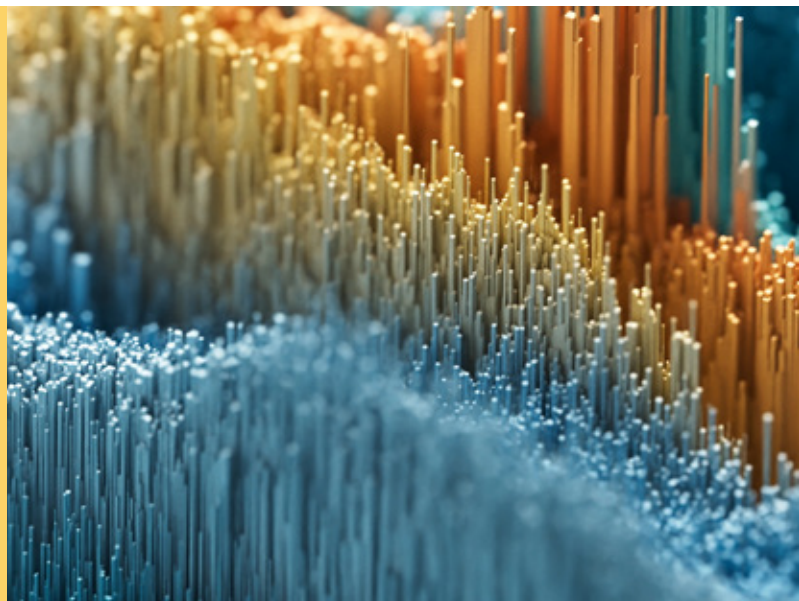


2025 Spencer Stuart Industrials Sector Snapshot



Boards of 103 industrials companies in the S&P 500 index generally align with S&P 500 boards on a variety of governance measures.

- » The average age of independent directors on industrials boards is 63.3 years, slightly younger than the 63.6-year average for S&P 500 boards.
- » The youngest average age of an industrials board is 56.4 years, the oldest is 70.8 years.
- » Industrials boards average 10.7 directors, matching the 10.7 average of S&P 500 boards.
- » The independence of industrials boards averages 87%, versus 86% for S&P 500 boards.
- » The average board tenure of independent directors on industrials boards is 7.3 years, lower than the 7.8-year average for S&P 500 boards.
- » The longest-tenured industrials board averages 15.1 years.

New independent director backgrounds

The 103 industrials sector boards appointed 96 new independent directors to the boardroom in the past year. Among the industrials companies, 58% added at least one independent director — tied with the utilities sector as the highest of all sectors — while 17% 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 industrials sector new independent directors

- » Appointees averaged 60.0 years of age, higher than the 59.1-year average for all independent directors joining S&P 500 boards.
- » First-time directors represented 27% of independent directors joining industrials boards, compared to the 31% S&P 500 average.
- » NextGen directors (aged 50 or younger) comprised 7% of the incoming class, versus 11% for the broader S&P 500 index.
- » Less than half (46%) of the independent directors joining industrials boards are actively employed, higher than the 41% average for all independent directors joining S&P 500 boards this year.

For the second consecutive year, industrials boards recruited in 2025 the highest percentage of CEOs (including the highest percentage of active CEOs) compared to other sectors. The sector tied with the consumer and information technology sectors for appointing the lowest percentage of investors.

NEW INDEPENDENT DIRECTOR BACKGROUNDS

	2025 Industrials	2025 S&P 500
CEOs	40%	30%
<i>Active</i>	20%	12%
<i>Retired</i>	20%	18%
Chairs/presidents/COOs	1%	4%
<i>Active</i>	1%	2%
<i>Retired</i>	0%	3%
Functional leaders	16%	15%
P&L leaders	9%	10%
Financial backgrounds	22%	29%
<i>Financial executives/CFOs/ treasurers</i>	18%	16%
<i>Investment managers/ investors</i>	3%	8%
<i>Bankers/investment bankers</i>	1%	4%
<i>Public accounting executives</i>	0%	2%
Academics/nonprofit executives	1%	2%
Consultants	1%	1%
Legal	1%	2%
Others	9%	6%
TOTAL		
<i>Active</i>	46%	41%
<i>Retired</i>	54%	59%

Overall board composition

An analysis of all S&P 500 independent directors finds that industrials boards have the highest percentage of CEOs of all sectors. The sector ties with the utilities sector for having the second lowest percentage of financial professionals in general of all sectors, and it ties with utilities for having the lowest percentage of investors in particular.

