Global Corporate Governance Trends for 2026

Converging forces of economic volatility, technological disruption, and geopolitical realignment are putting significant pressure on companies, their executives, and their non-executive leaders.

To help demystify a complicated landscape, RRA combines the expertise and experience of its leadership advisors with detailed, confidential discussions with leading governance experts each year to help organizations stay at or ahead of critical trends. With many thanks to those thought leaders, hailing from across 17 geographies, we are pleased to share the eleventh edition of Russell Reynolds Associates' Global Corporate Governance Trends.

Corporate governance is inherently local; shaped by divergent legal, regulatory, and other requirements and norms. However, we identified five trends that cut across borders and will affect board agendas and discussions in 2026.

1. Implications of AI adoption and maturation take center stage

Artificial intelligence is everywhere. You will notice that every country and regional report highlights the growing importance of artificial intelligence. What varies by market is not whether boards should engage, but how far along they are in building effective oversight.

Across the globe, boards are increasingly expected to demonstrate baseline AI literacy to capitalize on the significant opportunities while avoiding or mitigating material risks. Some of this work will be mandated - in many European markets, significant legal and regulatory requirements will become effective this year. But even where the legal environment is less prescriptive, boards are enhancing their own capabilities, from adding AI-related experience as a target for director recruiting to providing more comprehensive education and training for their directors.

This education is both in overseeing the wide range of industry and company specific applications of AI, but also in understanding how best to incorporate AI tools into the work of the board itself. Our Australian authors note the use of board-specific AI agents, and our German colleagues cite regulatory guidance that notes, "the more capable AI systems become, the more necessary it becomes for them to be included among the supervisory board's responsibilities." Recent research from Wharton and INSEAD found that AI directors were more effective than human ones on eight important criteria of success, suggesting that the use of AI support for boards may be worth considering outside of Germany as well.

The practical implication for boards everywhere is clear: technology oversight can no longer be delegated or episodic. Directors are expected to engage continuously, ask informed questions, and ensure that AI risks and opportunities are integrated into company strategy and board operations.

Questions for boards and executives

- Do we, as a board, understand where AI is actually being used in the business today—and where it could materially affect risk, compliance, or competitive position tomorrow? How do we think about potential liabilities, given different regulatory approaches across different countries or the EU?

- Are we confident that management's AI governance frameworks would stand up to regulatory, investor, or public scrutiny following an incident?
- Are we investing enough in director education and external expertise so that AI discussions are valuable, not merely symbolic?

2. Board refreshment and evaluation processes are expanding

The focus on board composition is also intensifying—including director skills, refreshment, and evaluation. Each country report addresses, in some form, the question of whether boards are equipped for the challenges ahead.

In some markets, such as the United States, this is driven primarily by shareholders. The US report points to increasing scrutiny of director tenure, skills disclosure, and individual accountability, with risks that investors do not support director nominees (and may support activist ones). Boards are responding with more detailed skills matrices, enhanced disclosure at the individual director level, and a greater willingness to refresh composition proactively rather than defensively. In Japan, the focus has been on increasing the number of highly qualified independent directors to boardrooms.

Similar dynamics appear elsewhere, though the drivers differ. In Italy and other parts of continental Europe, regulatory expectations and governance codes are pushing boards toward more formalized evaluations and clearer articulation of director competencies. And internal stakeholders are driving a push in several markets, including Canada and Mexico, to enhance succession and recruiting practices at the private, family-owned companies that are so important to those economies.

This attention to board quality also creates pressure to improve how boards and others assess that quality. Across markets, board and individual director evaluations are becoming more rigorous and more frequent, with increasing use of external facilitators and a shift away from purely collegial, high-level reviews in Brazil, Italy, and Singapore, much like we have previously noted in the United States.

Questions for boards and executives

- If we were designing our board today, what backgrounds, skills, and experiences would we prioritize? Does that vision reflect the realities of our board today - and if not, how will we bridge the gap?
- Are our board and individual director evaluations producing concrete changes, or merely confirming that "things are working"? Do we have the courage to make the changes to improve our board's effectiveness?
- Do we have credible, time-bound succession plans for both board leadership and the CEO, tested against plausible disruption scenarios?

3. Shareholder scrutiny – and activism – are on the rise

Another consistent theme is heightened external scrutiny of boards. Shareholders are increasingly demanding more from their boards and directors. Some authors note proactive work to get ahead of shareholder questions while others cite increasing numbers of "vote no" campaigns.

In the United States and Japan, this shareholder scrutiny included significant levels of shareholder activism. The 56 campaigns in Japan in 2025 were an all-time high and accounted for roughly 50% of campaigns from outside the US, while the 141 US campaigns were just shy of an all-time high.

Boards across geographies are becoming more proactive in stress-testing governance vulnerabilities, engaging earlier with key shareholders, and addressing potential weaknesses in oversight, disclosure, or composition before they become flashpoints (and responding when they do).

Questions for boards and executives

- Where are we most vulnerable to targeted shareholder scrutiny—collectively or individually?
- If our company's performance is lagging, have we applied an investor's perspective, dispassionately reviewing our performance compared to peers and asking what should be done differently?
- How does the board stay informed about investor preferences and our company's engagement with active, passive, and activist shareholders?
- Does the board understand its role and responsibilities if we do face a shareholder demand, activist or otherwise?

4. Sustainability and ESG efforts are more pragmatic

Sustainability and ESG remain prominent across most jurisdictions. Outside of the United States, sustainability is a central board-level issue, but the focus of those board discussions is changing. Many reports note a transition from broad commitments and narrative disclosure toward oversight of implementation and reporting efforts.

In some countries, 2026's sustainability focus is one of reframing. Belgium, France, the Netherlands, and the Nordics, for example, are moving from compliance to business impact, despite growing regulatory challenges that threaten to displace attention on creating value. Mandatory regimes—such as the Corporate Sustainability Reporting Directive (CSRD) and alignment with IFRS sustainability standards—require significant attention to achieve regulatory compliance. Yet while important, this should not be mistaken for the ultimate goal. As our Dutch colleagues write, the level of regulatory scrutiny puts pressure on boards to "concentrate on actions that materially create value, rather than activities that merely increase reporting volume."

These global efforts also underscore an important reality for companies located elsewhere, including the United States: sustainability requirements imposed abroad increasingly shape enterprise-wide systems, controls, and reporting, whether sustainability is a favored or disfavored subject at home.

The global takeaway is that ESG is no longer about signaling. Boards are expected to drive and oversee sustainability efforts that are credible, measurable, and aligned with business objectives, while also meeting rising disclosure and assurance expectations.

Questions for boards and executives

- Which sustainability issues are truly material to our strategy and financial performance—and which ones are consuming time without clear impact?
- Are our ESG disclosures supported by the same level of rigor, controls, and assurance as our financial reporting?
- How are sustainability considerations actually influencing capital allocation, risk appetite, and long-term strategic decisions?

5. Geopolitical risk and resilience will remain on board agendas

Mounting geopolitical uncertainty and the economic volatility are testing organizations in unfamiliar and persistent ways. The United States' influence in upending trade and other relationships continues to cause ripple effects and has forced companies everywhere to rethink their risk frameworks and fortify organizational resilience.

Japanese boards and German audit and risk committees alike are drilling down on geopolitical scenario planning, regulatory mapping exercises, enterprise-wide stress testing, and more cybersecurity preparedness. Other European nations are planning for the shifting positions between the US and China, while Mexico is sharpening its focus on geopolitical positioning to attract and retain global investors.

These topics must find space in crowded board agendas and be addressed not as one-offs but folded into strategic planning and risk discussions. In particular, we hear appreciation from boards whose leaders arrange sophisticated scenario planning exercises to help make these abstract concepts come to life and help prepare the board for the unexpected.

Questions for boards and executives

- Which geopolitical assumptions underpin our current strategy—and how confident are we that they will remain relevant over the next three to five years?
- Have we meaningfully stress-tested our supply chains, market exposures, and operating model against adverse geopolitical scenarios? Are we challenging ourselves to look at scenarios that were once thought to be highly unlikely, given the significant shifts that are taking place now?
- Where can we deploy scenario response exercises to build comfort and competence on the risks facing our organization?

What this means for boards globally

Taken together, these trends point to a common conclusion across markets: the role of the board is becoming more demanding, more technical, and more visible.

Directors are expected to engage deeply on complex issues, demonstrate relevant skills, and exercise judgment under heightened scrutiny. Boards should ask themselves how their agendas need to change and whether they need to increase meeting time and/or frequency to effectively oversee the increased demands of boards? While the answer may not require greater time commitments, historical agenda patterns may not address the new and changing expectations for boards.

While the regulatory and cultural context still matters, the convergence of these themes suggests that boards can learn meaningfully from practices in other jurisdictions. The most effective boards are those that treat governance not as a compliance exercise, but as a dynamic capability—continuously refreshed, strategically aligned, and responsive to an increasingly complex global environment.

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Institutional investors still care about corporate governance, which is an opportunity and risk

As predicted, there were significant attempts to redefine the relationship between public companies and their shareholders in 2025. Amid political and regulatory climate changes, efforts to shift the balance of power toward company management and away from shareholders and their proxy advisors were remarkable. Most of those proposals are unresolved, which could cause observers to believe that 2026 will herald the end of the modern era of investment stewardship in the United States.

Those beliefs are misguided. While the relationship between companies and their owners - particularly their passive owners - will continue to evolve, investors and other experts told us that there remains important work for investors in support of generating return on investment and minimizing risk to their portfolios and asset owners. Those changes that do occur may turn out to be "careful what you wish for" moments for companies that already have less clarity about what to expect in proxy voting recommendations and votes than in prior years. Companies that build meaningful, non-transactional relationships with their investors stand to gain, while others face continued risk.

What's changed already

Recent regulatory developments have reinforced this shift. Earlier in 2025, the FTC and DOJ issued a joint statement making clear that, while engagement on certain governance-related topics (e.g., board size, compensation, reporting) is permissible under investors' "passive" antitrust exemption, activities crossing into operational coordination or strategic direction could expose investors to antitrust scrutiny. More recently, in November, the SEC announced that it would no longer respond to no-action requests or express views on exclusion of most shareholder proposals. And in December 2025, the White House issued an Executive Order aimed at increasing oversight and curbing proxy advisor influence. These moves collectively reduce the predictability of the shareholder proposal and proxy-voting ecosystem while shifting more discretion – and responsibility – onto both investors and companies.

