

## 2025 Spencer Stuart Energy Sector Snapshot



Boards of the 23 energy companies in the S&P 500 index tend to be older, less-tenured and less diverse than S&P 500 boards.

- » The average age of independent directors on energy boards is 65.2 years, older than the 63.6-year average for S&P 500 boards and the oldest of all sectors.
- » The youngest average age of an energy board is 59.8 years, the oldest is 71.2 years.
- » Energy boards average 10.8 directors, versus the 10.7 average of S&P 500 boards.
- » The independence of energy boards averages 86%, matching the 86% average for S&P 500 boards.
- » The average board tenure of independent directors on energy boards is 6.7 years, lower than the 7.8-year average for S&P 500 boards and the lowest of all sectors.
- » The longest-tenured energy board averages 12 years.

## New independent director backgrounds

The 23 energy sector companies added 21 new independent directors to the boardroom in the past year. Among the energy boards, 43% added at least one independent director, while 26% added more than one — tied with the utilities sector as the highest of all sectors. In contrast, half of S&P 500 boards added at least one independent director, and 16% added more than one.

## Demographics of energy sector new independent directors

- » Energy sector appointees averaged 62.5 years of age, higher than the 59.1-year average for all independent directors joining S&P 500 boards and the oldest average of all sectors.
- » First-time directors represented 19% of independent directors joining energy boards — lower than the 31% for the S&P 500 and the lowest of all sectors.
- » NextGen directors (aged 50 or younger) comprised 10% of energy sector appointments, versus 11% of the S&P 500 incoming class.
- » One-third (33%) of the independent directors joining energy boards are actively employed, compared to 41% of independent directors joining S&P 500 boards this year.

Energy boards recruited in 2025 the highest percentage of chairs/presidents/COOs and the lowest percentage of functional leaders. It appointed the second highest percentage of all sectors of financial professionals in general (tied with financials) and investors in particular (tied with real estate).

## NEW INDEPENDENT DIRECTOR BACKGROUNDS

	2025 Energy	2025 S&P 500
<b>CEOs</b>	<b>19%</b>	<b>30%</b>
<i>Active</i>	5%	12%
<i>Retired</i>	14%	18%
<b>Chairs/presidents/COOs</b>	<b>14%</b>	<b>4%</b>
<i>Active</i>	5%	2%
<i>Retired</i>	10%	3%
<b>Functional leaders</b>	<b>5%</b>	<b>15%</b>
<b>P&amp;L leaders</b>	<b>10%</b>	<b>10%</b>
<b>Financial backgrounds</b>	<b>43%</b>	<b>29%</b>
<i>Financial executives/CFOs/     treasurers</i>	14%	16%
<i>Investment managers/     investors</i>	24%	8%
<i>Bankers/investment bankers</i>	0%	4%
<i>Public accounting executives</i>	5%	2%
<b>Academics/nonprofit executives</b>	<b>5%</b>	<b>2%</b>
<b>Consultants</b>	<b>0%</b>	<b>1%</b>
<b>Legal</b>	<b>0%</b>	<b>2%</b>
<b>Others</b>	<b>2%</b>	<b>6%</b>
<b>TOTAL</b>		
<i>Active</i>	33%	41%
<i>Retired</i>	67%	59%



## Overall board composition

An analysis of all S&P 500 independent directors finds that energy boards have the lowest percentage of CFOs and active executives of all sectors.

### OVERALL BOARD COMPOSITION

	2025 Energy	2025 S&P 500
<b>CEOs</b>	<b>30%</b>	<b>31%</b>
<i>Active</i>	5%	9%
<i>Retired</i>	25%	22%
<b>Chairs/presidents/COOs</b>	<b>5%</b>	<b>3%</b>
<i>Active</i>	1%	1%
<i>Retired</i>	4%	2%
<b>Functional leaders</b>	<b>12%</b>	<b>14%</b>
<b>P&amp;L leaders</b>	<b>9%</b>	<b>9%</b>
<b>Financial backgrounds</b>	<b>30%</b>	<b>28%</b>
<i>Financial executives/CFOs/ treasurers</i>	7%	12%
<i>Investment managers/ investors</i>	15%	10%
<i>Bankers/investment bankers</i>	5%	5%
<i>Public accounting executives</i>	3%	2%
<b>Academics/nonprofit executives</b>	<b>1%</b>	<b>5%</b>
<b>Consultants</b>	<b>3%</b>	<b>3%</b>
<b>Legal</b>	<b>3%</b>	<b>3%</b>
<b>Others</b>	<b>6%</b>	<b>5%</b>
<b>TOTAL</b>		
<i>Active</i>	27%	37%
<i>Retired</i>	73%	63%

