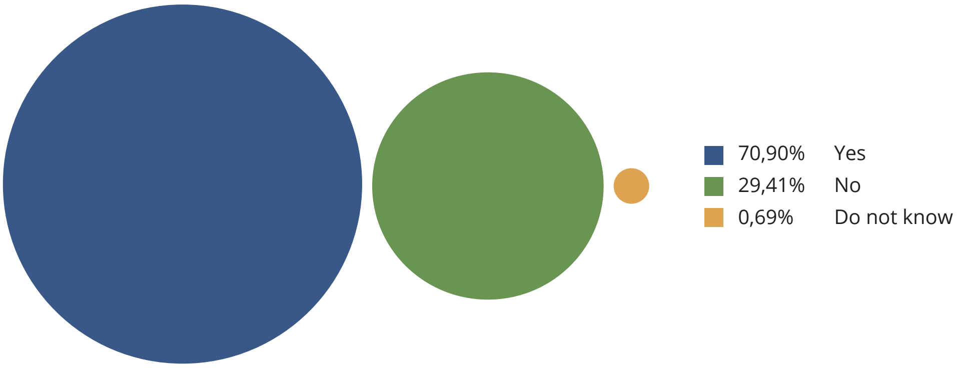
The use of headhunters is primarily seen in larger companies (with turnover over USD 1B) where 81% utilize the expertise of executive search firms (compared to 79% last year).

Which sources do you use to identify and attract new board members?

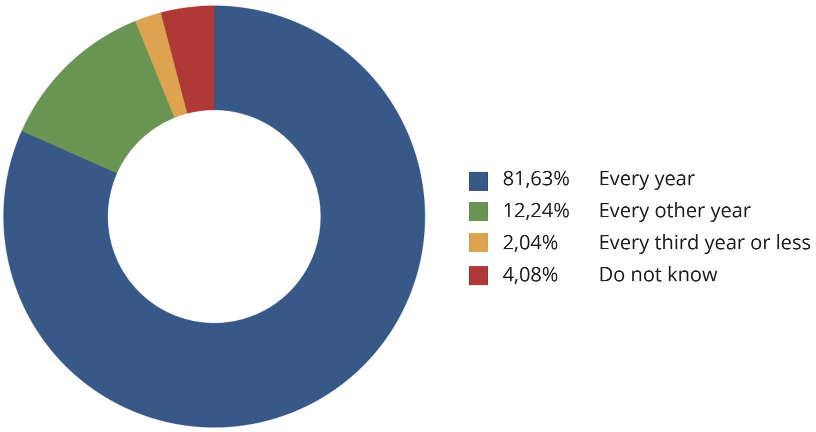


Also, the use of regular board evaluations is seeing steady growth. **71% now report that they regularly undergo a structured board evaluation process – up from 66% last year.** We interpret this to be yet another sign of the increasing professionalization of boards in general. 82% (of the 71%) perform the evaluation on an annual basis, while 12% do them every other year. 40% go through the process as a self-evaluation while 50% to some degree or the other used a third-party consultant to facilitate the process to ensure independence and robustness.

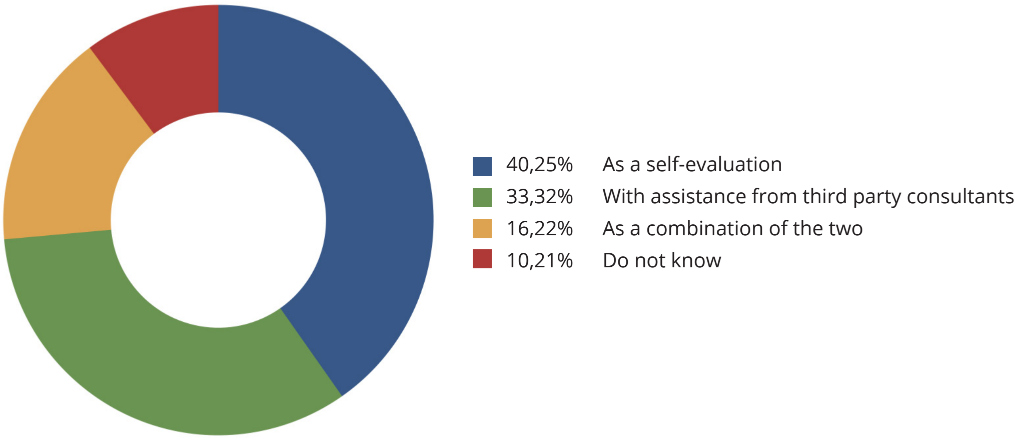
Do you perform regular assessments / evaluations of board performance?