The market has already begun evolving in response. Even prior to the White House's announcement, ISS and Glass Lewis each announced significant changes to their proxy voting approaches, shifting away from standardized "benchmark" voting recommendations toward more bespoke, client-specific policy frameworks for the 2026 proxy season. The desire to uncouple proxy administration from proxy voting recommendations has also led other organizations to offer new services to investors.

What is – and isn't – coming

Despite hopes in some quarters that these policy dynamics will chill investors' interest in pushing for preferred behaviors that they believe will increase the value and decrease the risk of their investments, experts reject the notion that shareholder engagement will subside completely. As one interviewee commented, "The perception that [investors and issuers] are not talking is wrong. The engagement is very helpful." Although developments in 2025 introduced a period of short-term uncertainty, we observed that engagement has largely resumed along familiar lines.

While there has been a meaningful shift away from heavy engagement on environmental and "social" topics, the level of interest in core governance issues has not waned. In the first half of 2025, governance-related proposals submitted to companies among the Russell 3000 received 38% support, whereas environmental and "social" proposals received only 10% and 12% support, respectively. Interest in board composition, CEO succession planning, and capabilities related to AI oversight will be important for companies and their owners in 2026. In this environment, companies should be careful before diminishing their engagement on governance issues and with institutional investors. Companies that underinvest in those efforts or are seen as taking too much advantage of the more pro-company environment may come to regret it.

Growing scrutiny of board composition and individual directors' suitability

Passive investors have long expressed interest in the mix of backgrounds, skills, and experience represented in their investments' boardrooms. Language from BlackRock's 2026 Benchmark Proxy Voting Policy highlights this belief: "Companies whose boards are comprised of appropriately qualified and engaged directors, with professional characteristics relevant to a company's business, enhance the board's ability to add long-term financial value and serve as the voice of shareholders in board discussions."

More active investors also care about board composition, recognizing both its importance to business success and its utility as an issue that can sway passive investor support to their proxy contests. This interest is not new; however, some tools are—most notably the Universal Proxy Card (UPC). As we predicted, the UPC era encourages investors and other stakeholders to evaluate board members both collectively and individually, pushing voters to identify the "weakest" directors on the basis of proxy disclosure.

Echoing our previous recommendation: boards should proactively assess their own potential vulnerabilities before someone else does. Highlighting the importance of evaluating composition director-by-director, activists have been more successful recently. As noted in a recent Sidley Austin memorandum, the probability of a campaign winning at least one seat has risen from 39% to 48%, suggesting that activists have become more adept at targeting directors whom they view as lacking the right future-focused skills – and swaying voters accordingly as they pit their nominee against the board's weakest incumbent.

Against this backdrop, boards are increasingly choosing to settle early, rather than risk a targeted loss at the ballot box, with settlement rates peaking at 92% in the first half of 2025. Settlements may involve expanding the board to include one or more activist directors or replacing incumbent members through refreshment, though contests typically give activists only one additional seat. The high levels of settlement suggest that when forced to evaluate the potential weakness of a board versus the strength of an activist campaign, directors see their boards clearly.

The message from the experts we spoke with was clear: boards should actively manage their own composition before they lose the right to do so. Outsized attention and risk remains for nominating and governance committee members, chairs, and independent board leaders. Indeed, the number of Russell 3000 nominating and governance chairs receiving less than half of the vote rose 45% from 2024. While the primary focus of board composition discussions remains finding the right people who have demonstrated experience and expertise, we also expect growing focus on how directors augment their skills to become more effective. As one expert explained, with business complexity outpacing the speed at which boards can refresh, high-quality ongoing education is also necessary.

The activist landscape will remain lively and dynamic, necessitating robust preparation

Activists were busy in 2025, with the number of campaigns jumping 23%, compared to 2024. Barclays found that a 60% majority of the 141 campaigns were at companies between $500M and $5B in market capitalization, but 22% of campaigns were at companies valued at more than $10B. No company is off limits. While the number of campaigns may dip modestly from the near historic highs this year, we expect activity levels to remain elevated - demanding sustained attention from boards and C-suites.

Board composition is far from the only topic of interest to activists—they're interested in C-suite needs as well. Explicit demands for management change were much less common - occurring only 5% of the time - but this masks the reality that CEO departures both are caused by and may cause activist campaigns. A record 32 US CEOs resigned within a year of an activist campaign, an increase of 60% compared to the four-year average, reinforcing a widely held concern among executives that activist campaigns are referenda on CEO performance. At the other end of the timeline, 18% of US campaigns were initiated following a CEO resignation, highlighting the importance of proactive oversight of CEO performance and rigorous succession planning.

Although activist tools and tactics are becoming more sophisticated, it's harder than ever to confidently predict activist activity. While the bulk of activist campaigns are driven by a handful of well-known firms, a growing universe of first-time and emerging activists - often more aggressive as they seek to establish a track record - adds to the unpredictability. Taken together, these dynamics mean that ignoring business or governance vulnerabilities until an activist emerges is no longer viable. Boards need thoughtful, clear-eyed vulnerability assessments so as to avoid unwanted and costly distractions, and to maximize the chances of success if a campaign materializes.

More time – and more impact – from boardroom AI discussions

When we predicted an "emerging spotlight" on governance of AI in 2024, only 12% of S&P 500 companies identified AI as a material risk in their public disclosures; two years later, 72% do. While individual companies and directors are at different places in their AI learning and utilization journeys, 2025 saw a major shift in raising the level of awareness and conversancy in AI, and 2026 will see many more companies and boards look to leverage that learning while investors will look for proof of their success.

Risks and opportunities will vary widely from business to business, and an industry-specific review of both upsides and downsides is an important step for every board. In the energy sector, for example, one expert we spoke with described working with a board exploring AI systems to consolidate global operating data and surface safety incidents faster, moving toward real-time alerts. In consumer and services businesses, boards are reviewing generative tools for customer-facing channels where efficiency gains must be weighed against brand risk. As one asset manager said, "It's not just on the balance sheet; it's also reputational."

Across industries, one very common topic of concern is how companies are thinking about AI impacts to workforce design. As we have previously written, investors are more frequently engaging on human capital issues. The potential for rapid efficiency gains, risk of reputational harm from workforce reductions, and longer-term concerns about creating a sustainable talent pipeline for the future make these ripe topics for disclosure and shareholder engagement.

AI is also directly affecting governance topics important to directors and executives, including:

- Altering how shareholders use their voting power, as at least one major asset manager cuts ties with proxy advisors, leveraging AI tools to do that work in-house
- Refreshing delegations of authority to clarify what types of AI-related decisions the board wants to be involved in making or overseeing
- Evaluating the use of AI to assist with the job of preparing board-related materials
- Determining what level of AI expertise should be present in the boardroom - 47% of Fortune 100 companies cite AI in director qualifications - recognizing that most investors and companies are skeptical of narrow skillsets
- Evaluating AI education opportunities to upskill existing directors

These shifts suggest that boards are moving from AI awareness to accountability. In the coming year, directors will be expected not only to understand AI's potential, but to demonstrate clear oversight structures, informed decision-making, and credible evidence that AI deployment aligns with strategy, values, and long-term value creation.

Corporate Governance Trends in Canada

Tariffs and weakening US trade ties redefining future growth strategies

The weakening consensus on North American free trade and commerce in 2025 has prompted Canadian businesses to adopt a broader strategic lens, with increased focus on markets like the UK, Europe, and Asia Pacific. While the US will continue to play a central role in Canada's economic and trade policy, future growth strategies are placing greater emphasis on diversifying into foreign markets aligned with the federal government's "Build Canada Strong" commitment.

This shift has ignited proactive conversations about the need for future directors who are experienced in new market entry or have a network and understanding of a particular region. This is particularly true as Canadian companies adapt to the country's new commitment to infrastructure and defense spending, initiating or deepening trade arrangements with non-US countries, as well as an energy policy that is aggressively promoting exports to foreign markets. The expectation is that such directors will help de-risk companies from pursuing business strategies that are becoming less relevant in a rapidly changing political-economic environment.

Intensifying pressure to transform through unprecedented technological innovation

Companies and society are adapting to unrelenting disruption that has reshaped consumer behavior, investment theses, institutional structures, and regulatory regimes - often upending longstanding business models. Viewed as the most disruptive force in decades, generative AI is triggering a rethink of business strategy, organizational design and culture, capital allocation, and stakeholder management. In turn, boards are playing a more important role in assessing the relevancy of emerging technological opportunities and risks and will be increasingly called upon to offer penetrating insights and constructive challenge.

As Canadian boards grapple with accelerating their understanding of AI's business implications, the pressure to transform also accelerates. Accordingly, boards are attaching a premium to new directors who bring experience that will support and challenge management in building agile, resilient, and sustainably profitable businesses.

Boards also remain on high alert relative to cyber-risk. In recent years, some boards experimented with appointing directors with cyber expertise. The vast majority have prioritized active or recent executives that sit in enterprise-wide roles at companies recognized for effectively managing cyber risk. Another challenge is the limited supply of technology and transformation-tested executives with experience operating at scale, forcing Canadian companies to compete more aggressively for US talent.

Growing importance of the "generalist" archetype

At the same time, institutional investors and CEOs are placing greater emphasis on having at least one or two experienced directors (beyond the current CEO) on the board. The demand is driven by two factors: First, a former enterprise leader who has "walked in the shoes" of the CEO brings a more developed systems mindset and balanced judgment to board deliberations and decision-making. This is particularly important in a world where planning cycles have been dramatically compressed due to constant change. For recently appointed CEOs, having a mentor on the board helps to accelerate and de-risk the new leader's transition.

Second, competency matrices - when interpreted narrowly - can reinforce a preference for highly specialized directors drawn from defined fields. This "designated hitter" approach to structuring a board is increasingly becoming outdated. Many boards are now optimizing for a better balance, with some "generalist" directors who help elevate integrative thinking. Under pressure from shareholders and regulators to shrink the size and improve the accountability of boards, it is increasingly difficult to square this demand without having each director solve for a wider breadth of experience and expertise.

