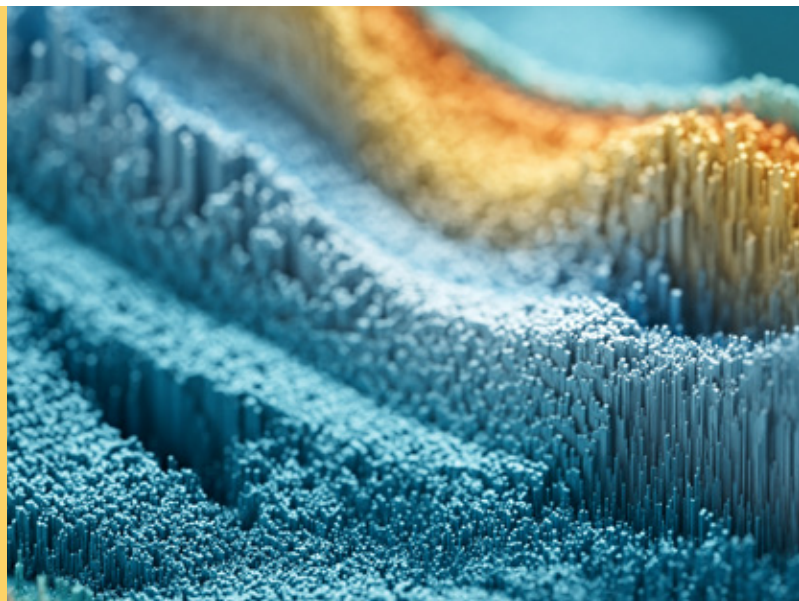


2025 Spencer Stuart Healthcare Sector Snapshot



Boards of the 60 healthcare companies in the S&P 500 index are older and smaller than the S&P 500 boards.

- » The average age of independent directors on healthcare boards is 64.2 years, higher than the 63.6-year average for S&P 500 boards.
- » The youngest average age of a healthcare board is 57 years, the oldest is 72.2 years.
- » Healthcare boards average 10.5 directors, compared to the 10.7 average of S&P 500 boards.
- » Independence of healthcare boards averages 88%, versus 86% for S&P 500 boards.
- » The average board tenure of independent directors on healthcare boards is 7.8 years, matching the 7.8-year average for S&P 500 boards.
- » The longest-tenured healthcare board averages 16.6 years.

New independent director backgrounds

The 60 healthcare sector companies added 43 new independent directors to the boardroom in the past year. Among the healthcare companies, 52% added at least one independent director, while 15% added more than one. In contrast, half of S&P 500 boards added at least one independent director, and 16% added more than one.

Demographics of healthcare sector new independent directors

- » Appointees averaged 59.8 years of age, higher than the 59.1-year average for all independent directors joining S&P 500 boards.
- » First-time directors represented 26% of independent directors joining healthcare boards — lower than the 31% for the S&P 500.
- » NextGen directors (50 years of age or younger) comprised 5% of the sector's incoming class, compared to 11% for the S&P 500 and the lowest of all sectors.
- » Nearly half (49%) of the independent directors joining healthcare boards are actively employed, second highest of all sectors and compared to 41% of independent directors joining S&P 500 boards this year.

Compared to the S&P 500 incoming class of independent directors, healthcare boards recruited the highest percentage of retired CEOs, academics/non-profit executives and “others” (government and “others”) in 2025. It was the only sector to not appoint any P&L/operational leaders.

NEW INDEPENDENT DIRECTOR BACKGROUNDS

	2025 Healthcare	2025 S&P 500
CEOs	35%	30%
<i>Active</i>	9%	12%
<i>Retired</i>	26%	18%
Chairs/presidents/COOs	7%	4%
<i>Active</i>	5%	2%
<i>Retired</i>	2%	3%
Functional leaders	14%	15%
P&L leaders	0%	10%
Financial backgrounds	23%	29%
<i>Financial executives/CFOs/ treasurers</i>	12%	16%
<i>Investment managers/ investors</i>	9%	8%
<i>Bankers/investment bankers</i>	2%	4%
<i>Public accounting executives</i>	0%	2%
Academics/nonprofit executives	5%	2%
Consultants	2%	1%
Legal	2%	2%
Others	12%	6%
TOTAL		
<i>Active</i>	49%	41%
<i>Retired</i>	51%	59%

Overall board composition

An analysis of all S&P 500 independent directors finds that healthcare boards have the lowest percentage of financial professionals and the highest percentage of academics/nonprofit executives of all sectors.