If yes, how often?



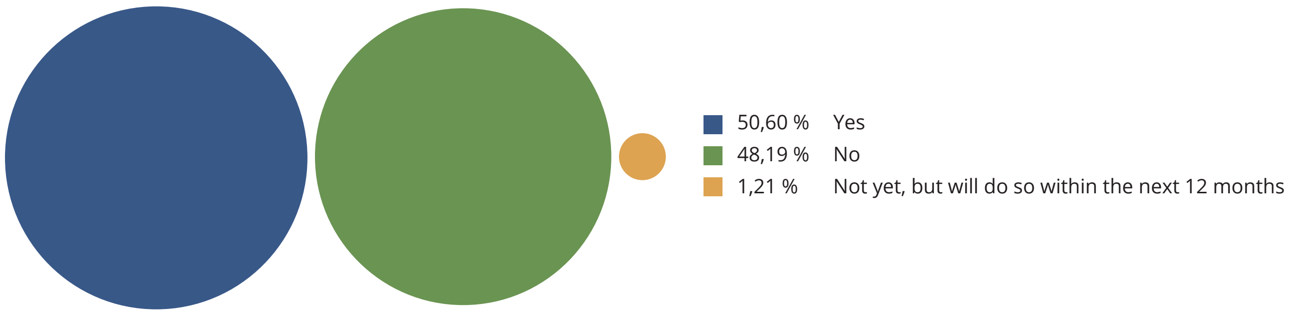
How was the latest assessment / evaluation conducted?



Over the 15 years, board work has undergone clear professionalization, and with that a steep increase in the demand for continuous professional development within the board profession has also been seen. Thus, the industry of executive education programs focused on corporate governance, board leadership, board effectiveness etc., has seen tremendous growth.

As a result, **51% of our survey population has either individually or as a group followed a board program** with a duration of minimum 4 days some time in the past 10 years. That is very far from the apprenticeship-like approach that had been prevailing up until around 2007-2008.

Have you individually or as a board undergone any specific 'board training / education' of minimum 4 days duration in the past 10 years?



CONCLUDING

The world as we knew it for 30 years, since the Berlin Wall fell, started to change in 2019. That was the year we with Covid19, for the first time saw a global pandemic to cause a halt to supply-chains and global trade for several consecutive months. Since the Spanish Flu in the early 20th century and Polio in the 1940ies and 1950ies, we had not seen any disease having such tremendous impact on not only public health but also financial and industrial ecosystems.

In 2022, Europe saw its first large-scale war in close to 80 years with Russia's invasion in Ukraine, and in 2023, Hamas performed the deadliest attack on Israel ever. Since then, both regions have been in full alert and warfare both places have had severe impact on the global political agenda and international trade.

In January 2025, the American president Donald Trump was reinaugurated, and within only a month, he **turned the geopolitical agenda completely upside-down.** With annexation ideas regarding Canada, Greenland, Gaza, and the Panama Canal, the threat of imposing tariffs on China, Canada, Mexico and Europe, a fierce un-woke campaign, plus a mildly speaking dramatic change in the official American foreign policy when it comes to Russia and Ukraine, global boards are having a very hard time re-evaluating and adjusting their scenario plans, risk maps and strategic investment opportunities.