OVERALL BOARD COMPOSITION

	2025 Industrials	2025 S&P 500
CEOs	37%	31%
<i>Active</i>	12%	9%
<i>Retired</i>	26%	22%
Chairs/presidents/COOs	2%	3%
<i>Active</i>	1%	1%
<i>Retired</i>	1%	2%
Functional leaders	13%	14%
P&L leaders	10%	9%
Financial backgrounds	24%	28%
<i>Financial executives/CFOs/ treasurers</i>	13%	12%
<i>Investment managers/ investors</i>	6%	10%
<i>Bankers/investment bankers</i>	3%	5%
<i>Public accounting executives</i>	2%	2%
Academics/nonprofit executives	3%	5%
Consultants	2%	3%
Legal	1%	3%
Others	6%	5%
TOTAL		
<i>Active</i>	34%	37%
<i>Retired</i>	66%	63%

Board leadership

The chair and CEO roles are combined at 38% of industrials boards, compared to 39% of all S&P 500 boards. Executive chairs are in place at 11% of industrials boards, versus 13% for the S&P 500. Independent chairs lead 44% of industrials boards, compared to 41% of the S&P 500. Just over half (56%) of industrials boards name an independent lead director, the lowest of all sectors and compared to 61% of the S&P 500.

Board organization and process

The industrials sector ties with the information technology sector for having the lowest percentage of declassified boards.

DIRECTOR ELECTIONS AND STOCK OWNERSHIP

	2025 Industrials	2025 S&P 500
Annual elections of directors	84%	89%
Majority voting for directors	87%	88%
Stock ownership requirements for directors	95%	93%

Industrials boards, on average, meet less frequently than all other sectors.

BOARD AND COMMITTEE SIZE AND MEETINGS

	2025 Industrials	2025 S&P 500
Board		
Size (avg #)	10.7	10.7
Meetings (avg #)	6.6	7.1
Board committees (avg #)	4.1	4.1
Audit committee		
Size (avg #)	4.8	4.5
Meetings (avg #)	7.6	8.1
Compensation committee		
Size (avg #)	4.5	4.2
Meetings (avg #)	5.5	5.6
Nominating/governance committee		
Size (avg #)	4.7	4.3
Meetings (avg #)	4.8	4.7

The most common additional committees for the industrials sector are: finance; environmental/health/safety; executive; and science/tech/cyber.

PREVALENCE OF STANDING COMMITTEES

Committees	2025 Industrials	2025 S&P 500
Finance	30%	26%
Executive	21%	24%
Science/tech/cyber	14%	18%
Environmental/health/safety	27%	15%
Risk	5%	11%
Social responsibility	5%	6%
Legal	1%	4%
Investment	4%	3%
Strategy	1%	1%

Turnover policies

A higher percentage of industrials boards have age caps compared to the overall S&P 500 index, placing second highest in mandatory retirement policies.