## Board leadership

The chair and CEO roles are combined at 39% of energy boards — matching the 39% of S&P 500 boards. Executive chairs are in place at 13% of energy boards, versus 13% for the S&P 500. Independent chairs lead 43% of energy sector boards, compared to 41% of the S&P 500. Lead independent directors are named at 57% of the sector's boards compared to 61% of the S&P 500.

## Board organization and process

Energy boards' governance practices on stock ownership requirements for directors lag the S&P 500.

### DIRECTOR ELECTIONS AND STOCK OWNERSHIP

	2025 Energy	2025 S&P 500
Annual elections of directors	91%	89%
Majority voting for directors	87%	88%
Stock ownership requirements for directors	87%	93%

At 8.2 meetings, on average, during the past year, energy sector boards met the second most across all sectors. The sector's average committee sizes are the largest of all sectors, tied with the financial sector.

### BOARD AND COMMITTEE SIZE AND MEETINGS

	2025 Energy	2025 S&P 500
<b>Board</b>		
Size (avg #)	10.8	10.7
Meetings (avg #)	8.2	7.1
Board committees (avg #)	4.3	4.1
<b>Audit committee</b>		
Size (avg #)	4.9	4.5
Meetings (avg #)	6.8	8.1
<b>Compensation committee</b>		
Size (avg #)	4.6	4.2
Meetings (avg #)	5.4	5.6
<b>Nominating/governance committee</b>		
Size (avg #)	4.7	4.3
Meetings (avg #)	4.6	4.7

The most common additional committees for the energy sector are: environmental/health/safety; social responsibility (most of all sectors); executive; and finance.

## PREVALENCE OF STANDING COMMITTEES

Committees	2025 Energy	2025 S&P 500
Finance	13%	26%
Executive	17%	24%
Science/tech/cyber	4%	18%
Environmental/health/safety	43%	15%
Risk	9%	11%
Social responsibility	26%	6%
Legal	0%	4%
Investment	0%	3%
Strategy	0%	1%

## Turnover policies

The energy sector outpaces the S&P 500 on prevalence of mandatory retirement policies and tenure policies.

## TURNOVER POLICIES

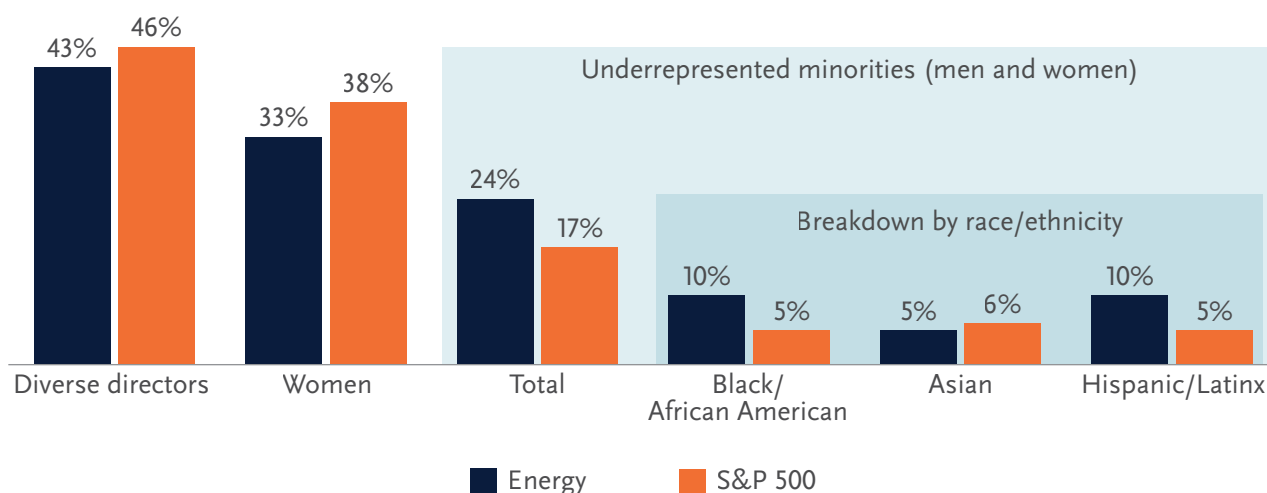
	2025 Energy	2025 S&P 500
<b>Mandatory retirement policy</b>		
% companies	70%	66%
Retirement age (avg yrs)	74.9	74.2
<b>Tenure policy</b>		
% companies	13%	10%
Tenure limit (avg yrs)	12.3	14.5
<b>Material change resignation policy</b>		
% companies	83%	88%