A new world order could soon be coming into shape – one where autocrats and dictators can roam much more freely, and one where the sheer size of military power and/or financial wealth could easily end up dictating whether you are right or wrong – instead of multinational treaties to regulate, multilateral organizations to preside hearings, and international courts of justice to hold the criminals accountable.

The final result of all of the above is hard to predict. So far, governments across the world are re-calibrating their alliances. The Global South and the BRICS-countries are moving closer to each other, the EU are focusing on becoming more independent of the USA, and the US itself is simply putting America first. **Obviously, this impacts countries, societies and populations, but surely enough also businesses.**

So, where does this leave companies and their boards, especially companies of a certain scale which are designed to work, manufacture and sell internationally? On top, **how will they cope with climate change effects** which grow more and more severe every year, and **how will they tackle the threats as well as the opportunities that come with technological advancements such as generative AI, biohacking, industrial robotics, and quantum computing?**

We are convinced that **boards have to learn to cope with discomfort** – which does not necessarily mean economical destruction but could imply – with inspiration from the Chinese symbol for crisis (Wei Ji) – that **they would be looking not just at danger but also opportunity.**

So, what should boards be doing now?

Like in previous global board survey reports, we have gathered and updated **our top 5 recommendations for boards** that want to stay not only relevant but also want to keep pushing the bar:

Recommendations on how Boards should be Coping with Discomfort

Based on this year's Global Board Survey 2025, and adding to that our vast experience from working with some of the world's most influential board members from some of the world's largest companies, we have been able to formulate the following five pieces of advice for the most ambitious boards to navigate after;

1. Employ Strategic Optionality to Stay Agile

In a rapidly evolving global landscape, **boards must embed strategic optionality into their decision-making frameworks.** This means actively developing and maintaining multiple pathways for growth, risk mitigation, and adaptation. Companies that rigidly adhere to a single strategy risk obsolescence in the face of disruption. Boards should continuously assess market conditions, regulatory changes, and technological advancements to ensure flexibility. **By fostering an organization-wide culture of adaptability, decision-makers can swiftly pivot when required,** leveraging both offensive and defensive strategies to maximize resilience and competitiveness, and thus amplify value streams.

2. Acquire Geopolitical and Cross-Cultural Understanding

The increasing complexity of international relations and regulatory environments demands that boards elevate their geopolitical and cross-cultural acumen. Organizations with global footprints must anticipate how policy shifts, economic realignments, and regional conflicts impact business operations. **This requires the integration of geopolitical risk assessments into board deliberations and the recruitment of directors with diverse international experience.** Additionally, cross-cultural competency should be a strategic asset, ensuring that governance structures reflect the nuances of local markets and foster trust with stakeholders worldwide.

3. Implement AI in Your Board Processes

Artificial Intelligence is not just a technological tool—it is a strategic enabler that can enhance board effectiveness. **By implementing AI-driven analytics, predictive modeling, and automated reporting, boards can improve decision-making quality, reduce bias, and uncover previously unseen risks and opportunities.** Furthermore, AI can optimize governance workflows, streamline compliance oversight, and enhance scenario planning. Directors must proactively educate themselves on AI's implications, ensuring that its adoption aligns with corporate values, regulatory requirements, and ethical considerations.