Lessening ESG visibility—but not activity

While certain countervailing legal, political, and market forces have reduced the focus on DEI and other ESG-related matters, boards continue to emphasize diversity to satisfy or maintain earlier commitments. This tension is evident in board appointment data: although women now hold a record 30.5% of the board seats on all TSX-listed companies, there has been an 8.5% decline in the rate at which women are being appointed to fill new or vacant director positions in the last year. Even so, companies continue to consider gender, race and ethnicity, and other forms of diversity in their formal selection processes. Over the past two years, boards—especially those of large-cap companies—are increasingly seeking Indigenous representation as well. Part of this focus is in response to the nation's economic reconciliation commitments.

Scrutinizing executive succession planning

Regardless of company size and industry, most boards are driving their organizations to be more proactive, systematic, and rigorous on CEO and C-suite succession. Investors are increasingly requiring more transparency to be confident that management teams are building capability and mitigating future risk. In some cases, investors are expressing concern about the perceived lack of executive assessment and development planning, and are more vocal when a succession process ends in failure or a sub-optimal outcome.

Large cap and heavily regulated companies have traditionally been the most advanced in their approach to succession planning. Heightened awareness of the benefits of a formal process—such as better decision-making, increased candidate optionality, and improved internal retention—is now driving greater adoption among small and medium-sized businesses. This shift in thinking has also become increasingly applicable for family-owned enterprises, as many place greater discipline on developing "effective owners" who can lead or serve on the boards of family holding or operating companies.

Corporate Governance Trends in Brazil

Political and geopolitical volatility narrowing focus and ambition

Brazilian boards enter 2026 in a context of political uncertainty and global instability. Directors foresee a volatile election year that may prolong fiscal leniency and weaken investor confidence. At the same time, the realignment of international alliances, new trade barriers, and the reorganization of supply chains are directly influencing business models. Many interviewees noted that boards are learning to "navigate in the fog," making decisions amid macroeconomic uncertainty while maintaining a long-term view. In this landscape, companies are focusing primarily on financial health, prioritizing efficiency, liquidity, and cash sustainability before resuming more ambitious plans.

This environment requires boards to act as anchors of rationality, helping management maintain focus on mission, capital allocation, and resilience rather than reacting to political pressures. The chair's role is essential in maintaining calm and objectivity in discussions. Forward-looking boards have engaged external experts to contextualize risks and strengthen decision-making.

Ultimately, success in 2026 will depend on the board's ability to translate volatility into long-term vision, ensuring strategic clarity amid turbulence.

AI and cybersecurity becoming core board mandates

AI has moved from an abstract concept to core governance responsibility. Directors described a clear gap between awareness and readiness: although most acknowledge AI's strategic importance, few companies have the structure, data, and technological fluency required to oversee it effectively. Fragmented data, outdated systems, and vague accountability remain familiar challenges. Even so, the pressure to act is growing as competitors appear to use AI to reduce costs, automate processes, and gain analytical advantage. Cybersecurity, now inseparable from AI, is also becoming more prominent in board agendas, especially after large-scale global incidents.

Though there is greater awareness of the topic, boards are in short supply of true insight to drive concrete decision-making. Many boards are still in the learning phase, discussing how to integrate AI and digital security into strategy in a practical way. In response, some boards have created technology or innovation committees, promoted "AI 101" director workshops, and invited external experts to bridge knowledge gaps. Oversight is evolving from a passive monitoring role to one of active leadership, questioning not only which technologies are implemented, but also how responsibly and strategically they are governed. In 2026, technological fluency will be one of the key differentiators for boards.

Human capital, leadership, and succession as strategic priorities

Experts agree that people and succession have become strategic priorities, not merely operational ones. Brazil faces a narrow leadership pipeline, with a growing gap between experienced CEOs and younger executives. Boards recognize that developing internal successors has become more challenging, demanding more than ever their deliberate and structured oversight. Human capital supervision is increasingly extending beyond compensation to encompass culture, leadership development, and succession planning for both executives and board members.

Although most boards maintain formal succession plans for CEOs, few address their own succession with the same rigor. Processes remain largely non-transparent and, in many cases, still influenced by controlling shareholders. The most mature boards use competency matrices to anticipate future needs and align succession with corporate strategy. In 2026, the success of boards will be measured by their ability to balance continuity and renewal, fostering diverse perspectives, readiness, and leadership depth at all levels.

Growing importance of board effectiveness and accountability

Effectiveness and internal culture have become invisible differentiators of high-performing boards. Interviewees agreed that structure and process matter less than trust, courage, and feedback. Evaluation practices are normalizing and becoming more consistent: most boards conduct annual internal reviews and external assessments every two years. However, quality still varies — in some cases, processes remain a mere formality; in others, they have evolved into open and constructive conversations that influence succession, renewal, and leadership development within the board.

Interviewees highlighted the growing importance of individual director evaluation and anticipate it will increasingly be folded into annual assessment processes. This practice, though still not widely adopted in Brazil, has proven unmatched in promoting self-reflection, development, and improvement. The role of the chair is central to this evolution. Chairs who foster open dialogue and manage differences constructively strengthen cohesion and decision quality. Many are complementing formal assessments with informal meetings, one-on-one discussions, and ongoing feedback sessions. The trend for the coming years is for evaluation to evolve from a compliance requirement to a cultural tool for continuous learning. In 2026, boards that institutionalize continuous improvement and psychological safety will set a new standard for corporate governance excellence.

ESG shifts from theory to strategic integration

ESG remains on board agendas in Brazil, though with less intensity and more business-aligned pragmatism. Directors described a shift from aspirational rhetoric to measurable action, with environmental goals increasingly linked to financing, risk management, and operational efficiency rather than corporate reputation alone.

Social and diversity targets remain relevant but are being pursued with less rhetoric and greater accountability. In environmental matters, the introduction of the IFRS S1 and S2 standards is accelerating this professionalization; particularly, in regulated sectors such as financial services, energy, and industry.

Directors emphasize that good governance is the foundation of credible sustainability. Many warned about weak enforcement and low transparency within Brazil's governance ecosystem. The institutional weakening of regulatory bodies, such as the CVM, has contributed to a deficit of investor confidence, making it essential for boards to reinforce internal accountability, independence, and ethical coherence.

Boards increasingly recognize that ESG must be integrated into corporate strategy and capital planning to be effective and credible. Leading boards are refining metrics, focusing on areas of greatest impact, and balancing stakeholder expectations with shareholder returns. The ESG conversation is evolving from why to how: how sustainability drives profitability, how governance is essential for accountability, and how transparency rebuilds market trust. Boards that internalize this integrated and institutionally grounded approach will define the next era of responsible growth in Brazil.

Corporate Governance Trends in Mexico

Reconfiguring board composition and effectiveness

As board scrutiny intensifies, composition and true independence have become a defining challenge. Many companies are reassessing how directors are selected, emphasizing the need for defined profiles underpinned by external evaluations and independence, as well as enhanced refreshment protocols to better define terms and rotate directors. In 2026, this shift is expected to deepen as companies move beyond gender diversity to focus on diversity of experience, competencies, and perspective. Investors and regulators continue to stress the strategic value of embracing diverse perspectives and independent thinking. Leading boards are also starting to consider more structured evaluation mechanisms to measure effectiveness. This growing professionalism reflects a cultural awareness taking hold on establishing stronger governance practices.

Institutionalizing CEO succession at public and private companies

The call for structured CEO succession processes continues to strengthen as boards recognize that leadership transitions are critical to long-term performance and stability. What began as an emerging governance priority in previous years has evolved into a more systematic and transparent practice. Boards are formalizing succession plans not only for the CEO, but also for the chair and senior executives, introducing clear criteria for readiness, tenure, and rotation. In 2026, independent directors will play a critical role in ensuring that these processes are objective and forward-looking rather than reactive.

This is a particularly strong trend for family enterprises. Those businesses—which form the backbone of the Mexican economy—are devoting more energy to these topics, linking leadership development with broader efforts to institutionalize governance. Many are creating or enhancing family councils, formalizing succession protocols, and engaging independent advisors to help navigate the intersection of business and family interests.

Integrating AI and cybersecurity governance

AI and cybersecurity have evolved from technical risks into strategic governance priorities. Over the past year, AI-related incidents, including misinformation and synthetic media, have underscored the reputational and operational risks posed by emerging technologies. Boards are responding by integrating AI oversight into their risk and compliance frameworks and by establishing clearer policies on data privacy, confidentiality, and ethical use. Boardroom discussions are expanding beyond technological capability to include questions about accountability, transparency, and regulatory preparedness. Cybersecurity remains a top concern as attacks grow more frequent and sophisticated, prompting boards to strengthen their understanding of digital risk and navigate how data protection and governance policies will evolve in step with innovation.

Linking ESG to sustainable value creation

Across markets, the ESG conversation is shifting toward a broader focus on sustainable value creation. While explicit ESG branding has lost prominence, sustainability is now embedded into corporate strategy and the DNA of board oversight. Many Mexican companies are moving beyond measurable commitments to integrating sustainability into governance structures and linking it directly to long-term performance. Investors are increasingly focused on outcomes rather than rhetoric, reinforcing that sustainability is now a core driver of competitiveness and resilience.

Prioritizing geopolitical understanding

Mexico's geographic fundamentals—its strategic location, demographics, and nearshoring momentum—continue to attract investment despite ongoing political, regulatory, and institutional challenges. As global trade realignments and geopolitical tensions intensify, Mexican boards are placing greater emphasis on understanding the associated external risks and their implications for corporate strategy. This heightened awareness is leading to a greater call to assure global-minded and international board members, as well as engaging more in deliberate scenario planning to maintain stability and credibility. In 2026, boards will be tested on their understanding of the shifting geopolitical trends directly impacting Mexico and Latin America.

Corporate governance trends in the United Kingdom

Implementing the new Corporate Governance Code

The most immediate development for 2026 is the introduction of Provision 29, which requires boards to report formally on the effectiveness of their internal controls starting in January of this year. The mandate marks the UK's closest move yet toward a regime similar to Sarbanes-Oxley in the US, though adapted to the British "comply or explain" model.