## Diversity — energy incoming class

Directors from diverse communities — defined using the Nasdaq’s former definition of directors who self-identify as female and/or an underrepresented minority (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities), and/or LGBTQ+ — constituted 43% of the 21 independent directors joining energy boards over the past year, compared to 46% of independent directors joining S&P 500 boards.

The sector ties with the information technology sector for appointing the highest percentage of all sectors of directors who self-identify as underrepresented minorities, a sharp contrast to 2024 when the sector appointed the lowest percentage of underrepresented minorities of all sectors. This year the sector appointed the highest percentage of independent directors who self-identify as Black/African or Hispanic/Latinx. In contrast, last year it was the only sector to appoint no Hispanic/Latinx directors.

## DIVERSITY OF INDEPENDENT DIRECTORS JOINING ENERGY BOARDS



## Diversity — energy boards

Energy sector boards are the least diverse of all sectors, with 43% of sector directors self-identifying as diverse, compared to 50% for the S&P 500. The energy sector has the lowest percentage of directors self-identifying as underrepresented minorities of all sectors and ties with the healthcare and information technology sectors for the lowest percentage of Hispanic/Latinx directors.

## DIVERSITY OF ALL ENERGY BOARD DIRECTORS

	Diverse directors	Women	Underrepresented minorities (men and women)				Boards with...	
			Total	Black/African American	Asian	Hispanic/Latinx	3 or more women	3 or more URM
Energy	43%	31%	18%	10%	4%	4%	87%	30%
S&P 500	50%	35%	24%	12%	7%	5%	92%	49%

## Diversity — board leadership

The energy sector has a lower percentage of women serving as independent chair and a higher percentage of women serving as lead directors compared to the broader S&P 500. It lags the S&P 500 on lead directors who self-identify as underrepresented minorities.