4. Build and Maintain Business Alliances That Benefit All Parties

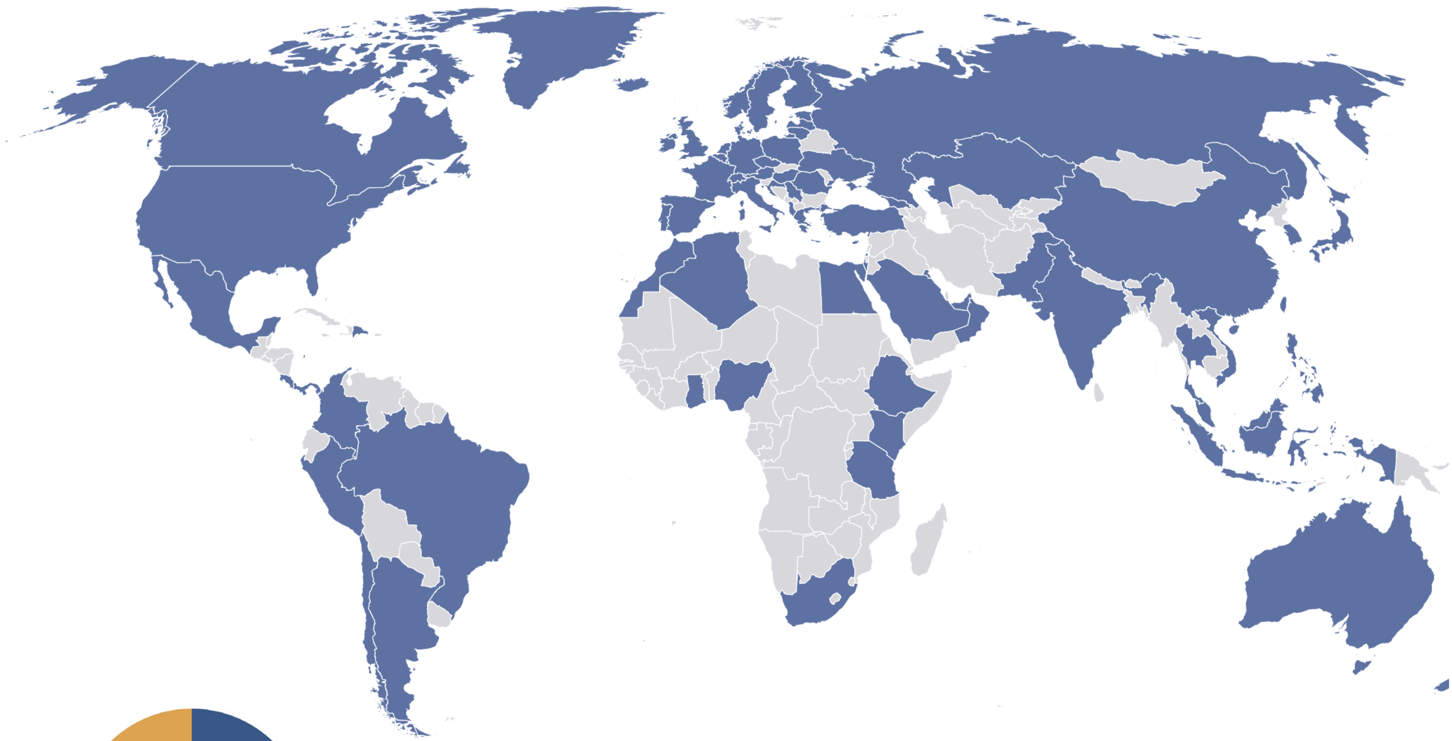
Strategic partnerships are no longer optional; they are imperative for sustained competitive advantage. **Boards must champion the development of alliances that create mutual value, fostering ecosystems where businesses, suppliers, and stakeholders thrive together.** This requires moving beyond transactional relationships to long-term collaborations that enable innovation, market expansion, and risk-sharing. Boards should oversee the governance of these alliances, ensuring alignment of incentives, transparency, and mechanisms for conflict resolution to sustain long-term viability and success.

5. Cultivate What-If Scenario Planning With a Focus on What Could Kill 30% or More of Your Business—or Grow It by 30% - Within a Year

In an era defined by volatility, scenario planning must be a cornerstone of board governance. Boards should rigorously evaluate potential disruptors — economic downturns, regulatory shifts, technological breakthroughs, or supply chain failures — that could erode significant market share. Equally important is the identification of opportunities that could drive exponential growth within a short timeframe. **By deploying what if-analyses and institutionalizing this level of strategic foresight, companies can proactively hedge against existential threats while simultaneously positioning themselves to capitalize on transformative opportunities.** Boards that engage in disciplined and dynamic scenario analysis will navigate uncertainty with greater confidence and clarity.