Large, well-governed companies welcome the change as an extension of their existing assurance frameworks. For smaller issuers, the requirement is more demanding—adding testing, documentation, and certification—but the intent is clear: to strengthen investor confidence and board accountability without creating unnecessary bureaucracy.

As companies begin their disclosures, some recalibration is expected as boards observe how peers interpret the requirements and refine their own approaches accordingly.

AI governance moving to center stage

Artificial intelligence has become a standing board agenda item. With the UK preparing its own AI bill and the EU AI Act taking effect, directors are now expected to understand how data models and automation will shape business decisions. Director and executive committee training on AI is therefore a top priority, with boards tending to prioritize collective upskilling over installing AI experts as directors.

Boards are increasingly adopting a risk-based AI governance approach, defining clear accountability for its use, promoting transparency in decision-making and assessing the ethical and legal implications of automated systems.

AI is also reshaping the governance process itself. Tools that summarize board papers, automate minutes or support compliance tracking are already reducing the administrative load while introducing new oversight questions. The next phase will concern governing technology as rigorously as finance and people, embedding AI oversight into risk frameworks and into board and company culture alike.

Embracing cybersecurity and operational resilience as core board duties

Cyber risk has become one of a board's most tangible tests of resilience. High-profile attacks across UK sectors have shown that no organization is immune, and investors now view cyber readiness as a measure of fiduciary responsibility.

Boards are making operational resilience part of their annual assurance cycle by mapping critical systems, rehearsing incident-response plans and reviewing insurance coverage and recovery strategies. The prevailing assumption has shifted from preventing breaches to how to manage them when they inevitably happen. Looking ahead, boards will increasingly put this critical question into their agendas.

For many directors, the challenge is knowing enough to probe effectively without becoming technologists. The leading practice combines independent external reviews with specialist board advisors who keep expertise current. Experts predict that the robustness of a company's cyber-response plans may serve as the first real test of the UK's new internal-control regime.

ESG maturing from commitments to credible reporting

ESG remains central to UK corporate governance, but 2026 marks a move from policy to performance. With the adoption of International Sustainability Standards Board disclosure standards and the consolidation of existing frameworks, the focus is shifting to quality over quantity, which means fewer metrics, greater materiality and clearer links to strategy.

Boards are prioritizing transparent, consistent reporting on climate and diversity and focusing their efforts on issues that are genuinely material to enterprise value. Because diversity targets at the board level have largely been met, the spotlight is shifting to management pipelines and organizational culture. On climate, the emphasis is on delivery against transition plans rather than setting new ambitions.

Despite global political divergence on the importance of ESG, UK companies continue to view responsible governance as a competitive advantage and differentiator. The tone is pragmatic—sustainability as good business, not as ideology. In this steadier phase, ESG discipline is less about new commitments and more about credible reporting that informs decision-making and builds trust with investors.

Corporate Governance Trends in Germany

Amplifying risk resilience

Supervisory boards in Germany are going into 2026 with certain constants: geopolitical tensions, supply chain disruptions and rising regulatory complexity. A muted macroeconomic environment compounds these challenges, particularly across the industrial sector, a cornerstone of the German economy that continues to face substantial headwinds. The traditional notion of oversight is giving way to a more proactive and systemic understanding of risk resilience. Boards are no longer satisfied with monitoring external shocks; they're building institutional capabilities to anticipate, absorb and adapt to them.

Audit and risk committees are increasingly including geopolitical scenario planning, cross-border regulatory mapping, enterprise-wide stress testing and cybersecurity preparedness in their annual agendas. Discussions on risk appetite, organizational adaptability and long-term preparedness have become defining features of boardroom deliberations. A critical element of this broader view of resilience is also the ability to anticipate long-term scenarios and translate them into concrete succession strategies for both the management and supervisory boards. This has created a discernible shift from a preference for non-executive director experts to generalists, namely former CEOs.

Looking ahead, resilience is set to evolve from a (reactive) defensive posture into a core dimension of corporate competitiveness. Forward-looking boards will treat resilience not merely as protection against volatility but as a strategic asset, anchored in foresight, agility and the ability to translate complex risks into long-term opportunities.

Rolling out digitalization and AI in governance

Digital transformation continues to change the infrastructure and pace of board work. The RRA DAX 40 Supervisory Board Study 2025 found that German boards are more digital than ever in their composition, which is helping drive enterprise-wide digitalization. At the same time, virtual collaboration tools, secure data platforms and real-time information access have become standard features in the boardroom, further embedding technology into the daily rhythm of directors' work.

In 2026, supervisory boards are expected to further evolve from digital adoption toward strategic integration. The focus is shifting from simply enabling meetings to deploying technology as a catalyst for more informed and forward-looking governance. Practical Impulse: The Use of Artificial Intelligence Within the Supervisory Board, published by the German Corporate Governance Commission in September 2025, highlights the fact that AI is becoming an integral part of effective board practice. Early applications, from automated documentation to AI-assisted analytics, are already enhancing how boards process information, identify risks and prioritize strategic topics. Similar developments are emerging at annual general meetings, where early adopters are beginning to use AI to record, analyze and even anticipate shareholder questions, marking another step toward more data-driven governance.

With the EU AI Act coming into full force, subject to very few exceptions, 2026 will mark a defining year for digital governance. Supervisory boards are expected to incorporate AI into their workflows more systematically, guided by clearer regulatory standards and rising digital competence among directors. The emphasis will shift from experimentation to responsible application, balancing innovation with ethical and legal accountability.

Corporate offices strategically enabling board effectiveness

The RRA Corporate Office Study 2025 shows that the corporate office - depending on company structure, supporting either the supervisory board alone or both the supervisory and management boards - is evolving into a strategic driver of board effectiveness across the German DAX and MDAX landscape. As governance becomes more complex, the corporate office has emerged as the central link among process, information and decision-making.

Across leading organizations, corporate offices now shape agendas, align committee work, facilitate the integration of international board members and support the chair as a trusted governance partner. This evolution strengthens cohesion and transparency and helps connect the dots to boost oversight quality.

In 2026, the corporate office will continue to mature into a strategic intelligence hub, integrating digital tools and analytics to help boards act with greater speed, depth and continuity. The effectiveness of the corporate office will increasingly affect how well supervisory boards can navigate complexity, maintain stability and deliver long-term impact.

A contemporary outlook on supervisory board compensation

As expectations continue to rise, the DAX 40 Supervisory Board Study 2025 found that increases in remuneration have remained modest year over year—a disconnect that highlights the heightened tension between responsibility and reward. While the 2025 AGM season saw several companies introduce incremental raises, a broader wave of adjustments is expected in 2026. These changes are meant not only to align compensation with the expanding scope and complexity of the supervisory mandate but also to preserve the long-term appeal of serving on a German supervisory board amid growing strategic, technological and geopolitical demands.

Corporate Governance Trends in France

Market uncertainty is changing—and improving—dynamics between board and executive teams

As French boards look ahead to 2026, they confront profound strategic uncertainty. Geopolitical tensions are redrawing market boundaries and trade flows while domestic political dynamics generate ambiguity regarding the country's economic priorities and regulatory direction. Simultaneously, rapid advances in AI are accelerating organizational and operational transformation. Together, these forces are heightening pressure on already demanding board agendas and increasing the strain on executive teams.

Against this backdrop, directors describe a notable evolution in their engagement with management. Boards emphasize a receptiveness to more open and frequent strategic dialogue, a willingness to act as constructive sparring partners, and a strengthened commitment to providing stability and support as leadership navigates conditions in which visibility remains limited.

As boards shift toward a more strategic partnership with executive leadership, they're looking for directors who can help navigate periods of acute pressure—namely, leaders who have operated at the group CEO level, led large and complex businesses, brought a systemic mindset to board deliberations, and can provide the seasoned strategic wisdom executives need.

AI and digitalization demanding collective board competence

AI and digitalization are now embedded across most French companies, thus the core challenge for management has shifted to implementing these technologies at scale and ensuring they deliver enterprise-wide impact. As AI adoption accelerates and digital pressures intensify, directors face growing stakeholder demands to make faster, more consequential judgments amid limited visibility. In this context, boards continue to prioritize digital and AI expertise: SBF 120 companies appointed 25 directors with digital backgrounds in 2025, up from 12 the prior year, making it the most common experience among newly named directors, according to the Russell Reynolds French Board Study 2025[1]. This trend is expected to be even more evident in 2026.

Yet this influx of expertise is prompting a broader realization: Technological understanding, particularly of AI, cannot sit with a single specialist whose contribution remains confined to a narrow domain. Directors increasingly agree that the board as a whole must develop a baseline of competence to challenge management effectively, weigh risks and guide long-term strategic choices.

As a result, many boards are investing in the education of all members, drawing on internal teams and external experts to strengthen familiarity with AI's opportunities and risks. The aim is not to turn every director into a technologist, but rather to enable them to meaningfully discuss technology that is reshaping competitive dynamics across industries. Candidates who combine deep AI transformation expertise with full P&L leadership experience remain the ideal, but they continue to be scarce and rarely available.

ESG balancing strategic ambition and regulatory burden

As French boards move through the first full cycle of CSRD reporting, they face a growing tension within their sustainability oversight. While many directors underline that sustainability remains strategically important, there is also rising concern that the rapidly expanding regulatory framework is absorbing a disproportionate amount of board time. The complexity of reporting requirements and the volume of data requested risk shifting discussions away from long-term value creation and toward compliance mechanics. Several governance leaders now observe that sustainability debates are becoming dominated by regulation rather than strategy, an imbalance sharpened by the United States' cooling stance on ESG. The challenge for 2026, they argue, is not whether to advance sustainability, but how to keep board agendas anchored in forward-looking strategic impact without being overwhelmed by administrative obligation.

Diversity is progressing, but influence gaps still persist

According to the French Board Study 2025, France remains a European leader in gender representation on boards, and women are steadily expanding their influence within governance structures. Evidence of this can be seen in committee leadership, where women now chair 51% of board committees at SBF 120 companies (including 60% of corporate social responsibility committees and 55% of remuneration committees).