OVERALL BOARD COMPOSITION

	2025 Healthcare	2025 S&P 500
CEOs	32%	31%
<i>Active</i>	8%	9%
<i>Retired</i>	24%	22%
Chairs/presidents/COOs	3%	3%
<i>Active</i>	2%	1%
<i>Retired</i>	1%	2%
Functional leaders	13%	14%
P&L leaders	7%	9%
Financial backgrounds	23%	28%
<i>Financial executives/CFOs/ treasurers</i>	11%	12%
<i>Investment managers/ investors</i>	7%	10%
<i>Bankers/investment bankers</i>	3%	5%
<i>Public accounting executives</i>	1%	2%
Academics/nonprofit executives	12%	5%
Consultants	1%	3%
Legal	2%	3%
Others	8%	5%
TOTAL		
<i>Active</i>	42%	37%
<i>Retired</i>	58%	63%

Board leadership

The chair and CEO roles are combined at 43% of healthcare boards, higher than the 39% average for the S&P 500. Executive chairs are in place at 13% of healthcare boards, matching the 13% for the S&P 500. Independent chairs lead 40% of healthcare boards, compared to 41% of the S&P 500. Less than two-thirds (62%) name an independent lead director versus 61% of the S&P 500.

Board organization and process

Healthcare boards have the second lowest percentage of declassified boards across all sectors.

DIRECTOR ELECTIONS AND STOCK OWNERSHIP

	2025 Healthcare	2025 S&P 500
Annual elections of directors	85%	89%
Majority voting for directors	92%	88%
Stock ownership requirements for directors	95%	93%

The average size and meeting frequency of healthcare boards and committees are aligned with S&P 500 averages.

BOARD AND COMMITTEE SIZE AND MEETINGS

	2025 Healthcare	2025 S&P 500
Board		
Size (avg #)	10.5	10.7
Meetings (avg #)	7.5	7.1
Board committees (avg #)	4.3	4.1
Audit committee		
Size (avg #)	4.3	4.5
Meetings (avg #)	8.4	8.1
Compensation committee		
Size (avg #)	4.1	4.2
Meetings (avg #)	5.5	5.6
Nominating/governance committee		
Size (avg #)	4.2	4.3
Meetings (avg #)	4.6	4.7

The most common additional committees for the healthcare sector are: science/tech/cyber (the highest percentage of all sectors); legal (the highest percentage of all sectors); finance; and executive.

PREVALENCE OF STANDING COMMITTEES

Committees	2025 Healthcare	2025 S&P 500
Finance	23%	26%
Executive	12%	24%
Science/tech/cyber	45%	18%
Environmental/health/safety	8%	15%
Risk	7%	11%
Social responsibility	3%	6%
Legal	25%	4%
Investment	2%	3%
Strategy	2%	1%

Turnover policies

Healthcare boards align with the overall S&P 500 index when it comes to formal turnover policies such as age caps, term limits and policies requiring the submission of a director's resignation in the event of a material change in circumstances.