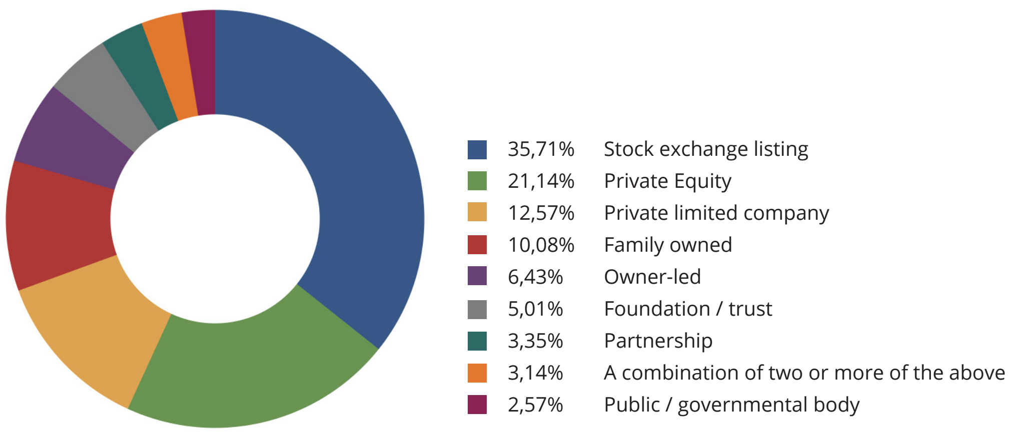
BEHIND THE SURVEY DATA

As referenced above, the survey population totals a record high **3,034 corporate chairmen and board members from 83 different countries and legal jurisdictions on all populated continents.** The regional distribution of our respondents is **42% from EMEA, 35% from Americas** and **23% from APAC.**

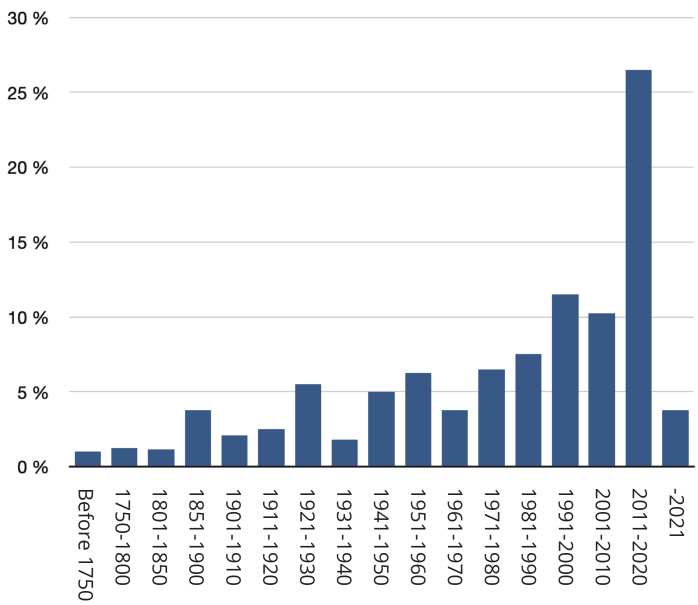


Albania
Algeria
Argentina
Australia
Austria
Belgium
Bermuda
Brazil
Canada
Cayman Islands
Chile
China
Colombia
DR Congo
Costa Rica
Croatia
Curacao
Cyprus
Czech Republic
Denmark
Dominican Republic
Egypt
Estonia
Ethiopia
Faroe Islands
Finland
France
Georgia
Germany
Ghana
Greece
Greenland
Hong Kong
Hungary
Iceland
India
Indonesia
Ireland
Israel
Italy
Japan
Jersey
Kazakhstan
Kenya
Kuwait
Latvia
Liechtenstein
Lithuania
Luxembourg
Malaysia
Mexico
Morocco
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Panama
Peru
Philippines
Poland
Portugal
Romania
Russia
Saudi Arabia
Serbia
Singapore
South Africa
South Korea
Spain
Sweden
Switzerland
Taiwan
Tanzania
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom
United States
Vietnam
Zambia