However, the study also shows that, while French boards are largely meeting gender balance requirements of the Copé-Zimmermann Act (mandating 40% representation of each gender for listed companies), representation does not equate to influence across all areas. Women are significantly underrepresented in the most strategically-oriented committees, holding only 25% of strategy committee chair positions at SBF 120 companies and just 15% at CAC 40 companies.

Pursuing US representation on French boards

Amid rising trade tensions, French boards are sharpening their transatlantic focus by seeking more United States-based directors who can open doors and mobilize relevant networks. The French Board Study 2025 reflects this continuing growth: 22% of SBF 120 board members hold a US passport (up from 21% in 2024) with the trend expected to continue in 2026. French companies are anxious about successfully attracting high-caliber American directors, as board remuneration in France continues to fall well below US levels and remains less competitive than in several European markets. Without addressing this gap, the ambition to strengthen US representation will be difficult to realize.

[1] To inquire about the study or receive a copy of the booklet, please reach out to Russell Reynolds. Note: The study is available only in French.

Corporate governance trends in the Netherlands

Applying a people-first approach to board design

Dutch boards are placing people at the core of their oversight philosophy and are more socially accountable than they were even a few years ago. This extends far beyond meeting diversity requirements—it's about designing boardrooms and leadership pipelines that meaningfully influence how decisions are made and how culture develops.

A new generation of directors is already beginning to shift the tone by spurring more candid, interactive discussions to fuel a constructive dialogue with management. With talent strategy firmly incorporated into the agenda, boards increasingly want to engage directly with rising leaders, assessing their cultural fit and understanding whether potential successors can carry the organization through periods of transformation. In 2026, boards can expect to see succession planning become less a theoretical pipeline exercise and more a personal, relational and behavioral assessment.

This people-first emphasis extends to board composition and functioning. Gender balance has largely been achieved in Dutch boardrooms, so the debate now shifts to qualitative diversity, including differences in experience, mindset, international exposure and problem-solving styles. Directors increasingly prioritize psychological safety to unlock a safe space to challenge assumptions, voice dissent and surface difficult issues. The most effective chairs will play a crucial dual role in building trust while preserving strategic clarity.

Alongside these shifts, Dutch boards are reflecting on whether the governance structure itself enables the depth of strategic dialogue modern complexity demands. The traditional two-tier Rijnlands model, with its strict separation between management and oversight supervision, remains a cornerstone of Dutch governance. Yet directors increasingly recognize that today's geopolitical, technological and societal dynamics may call for closer integration between executives and non-executives. This has prompted renewed interest in elements of the UK-style one-tier model, particularly the presence of an independent chair and the more direct strategic engagement it enables. The intent is not to abandon the Dutch stakeholder tradition but to modernize governance so boards remain agile, well-informed and capable of navigating rapid and uncertain change.

Managing risk and resilience in the global context

Geopolitics has become a permanent item on the board agenda. As global power balances shift, Dutch companies see supply chains, capital flows and regulatory regimes becoming less predictable. Given the large number of Dutch companies deeply embedded in international markets, geopolitical risk is directly affecting daily operations, growth strategies and investment decisions.

The result is a broadening definition of risk itself. Boards are looking beyond financial and operational stability to include culture, reputation, leadership continuity and long-term organizational resilience. Scenario thinking, stress testing and the anticipation of "low-likelihood, high-impact" events are becoming standard governance responsibilities. This means boards will be increasingly expected to proactively interpret the world, not simply respond to it.

Ensuring a competitive position amid rising ESG and regulatory pressures

Previously privatized tasks returned to government oversight or renewed regulation, particularly in the financial sector and public services. This shift from private to public leads to increased regulation, public accountability, and more complex governance structures that require closer collaboration between government, business, and society.

As with other European neighbors, ESG remains firmly entrenched in Dutch governance, but the focus is shifting from ambition to impact. European regulation, particularly the Corporate Sustainability Reporting Directive (CSRD), requires companies to quantify, prioritize and substantiate their sustainability commitments. This level of scrutiny is pushing boards to increasingly concentrate on actions that create value rather than those that merely increase reporting volume.

For the Netherlands, ESG is also a competitiveness question. The country's attractiveness to international talent and capital increasingly depends on companies' reputations, how responsibly they operate and how clearly they communicate their societal contributions. With businesses facing a complex regulatory landscape and rising political expectations, boards feel more pressure to balance long-term sustainability goals with short-term economic headwinds.

Modernizing the board agenda

Technology—AI in particular—is reshaping both strategy and governance. Boards increasingly recognize that AI is not solely an IT topic but a strategic and ethical one that affects business models, decision-making processes, workforce dynamics and even the distribution of power within organizations.

Forward-looking boards are exploring how AI can better support oversight and meeting functionality—for example, by synthesizing board materials or surfacing key themes. There are still concerns about data quality, auditability, bias, and accountability. Because of this, many boards stay careful and open, but not fully convinced. In 2026, boards should expect to face an important challenge: how to use the opportunities of digital transformation while at the same time controlling the risks.

These developments are coinciding with a broader professionalization of Dutch boardrooms that seeks to keep pace with the external environment. Boards are increasingly introducing thematic deep-dives, structured learning sessions and more specialized committees, such as transformation, resilience and/or technology. Corporate secretaries and chairs will likely be asked to play a leading role in orchestrating these processes.

Corporate Governance Trends in Italy

Modernizing and recalibrating the governance model

Italian boards enter 2026 amid significant legal and structural reform. The Legge Capitali, a comprehensive effort to modernize the financial ecosystem and remove barriers to investment, is reshaping how boards approach shareholder engagement and director nomination processes. The practice of board-sponsored slates, already embedded in Italian corporate culture, has now become more complex under new legal requirements designed to encourage transparency and minority participation.

Looking ahead, the forthcoming Consolidated Law on Finance reform, expected in 2026, is anticipated to raise the mandatory takeover threshold to 30% from 25%. This regulatory trigger forces an investor that crosses it to make an offer for all remaining shares to protect minority shareholders. The increase could reduce market contestability while enhancing board stability in listed companies. Experts predict these changes will prompt a deeper reflection on board composition and accountability, with directors needing to navigate increasingly intricate compliance frameworks.

At the same time, there is a growing debate about Italy's self-regulation code, which has not been substantially updated in five years. Many directors view its revision as an urgent priority to align with the country's evolving governance ecosystem. Similarly, while respecting the distinct roles of management and the board, the boundaries between these roles are expected to evolve, as directors seek greater proximity to operations and direct exposure to clients and talent dynamics.

Maturing conversations around ESG

After years of rapid expansion, ESG topics are undergoing a recalibration. Governance experts reveal a discernible cooling of enthusiasm at the board level, particularly on environmental and social dimensions. Many directors say ESG is shifting from a pervasive priority to a more selective, pragmatic one focused on material issues with measurable business impact.

Some see regulatory drivers such as the Corporate Sustainability Reporting Directive (CSRD) as excessively prescriptive, prompting some boards to moderate their sustainability efforts to avoid bureaucratic overload. Other companies are reconsidering the need for a dedicated ESG committee, opting instead to integrate sustainability oversight into the scope of the full board or the risk committee. Nevertheless, this does not signal a retreat from sustainability. Instead, ESG is maturing into a more disciplined component of corporate strategy. The boardroom conversation is expected to evolve from "What must we report?" to "What truly matters for value creation?"

Enhancing AI governance and cyber resilience

Across all sectors, Italian boards are grappling with the acceleration of digital transformation. The challenge is no longer whether to engage with AI and digital tools but how to do so responsibly, securely, and strategically. Board members repeatedly highlight a gap in digital literacy and AI understanding. Many boards still "underestimate AI's governance implications," one director observed. For 2026, digital competence will become a baseline expectation for board readiness. Boards are beginning to invest in digital upskilling programs and to integrate members with strong technological expertise, especially in cybersecurity, data management and AI ethics.

Cybersecurity is emerging as a top-tier priority, with breaches increasingly viewed as a strategic threat to reputation, trust and business continuity. Experts anticipate that Italian boards will need to dedicate more time and specialized resources to monitoring technological risk, ensuring data protection and managing potential incidents. The best-prepared boards will establish clear AI governance frameworks addressing transparency, privacy and ethical use while finding the sweet spot between executive enthusiasm and responsible deployment.

Shifting expectations for board composition

The 2026 Italian boardroom will likely be leaner, more technical and more connected to management. Multiple experts foresee a gradual reduction in board size to improve agility and decision-making speed. Though gender diversity remains relevant, with women holding over 40% of board seats, the focus is expected to turn toward inclusive leadership development and equity in executive roles. The shift in board composition is also expected to favor members with sector-specific and managerial experience over traditional profiles such as legal or academic. Boards are increasingly prioritizing directors who can connect dots across business units, effectively challenge management's assumptions and credibly anticipate market disruptions. Another recurring theme is the need for boards to strengthen their transformation literacy. They're expected to invest more time identifying future leaders capable of operating in a volatile, tech-driven environment.

Rethinking risk through geopolitical and economic uncertainty

Italian directors are acutely aware that the geopolitical environment is becoming less predictable and more fragmented. The increasing localization of regulation, coupled with the erosion of global coordination mechanisms, is reshaping the way boards think about risk. Moreover, Italian boards recognize that macroeconomic turbulence, political influence in state-controlled enterprises and the reconfiguration of supply chains all demand sharper foresight and scenario planning. Leading boards will cultivate stronger relationships with external experts and consultants to inform decision-making and improve preparedness for unexpected shocks. Directors foresee a move away from the traditional defensive risk posture toward one emphasizing strategic resilience—seeing disruption as opportunity.

Corporate Governance Trends in Spain

Pushing to assimilate AI

Spanish boards are evolving rapidly in their philosophy and approach to AI. What began as curiosity around AI's business impact is now manifesting as a sense of urgency to implement real-world solutions. Boards are accelerating their learning curves, seeking to understand not just the theoretical but the practical implications of data management and AI integration for competitive advantage. There is a marked increase in demand for directors with hands-on technology expertise as boards seek to anchor their aspirations with leaders who can translate strategy into outcomes. Boardroom training is expected to tick up in 2026 as more external experts are sought to supplement the board's AI fluency.