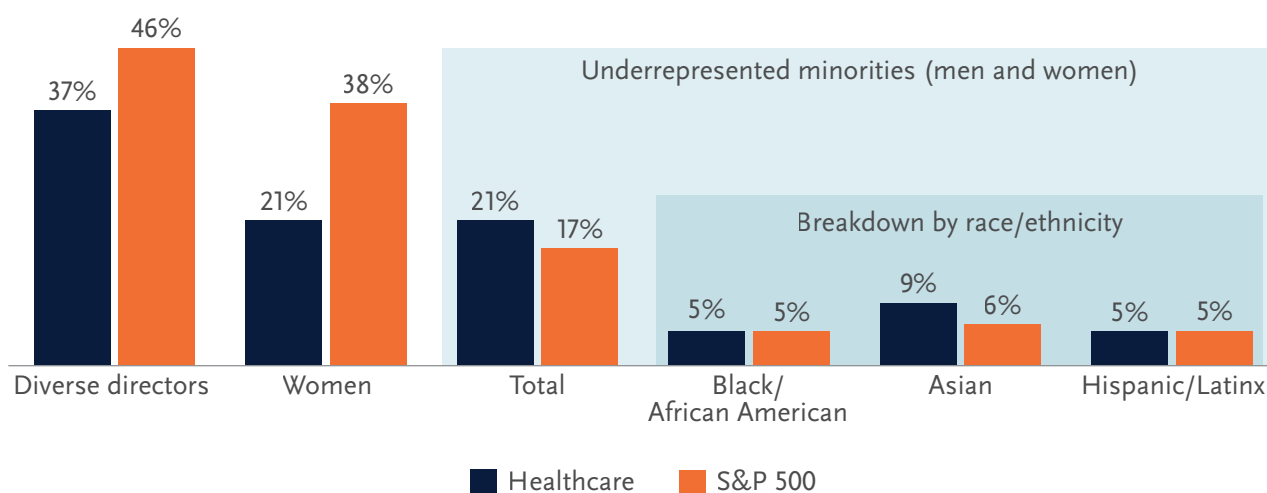
TURNOVER POLICIES

	2025 Healthcare	2025 S&P 500
Mandatory retirement policy		
% companies	65%	66%
Retirement age (avg yrs)	74.3	74.2
Tenure policy		
% companies	10%	10%
Tenure limit (avg yrs)	14.8	14.5
Material change resignation policy		
% companies	90%	88%

Diversity — healthcare 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 37% of the 43 independent directors joining healthcare boards over the past year, the second lowest of all sectors and lower than the 46% of independent directors joining S&P 500 boards. The sector appointed the second highest percentage of independent directors who self-identify as underrepresented minorities and the lowest percentage of women directors of all sectors.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING HEALTHCARE BOARDS



Diversity — healthcare boards

The diversity of healthcare boards approximates the diversity of the overall S&P 500. The sector ties with energy, and information technology for having the lowest percentage of independent directors self-identifying as Hispanic/Latinx.

DIVERSITY OF ALL HEALTHCARE BOARD DIRECTORS

	Underrepresented minorities (men and women)						Boards with...	
	Diverse directors	Women	Total	Black/ African American	Asian	Hispanic/ Latinx	3 or more women	3 or more URM
Healthcare	50%	35%	25%	11%	9%	4%	95%	52%
S&P 500	50%	35%	24%	12%	7%	5%	92%	49%

Diversity — board leadership

With the exception of women board chairs, the healthcare sector outpaces the S&P 500 on other dimensions of diversity of board leadership.

DIVERSITY — BOARD LEADERSHIP

	2025 Healthcare	2025 S&P 500
Independent chair		
% women	17%	19%
% underrepresented minority	13%	10%
Independent lead director		
% women	30%	25%
% underrepresented minority	24%	13%

Healthcare companies

- » Abbott Laboratories
- » AbbVie
- » Agilent Technologies
- » Align Technology
- » Amgen
- » Baxter International
- » Becton, Dickinson and Company
- » Biogen Idec
- » Bio-Techne Corporation
- » Boston Scientific Corporation
- » Bristol-Myers Squibb Company
- » Cardinal Health
- » Cencora
- » Centene Corporation
- » Charles River Laboratories International
- » CVS Health Corporation
- » Danaher Corporation
- » DaVita
- » DexCom
- » Edwards Lifesciences Corporation
- » Elevance Health
- » Eli Lilly & Company
- » GE HealthCare Technologies
- » Gilead Sciences
- » HCA Healthcare
- » Henry Schein
- » Hologic
- » Humana
- » IDEXX Laboratories
- » Incyte Corporation
- » Insulet Corporation
- » Intuitive Surgical
- » IQVIA Holdings
- » Johnson & Johnson
- » Laboratory Corporation of America Holdings
- » McKesson Corporation
- » Medtronic
- » Merck & Co.
- » Mettler-Toledo International
- » Moderna
- » Molina Healthcare
- » Pfizer
- » Quest Diagnostics
- » Regeneron Pharmaceuticals
- » ResMed
- » Revvity
- » Solventum Corporation
- » STERIS plc
- » Stryker Corporation
- » The Cigna Group
- » The Cooper Companies
- » Thermo Fisher Scientific
- » UnitedHealth Group
- » Universal Health Services
- » Vertex Pharmaceuticals
- » Viatris
- » Waters Corporation
- » West Pharmaceutical Services
- » Zimmer Biomet Holdings
- » Zoetis





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