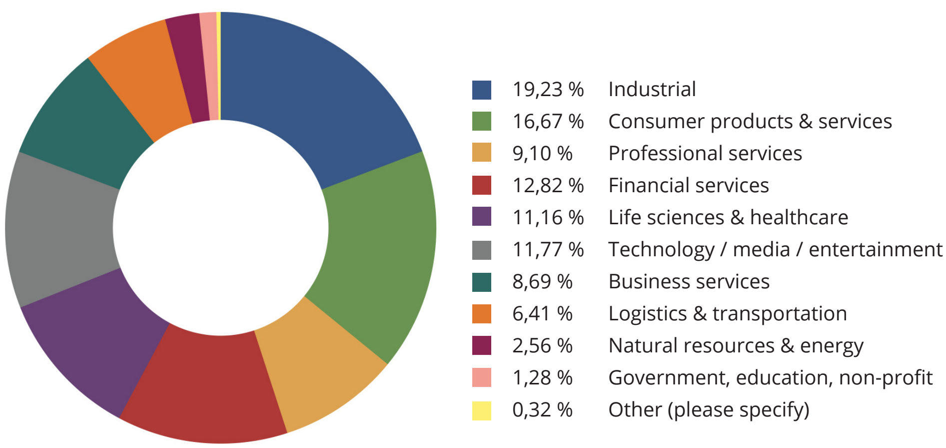
What kind of ownership is the company subject to?



When was your company founded?



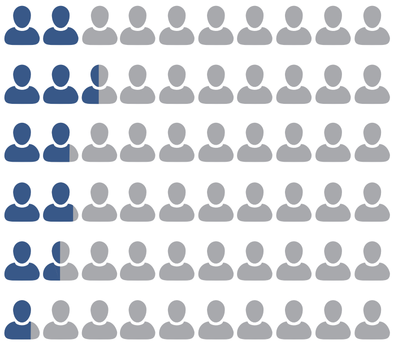
What main industry does your company operate within?



What is the company's total annual turnover? (given in US Dollars)INFOGRAF

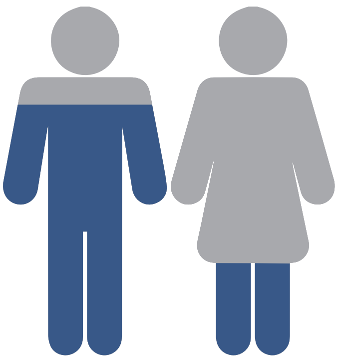
21,19%	<10 million
22,44%	10 - 100 million
13,28%	100 million - 1 billion
21,02%	1 - 5 billion
13,26%	5 - 20 billion
8,81%	20 billion or more

What is the company's total number of employees?



18,01%	1-100
23,22%	101-1000
18,33%	1001-10000
19,33%	10000-25000
13,43%	25001-10000
7,68%	>100000

Are you



69,39%
Male

29,98%
Female

0,63% Other /
prefer not to tell

Are you

36,43%	Non-executive chairman
30,49%	Ordinary board member elected by the general assembly
12,89%	Vice chairman / Senior Independent Director / Lead Independent Diretor
9,08%	Executive chairman
7,09%	Executive director (also member of the executive management team) - but not chairman
1,40%	Observer / substitute
0,70%	Public representative board member
0,12%	Employee representative board member
1,80%	Other

Please disclose your age

Average age 55,47

Under 30 years	31 - 40 years	41 - 50 years	51 - 60 years	61 - 70 years	71 - 80 years	81 years or more
4,00%	6,29%	10,90%	46,44%	24,94%	7,00%	0,43%

Please disclose your educational background

Elementary school	High school	Diploma	Bachelor	Master	Ph.D.	Other
1,22%	1,30%	4,88%	18,73%	64,59%	8,34%	0,94%

Please disclose your field of study

Business	Finance	Engineering	Law	IT / Tech	Science	Politics	Humanities	Social science	Art	Health	Other
55,85%	33,17%	19,07%	10,10%	9,23%	4,88%	3,78%	3,66%	2,83%	2,24%	1,99%	2,12%

How many corporate boards - public as well as private - do you sit on in total?