Developing a board culture that yields results

The pursuit of more collaborative and aligned board dynamics is expected to intensify in 2026. With agendas growing ever more complex and meetings becoming more frequent, board chairs are prioritizing efficient decision-making and constructive group interactions. Experts forecast that boards will invest in "cultural rehab" processes and programs that aim to reduce unnecessary friction and help keep the board focused on strategic objectives. Board leaders should think more about enhancing group cohesion and driving strategic clarity as directors navigate the sharpest pain points.

Surging demand for core business expertise

After years spent conforming to regulatory requirements for independence, gender diversity and committee expertise, Spanish boards confront a new challenge: a shortage of directors with deep, relevant business experience. Competency matrices increasingly reveal gaps in the core industry expertise needed to challenge executive teams and drive strategic debate. In 2026, the search for qualified and conflict-free candidates is expected to escalate, with nominating committees and chairs placing greater emphasis on recruiting directors who bring substantive industry knowledge and/or CEO experience that meaningfully elevates board oversight of strategic issues.

Solidifying cybersecurity and risk oversight as permanent fixtures

Cybersecurity and risk oversight will continue their ascent as permanent fixtures in boardroom agendas. The growing complexity and the criticality of risk management are prompting boards to move beyond traditional audit committee silos and instead elevate some of these discussions to the full board's purview. Governance leaders expect that all directors will become increasingly engaged in risk oversight, reflecting the board's central role in safeguarding organizational resilience. Boards will increasingly dedicate time to ensuring that risk considerations permeate decision-making and strategic planning at every level. 2026 may see board agendas allocate more time for scenario planning, particularly concerning cybersecurity vulnerabilities.

Rising scrutiny over director remuneration amid increased demands

The debate over director remuneration is set to intensify as expectations for time commitments and expertise continue to rise. While independence remains a guiding principle, many directors are questioning whether compensation adequately reflects the heightened demands of the role, including deeper engagement in strategy, investor relations and business knowledge. In 2026, boards are likely to revisit remuneration frameworks to better align with the realities of an increased workload and the evolving scope of governance. To be sure, the increase in activism has placed a brighter spotlight on reviewing board remuneration schemes, including potentially variable long-term incentive plan structures.

Corporate Governance Trends in Belgium

Advancing boards into value-driven councils via culture and composition upgrades

As boards adapt to a more volatile and complex environment, they are shifting away from process-heavy practices toward a clearer emphasis on purpose, focus, and values-driven governance. In this context, the most effective boards will evolve to function more as councils of trust and judgment, where challenge and reflection are prized equally. Chairs stress that effective governance will feature the willingness to hold difficult, purpose-anchored conversations on strategy, risk and culture. The chair's role is expected to shift further from procedural facilitator to coach and connector, building alignment among the board, CEO and shareholders, particularly amid generational transitions.

Boards also are increasingly treating organizational culture as a core governance domain—a determinant of risk management, growth and innovation. Chairs say sustainable performance hinges on cultural adaptability, inclusion and leadership renewal. This extends to family-owned and listed companies alike where generational handovers, new ownership structures and next-gen involvement demand more structured governance around culture, purpose and leadership style. The board's oversight of culture is evolving from a safeguard to a strategic discussion on how it enables—or constrains—execution.

As directors grapple with leveling up their skills, well-prepared boards across all industries are investing in collective learning to raise their baseline fluency in AI and digital transformation. Rather than recruiting AI specialists, Belgian chairs are favoring directors who can grasp the strategic implications of technology for business models, clients and data integrity and serve as true sounding boards for management.

Balancing ESG with performance and purpose

Boards across sectors report a growing tension between short-term performance pressures and long-term purpose commitments. Economic uncertainty and tighter financing conditions are forcing renewed scrutiny of sustainability investments and ESG programs. Yet few Belgian chairs see this as a retrenchment. Rather, boards are reframing sustainability as a strategic capital allocation, not compliance. The emphasis has moved from reporting toward prioritizing initiatives with clear business impact. The discussion also is broadening beyond carbon and reporting metrics to include circularity, pollution management and energy resilience. The question for boards is how to pace and finance sustainability responsibly.

Prioritizing governance in a fractured geopolitical landscape

Belgian boards expect global volatility to remain a constant through 2026, requiring sound discernment in navigating uncertainty. Geopolitical fragmentation—particularly Europe's shifting position between the US and China—has moved from macro backdrop to daily business reality. Experts emphasize a more pressing need for scenario-based strategy discussions that integrate geopolitical, regulatory and supply chain risk. For highly regulated sectors, differing rules are creating more complexity. The result is a more hands-on board posture, as directors demand clearer briefings on risk resilience and stakeholder expectations while maintaining the discipline not to encroach on management's operational remit.

Corporate governance trends in the Nordics

Shifting from oversight to active partnership

The line between supervision and strategic engagement continues to blur. Chairs and directors are becoming more hands-on partners with management, particularly in strategy formation, risk preparedness and technology adoption. The shift reflects an environment in which boards must both safeguard and steer strategic thinking. Nordic governance models, long characterized by consensus and trust, are adapting to faster decision cycles and higher expectations for strategic contribution.

Dominating geopolitics in board agendas

Geopolitical volatility now shapes nearly every discussion. Boards are dedicating more time to scenario planning, supply chain resilience and security oversight. Directors report increasing attention to how global conflicts and trade barriers affect procurement, logistics and capital allocation. Supply chain reliability, raw material scarcity and market fragmentation are now critical board priorities. Though the Nordic governance model of cooperation among companies, government and unions remains a source of strength in managing these disruptions, boards should expect more pressure to think through how to maintain resiliency in an unstable landscape.

Moving technology and AI to the core of governance

As AI and digitalization further underpin the way businesses run, those topics are increasingly becoming central governance themes demanding more of the board's attention. Directors are shifting from compliance-based oversight to exploring how technology drives differentiation and long-term value creation. AI literacy is now viewed as a baseline competency. Like other European neighbors, many boards are investing in structured learning sessions, external expert briefings and updated risk frameworks to close the competence gap between management and the board. The region's directors acknowledge that "clock speed" must increase, both in business execution and in how boards operate.

Redefining the board talent pool and leadership incentives

With gender balance largely achieved, the next frontier for Nordic boards is cognitive and experiential diversity. Directors emphasize the need for "different thinkers"—younger professionals, those with digital or geopolitical competence and people from differing sectors. Many boards recognize a growing generational gap, as younger voices bring agility and digital fluency while experienced members offer continuity. This tension will call on boards for nuance in blending these perspectives compatibly and avoiding homogeneity of background or mindset.

Adding to this challenge is that the pool of qualified chairs is shrinking across the region. Many of the most experienced board leaders are retiring, while a new generation of CEOs, who are often older when appointed, will reach chair maturity later. This demographic shift narrows the leadership pipeline, making it harder to find people with both operational experience and the bandwidth for complex board roles. The scarcity of seasoned chairs adds pressure to succession planning and underlines the importance of developing emerging leaders earlier in their executive careers.

Compensation also remains a structural challenge in board recruitment. Nordic non-executive board fees sit significantly below EU averages and far behind US benchmarks. This gap will continue driving overboarding, as qualified directors often take on multiple mandates to maintain targeted income levels. The issue is amplified by the limited pool of experienced chairs, which reduces flexibility in board composition and risks making boards overly rigid in structure and mindset. Simultaneously, remuneration for senior executives is under more scrutiny. With more transparency expected in how success is measured, Nordic boards increasingly favor balanced scorecards and value-creation models, moving away from a short-term earnings focus. Experts emphasize and predict a louder call for performance-linked pay structures that reward long-term competitiveness rather than administrative compliance.

Enhancing board evaluation exercises and board culture

There is a growing view that board effectiveness depends on structured and routine reflection, not just oversight. Board evaluations will continue to evolve from compliance exercises into catalytic development tools. Annual peer reviews and external assessments are becoming more common, often combining surveys with in-depth interviews to capture culture and contribution. Nordic board culture continues to emphasize integrity, preparation and open dialogue, but there is some worry that too much formality risks weakening board cohesion. Directors highlight the importance of building trust through informal interaction and shared experiences. In turn, boards can expect the evaluation process to shift further toward qualitative, conversation-based formats that foster openness and authentic feedback. The most progressive boards will leverage evaluations as catalysts for learning, refreshing roles, improving meeting dynamics and clarifying where directors can add more value.

Balancing regulation and disclosure with value creation

Nordic boards view regulation as both a guardrail and a burden, citing increased pressure from EU legislation on sustainability reporting, data protection and financial oversight. While compliance standards are well-adopted, directors express concern that excessive reporting can divert attention from entrepreneurship and value creation. Many advocate for a more balanced approach, meeting regulatory expectations while maintaining space for innovation and strategic flexibility.

Sustainability oversight remains embedded in board agendas, though discussions are becoming more pragmatic, with directors increasingly focusing on measurable outcomes, business relevance and simplified reporting. The emphasis has moved from disclosure volume to strategic impact, with boards encouraging the integration of ESG considerations into commercial decisions rather than treating them as standalone topics.

Corporate Governance Trends in Japan

Evolving governance code

More than a decade after the Corporate Governance Code's launch, Japan is shifting from a regulator-led strengthening phase to one that tests each company's initiative and substance. A revision to the Corporate Governance Code is under discussion by the Financial Services Agency and the Tokyo Stock Exchange, with 2026 in view, and aims to streamline the code and strengthen the effectiveness of "comply or explain." Beyond box-ticking, companies will be expected to explain how governance and capital-efficiency initiatives tie to strategy, with the board assuming clear oversight responsibility and sustained engagement with investors and broader stakeholders. Experts predict this season will likely mark a turning point toward more autonomous governance.

Normalizing shareholder activism activity

Shareholder activism is increasing in Japan: Barclays data show the country recorded 56 activist campaigns in 2025—around half of all non-US activity—making it the most active market outside the US. This momentum is likely to persist in 2026, and activism can be viewed as a new normal. Boards will need to treat it as a core governance reality, increasingly needing to incorporate cost-of-capital considerations into their discussions and ensuring the company can articulate a credible equity story that demonstrates how strategy, capital allocation and portfolio actions will drive value. Board preparedness—and the quality of dialogue with investors and the capital markets—will be tested more than ever.