### DIVERSITY — BOARD LEADERSHIP

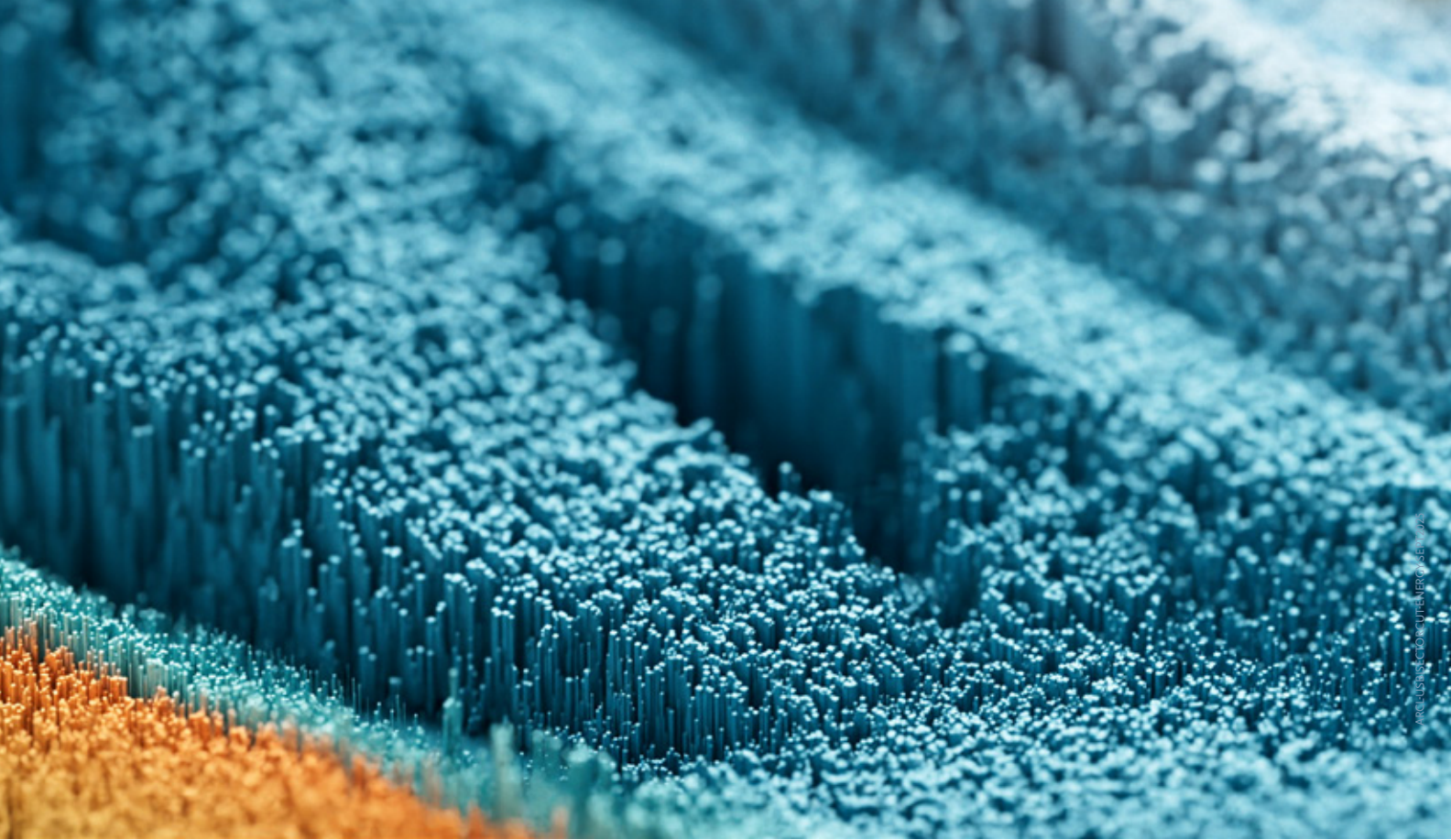
	2025 Energy	2025 S&P 500
<b>Independent chair</b>		
% women	10%	19%
% underrepresented minority	10%	10%
<b>Independent lead director</b>		
% women	38%	25%
% underrepresented minority	8%	13%

## Energy companies

- » APA Corporation
- » Baker Hughes
- » Chevron Corporation
- » ConocoPhillips
- » Coterra Energy
- » Devon Energy Corporation
- » Diamondback Energy
- » EOG Resources
- » EQT Corporation
- » Expand Energy Corporation
- » Exxon Mobil Corporation
- » Halliburton Company
- » Hess Corporation
- » Kinder Morgan
- » Marathon Petroleum Corporation
- » Occidental Petroleum Corporation
- » ONEOK
- » Phillips 66
- » Schlumberger Limited
- » Targa Resources Corporation
- » Texas Pacific Land Corporation
- » The Williams Companies
- » Valero Energy Corporation







ART: LUSAS/STOCK/GETTY IMAGES

## About Spencer Stuart

At Spencer Stuart, we know that leadership has never mattered more. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises, on their stakeholders and on the world around them. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, and many facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit [www.spencerstuart.com](http://www.spencerstuart.com).