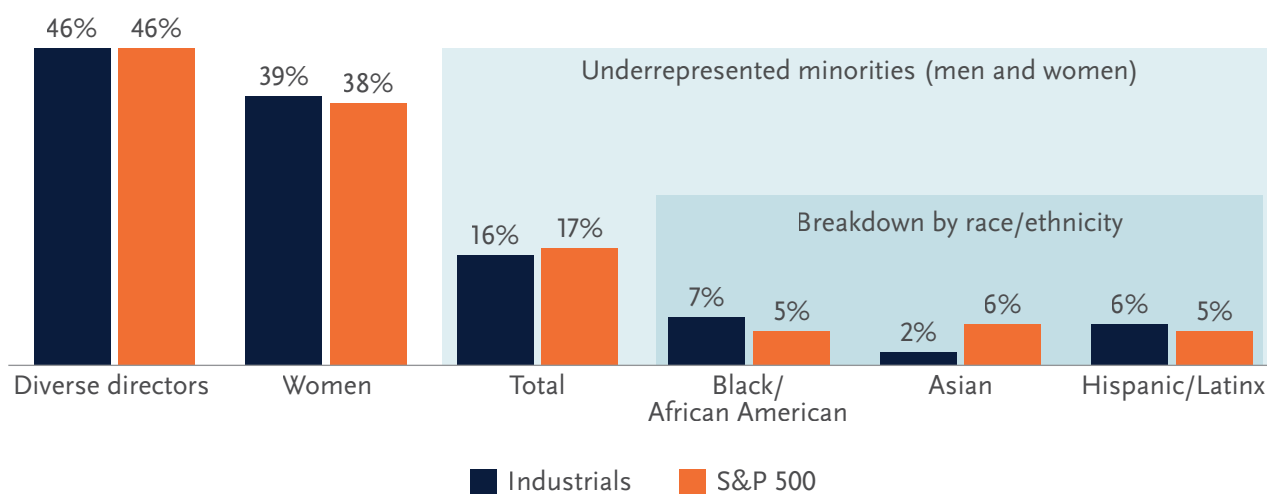
TURNOVER POLICIES

	2025 Industrials	2025 S&P 500
Mandatory retirement policy		
% companies	81%	66%
Retirement age (avg yrs)	74.2	74.2
Tenure policy		
% companies	9%	10%
Tenure limit (avg yrs)	14.7	14.5
Material change resignation policy		
% companies	85%	88%

Diversity — industrials 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 46% of the 96 independent directors joining industrials boards over the past year, matching the 46% of independent directors joining S&P 500 boards.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING INDUSTRIALS BOARDS



Diversity — industrials boards

Less than half (48%) of directors serving on industrials boards are diverse (tied with real estate as the second lowest of all sectors), compared to 50% for the S&P 500. The sector lags the S&P 500 on diversity of women and underrepresented minorities.

DIVERSITY OF ALL INDUSTRIALS 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
Industrials	48%	34%	21%	12%	4%	5%	94%	38%
S&P 500	50%	35%	24%	12%	7%	5%	92%	49%

Diversity — board leadership

The industrials sector lags the S&P 500 on all aspects of diversity of board leadership, and it has the lowest percent-age of female and underrepresented minority independent lead directors of all sectors.