Enduring focus on organizational transformation

Amid shifting market dynamics, discussions on business and organizational transformation are becoming an increasingly important board agenda item, ranging from portfolio reshaping (e.g., carve-outs and strategic M&A) to structural measures such as takeover bids, unwinding parent-subsidiary listings and selective management buyouts. Boards are expected to provide appropriate oversight of management's decision-making while also encouraging risk-taking that supports forward-looking initiatives and growth. Increasingly, the expectation is that these topics are discussed in advance through ongoing dialogue, enabling flexibility and speed as circumstances evolve. A board's ability to navigate transformation with agility and discipline will become increasingly important.

Rising urgency of cybersecurity and risk governance

Cybersecurity risk is having a greater—and often unpredictable—impact on business. Incidents in 2025 rippled beyond the companies involved to affect counterparties and industry-wide dynamics. Even in a steady state, more boards are expected to deepen audit discussions, particularly concerning risk governance. Boards are expected to allocate more time to discussions on IT investments, testing risk scenarios and revisiting business continuity plans while re-emphasizing directors' role in overseeing the fundamentals of effective internal controls.

Growing complexity puts a premium on independent directors

As boardroom discussions become more complex and diverse, expectations on independent directors are increasing among investors, executives, and directors themselves. Despite a decade of progress in increasing the number of independent seats and enlarging the candidate pool, companies are finding it harder to secure directors with executive skills, domain knowledge and behaviors needed to lift enterprise value. As a result, 2026 will see more focus and effort on building out highly competent boards via the naming of independent directors. Boards can expect a gradual increase in revisiting uniform term practices and strengthening peer evaluations in addition to developing and retaining highly effective independent directors. Forward-looking boards are starting to think more carefully about how they can optimize composition with strategic board succession planning.

Corporate Governance Trends in Hong Kong and China

Governance reform raising the bar

In July 2025, the Hong Kong Stock Exchange (HKEX) implemented significant revisions to the Corporate Governance Code and associated Listing Rules aimed at strengthening board effectiveness, independence, and diversity. Central to these reforms are tighter expectations around independent director tenure and overboarding, which will have direct implications for board composition in a market where HKEX requires at least one-third of the board to comprise independent non-executive directors (INEDs).

Under the revised regime, directors who have served more than nine years will no longer be considered independent following a defined transition period. While listed companies have until 2032 to implement these changes, boards are already beginning to respond. As our 2024 analysis highlighted, a meaningful proportion of Hong Kong boards—particularly among Hang Seng Index constituents—currently rely on long-tenured INEDs to meet independence thresholds. As these directors age out of independence, boards will need to proactively refresh their INED pipeline to avoid falling below the one-third requirement, placing greater pressure on succession planning, skills mapping, and the timing of appointments.

In addition to the new independence requirements, INEDs will be limited to a maximum of six concurrent public board appointments. While the overboarding cap is expected to cause less immediate disruption, it reinforces rising expectations around director capacity and engagement. Paired with the introduction of other board effectiveness recommendations—including the best practice of appointing a Lead INED, mandatory continuous professional development, and enhanced disclosures on risk management, internal controls, and dividend policy—these reforms elevate governance quality by forcing boards to think more deliberately about independence, effectiveness, and long-term composition rather than relying on legacy structures.

Boards taking a more proactive role in succession planning to build leadership continuity

Against this backdrop of governance reform, boards of Hong Kong-listed companies are taking a more structured and forward-looking approach to board succession planning. Processes include sequencing INED transitions over multiple cycles, reassessing the mix of skills and experience required for future strategy, and (where appropriate) reconfiguring roles to preserve institutional knowledge while refreshing independence. Regular board performance reviews are now embedded more firmly in governance practice as well. In turn, these insights inform more structured discussions around succession readiness.

At the same time, heightened governance expectations are prompting boards to place greater emphasis on CEO and executive succession planning. While regulatory changes do not prescribe specific succession outcomes, the increased scrutiny has encouraged companies to formalize succession processes for senior leadership, aligning talent pipelines with long-term strategy and risk oversight.

AI and digital oversight move firmly onto board agendas

After a year of rapid change in global and China's AI landscape, boards in Hong Kong elevated generative AI and digital oversight as priority agenda items through 2025 and into 2026. While there is no regulatory mandate for AI expertise at the board level, a clear market consensus is emerging that effective AI governance starts with the board. Our recent AI roundtable in Hong Kong points to a shift from ad-hoc discussions to more structured oversight, with boards forming AI committees and seeking greater end-to-end visibility into AI deployment. In some cases, this has driven leadership realignment, including CIOs and CTOs reporting directly to the CEO. Meanwhile, boards are prioritizing director education to build baseline AI literacy and better understand strategic opportunities alongside ethical, operational, and cybersecurity risks. Strong IPO activity in AI-linked sectors is reinforcing this focus, heightening investor scrutiny and accelerating board engagement.

Mainland Chinese issuers driving record Hong Kong IPO activity

Hong Kong's IPO market reached historic highs in 2025, reclaiming its position as the world's leading venue for IPO fundraising. A defining feature of this resurgence has been the strong influx of Mainland Chinese companies seeking capital, visibility, and international credibility through a Hong Kong listing. This wave of listings, both first-time IPOs and "A+H" dual listings and frequently involving founder-led enterprises, is creating a substantial and immediate need to elevate governance standards. Founder-centric ownership structures, concentrated decision-making, and limited exposure to independent oversight are now being tested against Hong Kong's regulatory framework and the expectations of global institutional investors.

For many of these companies, listing in Hong Kong represents not only access to capital, but also a first step toward global markets. Boards are therefore under pressure to professionalize rapidly—strengthening independence, formalizing succession planning, upgrading risk and compliance frameworks, and preparing leaders to engage with international shareholders and regulators. This evolution often extends beyond statutory boards to the introduction of international advisory boards, designed to inject global perspective, sector expertise, and governance maturity as companies expand overseas. In this sense, Hong Kong's IPO boom is acting as a powerful catalyst: accelerating the transition of mainland enterprises from founder-led businesses into globally credible, institutionally governed companies.

Corporate Governance Trends in India

Raising the bar on board accountability

Coming off a year marked by a series of consequential governance developments, Indian boards are likely to be further tested in their judgment and agility. Complex situations have blurred the line between the spirit and the letter of regulation, prompting deeper reflection on board accountability. The Security and Exchange Board of India's (SEBI's) new materiality norms for related-party transactions will introduce a more pragmatic, scalable and context-driven framework for listed companies. Accelerated technology investments, a mounting influence of proxy advisors, and a record wave of IPOs that ushered in many first-time independent directors are among the defining trends shaping the corporate landscape. Another notable difference is the age profile of independent directors on new IPO boards; on average they're nearly a decade younger than those on established Top 200 boards. This shift reflects the emergence of a new cohort of professionals with diverse industry and entrepreneurial experience, bringing fresh and more contemporary perspectives but potentially less boardroom tenure.

Navigating more dynamic board agendas

Given India's shifting geopolitical landscape, rising regulatory complexity and an economic architecture that's reshaping, board agendas are rapidly adapting to accommodate the most pressing strategic concerns. Looking to 2026, Indian boardrooms will engage in more nuanced discussions focused on the issues materially impacting their business.

The government's push to build a world-class digital public infrastructure (DPI) as a digital backbone—characterized by interoperable platforms, low-cost innovation and open access—is disrupting traditional business models, driving efficiencies and unlocking new markets. This disruption is evident in the example of Payment Banks (specialized, smaller-scale institutions launched by the Reserve Bank of India). They found their businesses under attack from the government's thrust on the United Payments Interface, prompting companies to grapple with and revisit their own relevance. In this environment, boards must quickly build fluency in how the DPI stack affects their sectors, a complex task requiring vigilance and continuous learning as new linkages and rollouts emerge.

Compliance has never been more demanding. In sectors such as banking and insurance, where multiple regulators overlap, boards face an increasingly intricate web of sometimes divergent mandates. With frameworks evolving faster than organizations can adapt, boards will likely require more focused attention on compliance oversight and managing regulatory risks.

India's rapid and widespread adoption of AI—among the fastest globally—is outpacing board readiness. Directors now face the dual challenge of ensuring responsible deployment while harnessing AI's transformative potential. However, the implications extend beyond business efficiency and cost optimization. In a country with vast underemployment, the human and social impact of AI adoption demands nuanced stewardship. As this new technology unfolds, the most credible boards are likely to take a balanced view of AI as an operational accelerator, strategic growth lever and societal disruptor.

The unrelenting churn of geopolitics for India—from wars and sanctions to shifting trade regimes and civil unrest—has elevated risk management to a core board discipline. Supply chains, capital flows and market access are being redefined in real time. In 2026, boards will need sharper geopolitical literacy and a constant line of sight into government policy responses to navigate these external shocks effectively.

Engaging the new Indian consumer in a volatile market

Millennials and Gen Z are rewriting the consumption playbook. Legacy go-to-market models are losing traction as digital-native competitors capture younger segments with agility and purpose. Savvy companies are experimenting aggressively with new distribution models and pursuing acquisitions of disruptive startups. Boards, in turn, will be called to steer through fundamental strategic choices around integrating innovation into the company's DNA along with balancing capital allocation decisions between building and buying capabilities.

Even well-run businesses are encountering growth plateaus or existential disruption. Boards will face pressure to make bolder strategic moves, embracing diversification, adjacencies and transformative bets. In the backdrop of a liberalizing economy, high private-market valuations are fueling a fear of missing out, pushing companies to explore entirely new sectors in search of sustainable growth and shareholder returns.

Brewing leadership and succession crisis

Beneath the surface, a leadership crunch is emerging. Too few seasoned executives and thin succession pipelines are constraining organizational agility. This year, boards can expect to grapple with actively nurturing mid-level talent, attracting digitally fluent leaders and championing cultures of continuous learning. Forward-looking boards understand that the next generation of leadership must be future-proof and will be tasked with overseeing a human capital strategy equipped to navigate disruption, evolving expectations and volatile markets.

Recent, sudden and unexpected departures at Indian companies have resulted in boards scrambling for successors. These cases expose the risks of delaying formal succession planning. Boards feel more pressure to act before they face a constrained choice, such as being unable to fire an underperforming CEO due to a lack of a succession pipeline. Accordingly, more boards are expected to hold long-overdue discussions this year on establishing formal processes.