14,68%	1
23,55%	2
22,13%	3
12,98%	4
12,27%	5
3,85%	6
4,52%	7
3,19%	8
2,84%	9 or more

Our heartfelt gratitude goes to all the 3,034 global survey participants who volunteered their time, effort and nuanced insight into the board leadership and corporate governance agenda at the highest level. We hope you find the presented collection of visuals, discussions and conclusions from the Global Board Survey 2025 valuable and relevant. You are of course more than welcome to continue the dialogue with us, and please also feel free to quote the analysis with a clear reference to 'Global Board Survey 2025 – Coping with Discomfort, by InterSearch and Board Network'.

AUTHOR OF THIS SURVEY AND PUBLICATION:

Jakob Stengel

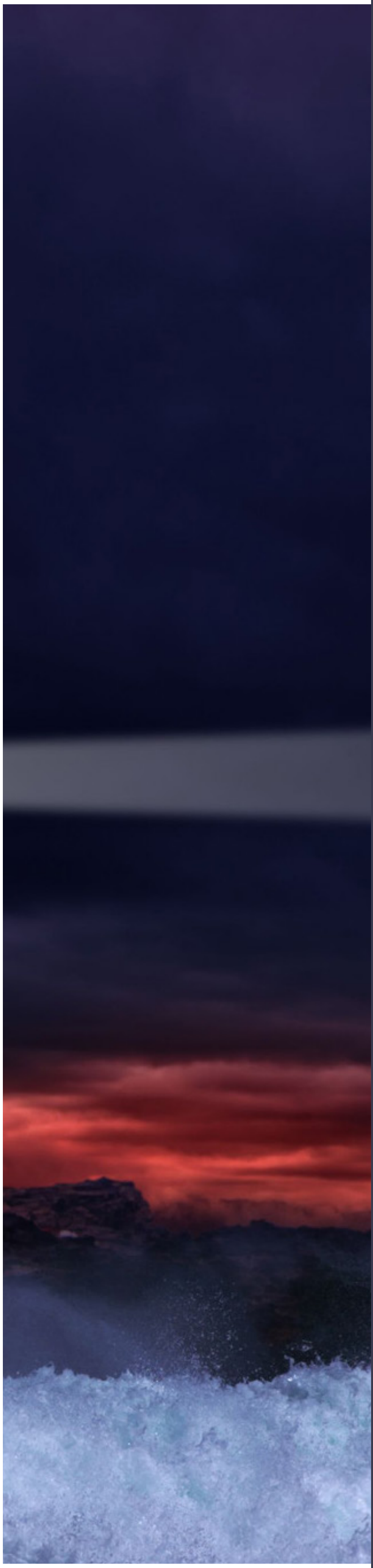
Managing Partner and Global Head of Board Practice, Case Rose | InterSearch and Founder & Chairman of Board Network – The Danish Professional Directors Association

mail: **js@caserose.com / js@boardnetwork.dk**
phone: +45 2128 2882

Jakob Stengel is among the executive search industry's globally leading board leadership and corporate governance experts, having been involved at the forefront of that agenda for more than 25 years. He is the Editor-in-Chief of the quarterly magazine, Board Perspectives, the founder and chairman of Board Mentors, and holds a degree as Master of Law (LL.M.) from University of Copenhagen.

For further information and contact details on our organizations, please go to

www.intersearch.org, www.caserose.com and www.boardnetwork.dk.



InterSearch
worldwide organization of executive search firms

BOARD NETWORK