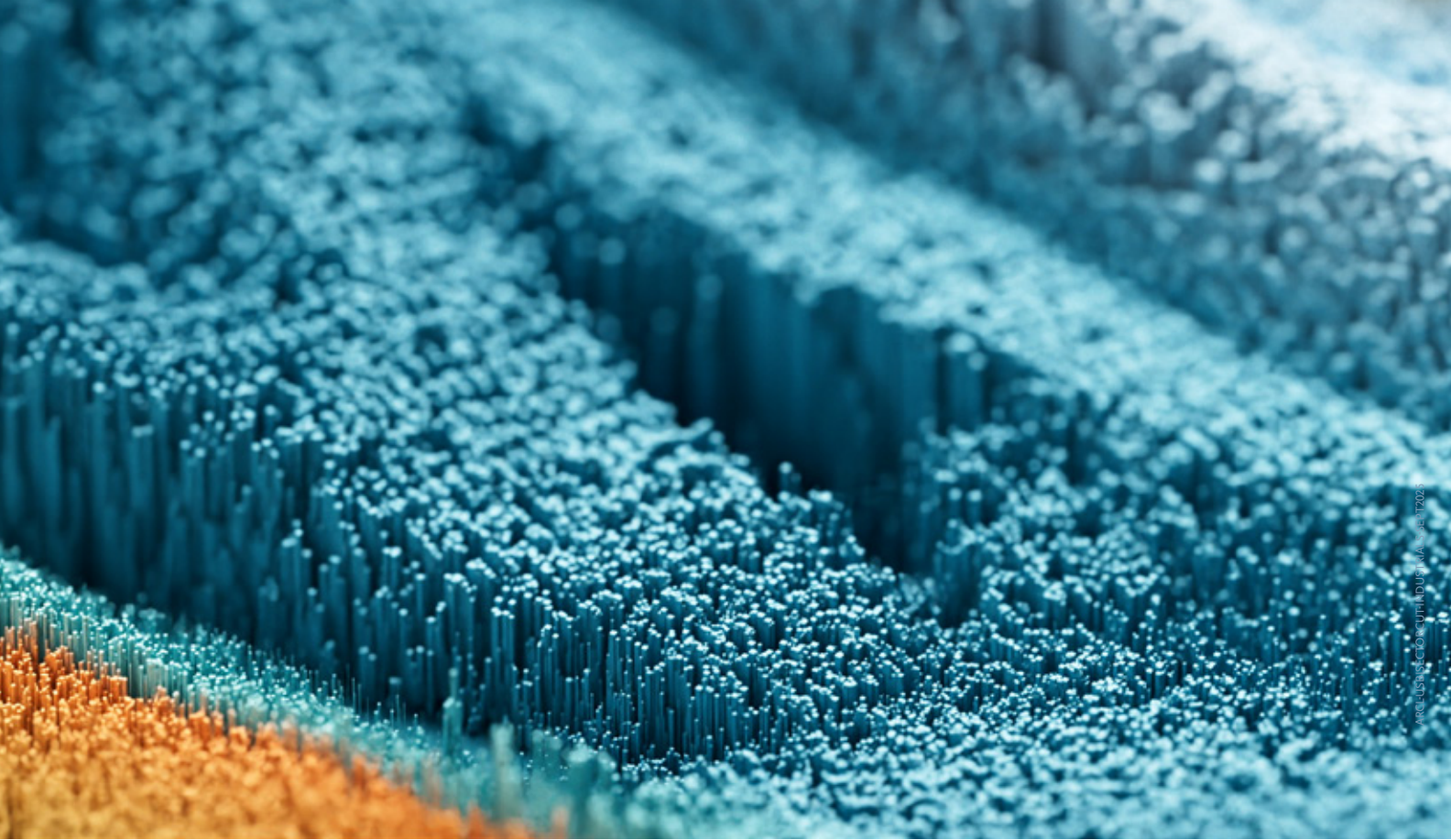
DIVERSITY — BOARD LEADERSHIP

	2025 Industrials	2025 S&P 500
Independent chair		
% women	18%	19%
% underrepresented minority	9%	10%
Independent lead director		
% women	12%	25%
% underrepresented minority	3%	13%

Industrials companies

- » 3M Company
- » A. O. Smith Corporation
- » Albemarle Corporation
- » Allegion Public Limited Company
- » Amcor
- » AMETEK
- » Automatic Data Processing
- » Avery Dennison Corporation
- » Axon Enterprise
- » Ball Corporation
- » Broadridge Financial Solutions
- » Builders FirstSource
- » C.H. Robinson Worldwide
- » Carrier Global Corporation
- » Caterpillar
- » CF Industries Holdings
- » Cintas Corporation
- » Copart
- » Corteva
- » CSX Corporation
- » Cummins
- » Dayforce
- » Deere & Company
- » Delta Air Lines
- » Dover Corporation
- » Dow
- » DuPont de Nemours
- » Eastman Chemical Company
- » Eaton Corporation
- » Ecolab
- » Emerson Electric Company
- » Equifax
- » Expeditors International of Washington
- » Fastenal Company
- » FedEx Corporation
- » Fortive Corporation
- » Freeport-McMoRan
- » GE Aerospace
- » GE Vernova
- » Generac Holdings
- » General Dynamics Corporation
- » Honeywell International
- » Howmet Aerospace
- » Hubbell
- » Huntington Ingalls Industries
- » IDEX Corporation
- » Illinois Tool Works
- » Ingersoll Rand
- » International Flavors & Fragrances
- » International Paper Company
- » J.B. Hunt Transport Services
- » Jacobs Solutions
- » Johnson Controls International
- » L3Harris Technologies
- » Leidos Holdings
- » Lennox International
- » Linde plc
- » Lockheed Martin Corporation
- » LyondellBasell Industries N.V.
- » Martin Marietta Materials
- » Masco Corporation
- » Newmont Corporation
- » Nordson Corporation
- » Norfolk Southern
- » Northrop Grumman Corporation
- » Nucor Corporation
- » Old Dominion Freight Line
- » Otis Worldwide Corporation
- » PACCAR
- » Packaging Corporation of America
- » Parker-Hannifin Corporation
- » Paychex
- » Paycom Software
- » Pentair plc
- » PPG Industries
- » Quanta Services
- » Republic Services
- » Rockwell Automation
- » Rollins
- » RTX Corporation
- » Smurfit Westrock plc
- » Snap-on
- » Southwest Airlines Co.
- » Stanley Black & Decker
- » Steel Dynamics
- » Textron
- » The Boeing Company
- » The Mosaic Company
- » The Sherwin-Williams Company
- » Trane Technologies
- » TransDigm Group
- » Uber Technologies
- » Union Pacific Corporation
- » United Airlines Holdings
- » United Parcel Service
- » United Rentals
- » Veralto Corporation
- » Verisk Analytics
- » Vulcan Materials
- » W.W. Grainger
- » Waste Management
- » Westinghouse Air Brake Technologies Corporation
- » Xylem





ART: LUSAS CLOUTIER/ISTOCK/ALAMY

About Spencer Stuart

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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.



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