Corporate Governance Trends in Australia

Shareholder activists protesting individual directors and remuneration

One of the most visible trends in Australian governance today is the rise of targeted shareholder activism. Voting outcomes have become more precise, with protest votes now frequently directed at individual directors rather than boards collectively. Directors are being held accountable for perceived governance failings not only within their own companies but across the broader ecosystem of roles they hold.

The recent Institutional Shareholder Services-influenced protest vote linked to Qantas demonstrates how governance controversies can generate spillover effects beyond the company directly involved. In this case, a director otherwise regarded as uncontroversial saw support for her service on another board fall from 99% to 87% year-on-year, following ISS criticism related to her Qantas board seat. Similarly, directors are increasingly challenged on overboarding concerns, as investors question whether someone with multiple roles can meaningfully discharge a governance workload. In these cases, even strong performance is not a defense. One of Australia's best-regarded chairmen—with an almost unblemished leadership record—felt the heat at his re-election (with a 14% vote against) based on overboarding perceptions due to his chair roles on three major ASX-listed businesses.

The rise in remuneration strikes further reflects this heightened investor assertiveness. Such strikes occur when over 25% of a shareholder vote goes against executive pay, triggering all non-executive directors to stand for re-election in the event of a second strike. While the number of strikes in the ASX 300 is down slightly from 2024, it remains at one of the highest levels in a decade. While shareholders are using strikes to signal general dissatisfaction with business performance or governance quality, there is also a focus on protesting against long-term incentive structures they view as misaligned with performance. Investors are also pushing for clearer ESG-linked performance metrics, particularly those tied to climate transition, and for simpler, more comprehensible remuneration disclosures. In response, many boards have begun revising their long-term incentive frameworks, adjusting measurement periods and engaging more openly with institutional investors to explain the rationale behind design choices.

Expanding sustainability and disclosure demands

Sustainability reporting is placing new demands on boards, as companies must demonstrate rigorous oversight of climate risk, scenario analysis, transition pathways and emissions disclosure. Yet climate is only the beginning of a broader shift. As the Australian government aligns itself with the Kunming-Montreal Global Biodiversity Framework, expectations for nature-related disclosures—currently voluntary through the Taskforce on Nature-related Financial Disclosures (TNFD)—are steadily growing. It is increasingly plausible that mandatory nature reporting will follow climate reporting as early as 2026.

At the same time, social risk reporting is becoming more prominent, driven by investor concern for supply chain integrity, labor practices and community impact. Indeed, Kmart found itself in court in 2025 defending against allegations of forced labor in its supply chain. A key part of its defense in the media was its social risk disclosures. Boards therefore face an expanding governance parameter, where sustainability oversight requires both deeper expertise and more frequent engagement.

Soaring expectations for AI and cybersecurity oversight

AI has emerged not only as an operational enabler but as a governance issue in its own right. Many companies are applying three lenses to their AI approach: The first examines how the organization uses AI to maintain market leadership; the second focuses on the oversight of AI-related risks, including bias, safety and network integrity; and the third recognizes that individual directors now actively use AI in their personal capacities, requiring new safeguards and supporting technology. Some boards are experimenting with AI agents designed specifically for the board, trained on a secure collection of past board papers, annual reports and other archival materials. Similarly, cybersecurity expectations have escalated sharply. As a result, foundational cyber literacy is becoming a baseline requirement for board service. With structured, recurring cyber training and external assessments becoming normal, boards will see their role in digitalization oversight ramp up, especially as investors increasingly expect them to harness AI to improve their decision-making processes and outcomes.

A tightening regulatory environment holds boards more accountable

Sprouting from the controversial rewrite of the ASX Corporate Governance Principles in 2024, organizations expect a less ambitious version to be released for comment in 2026. With investors and proxy advisors challenging the longstanding practice of presenting aggregated board skills, there is growing pressure to move toward individual-level reporting, ideally supported by externally validated assessments rather than self-reported judgments. Indeed, the Australian Prudential Regulation Authority (APRA) has already been urging the financial services sector to implement greater focus and transparency here. Large-cap company boards are adapting by expanding their skills categories, increasing the frequency of external board reviews beyond the standard three-year cycle and embracing contemporary models that feature continuous feedback, culture analysis and a closer examination of how committees interact with management.

At the same time, Australia's regulatory posture continues to harden as the Australian Securities & Investments Commission adopts a more assertive enforcement philosophy. Rather than viewing breaches such as privacy lapses and failures to prevent money laundering exclusively as organizational issues, the regulator increasingly interprets them through the lens of directors' duties. ASIC observations on the use of fines to materially influence corporate behavior are widely seen as a signal that it's preparing to pursue breaches more frequently and aggressively. The Australian Competition & Consumer Commission has also widened its focus, particularly regarding misleading environmental claims, data security and consumer protection in digital environments. Meanwhile, the ASX has significantly increased the number of aware notices issued for unexplained price movements, reflecting a more vigilant approach to continuous disclosure.

Taken together, these forces are reshaping what it means to govern. Boards must now operate with greater transparency, deeper expertise and more agile oversight. The expectations on individual directors are growing—both in terms of competence and accountability—and the time commitment associated with board service continues to rise.

Corporate Governance Trends in Singapore

Building more durable boards through renewal and diversity

Singapore's corporate landscape continues to evolve in line with heightened expectations of board accountability and regulatory updates. Early indications from the Singapore Directorship Report 2025 show a significant renewal of independent directors and progress in board diversity. These developments are encouraging to governance stakeholders, and boards in Singapore will do well to build on this momentum and focus on creating greater impact with a stronger bench of potential directors coming into play. In 2026, boards can expect and plan for their agendas to prioritize discussions on refreshment opportunities.

Deepening capital market vibrancy boosts investor confidence

2026 will see the country embark on renewed efforts to deepen capital market vibrancy, with an aim to both enhance corporate governance standards and reinforce investor confidence. Building on the outcomes of the 2025 Equities Market Review Group Final Report, reforms such as the SGX-Nasdaq dual-listing bridge and the Value Unlock program are being operationalized to expand access to global capital and improve liquidity in domestic equities. There will be closer scrutiny over M&A discipline, return on invested capital, dividend and capital management policies, and the alignment among strategy, risk appetite and incentive design. Boards will be expected to demonstrate clearer decision rationales, and more rigorous post-investment reviews are likely to get more of their attention.

Upping governance standards amid shifting regulatory landscape

The ongoing review of the Code of Corporate Governance by the Corporate Governance Advisory Committee complements these market initiatives, underscoring Singapore's commitment to a disclosure-based, transparent and investor-centric ecosystem. Companies are expected to embed stronger governance practices in areas such as AI oversight, climate transition planning and data security.

Correspondingly, there will likely be a heightened focus on board effectiveness and performance beyond structural compliance. Regulators and institutional investors are paying closer attention to how boards exercise judgment, challenge management and oversee strategy and risk in practice. As a result, board effectiveness processes are expected to demand a more rigorous approach, with clearer linkages among board renewal, objective skills matrices and long-term corporate strategy development. Forward-looking boards and committees are adapting their review processes to be more purpose-driven and exploratory, and in some cases are increasingly looking beyond internally led evaluations.

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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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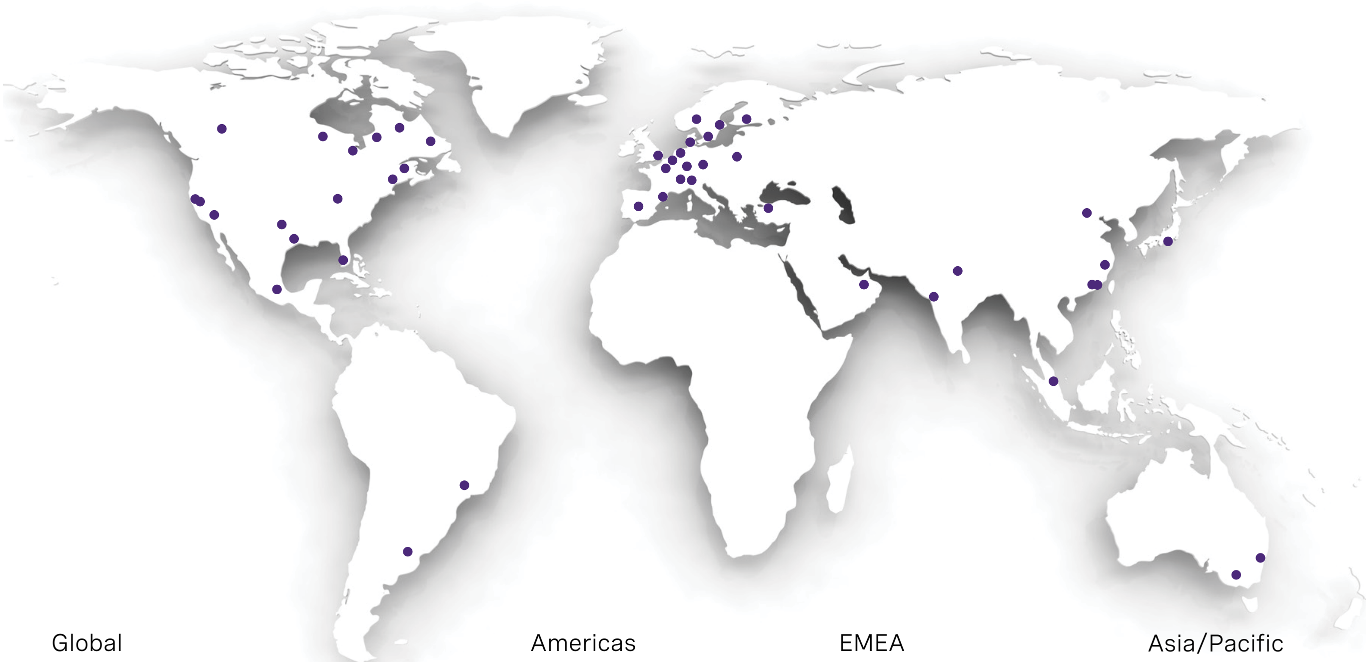

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