

Board Monitor Mexico 2021

Companies listed on the BMV particularly sought senior executive and public board experience in the new directors they added in 2020.



About Board Monitor

This report is part of Heidrick & Struggles' long-standing study of trends in board composition in countries around the world. Produced by our CEO & Board Practice, these reports track and analyze trends in non-executive director appointments to the boards of the largest companies in Australia, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Mexico, the Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States. Information about executives is gathered from publicly available sources, BoardEx, and a Heidrick & Struggles proprietary database.

Thanks to the following Heidrick & Struggles colleagues for their contributions to this report:

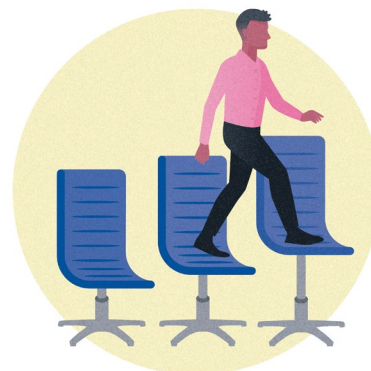
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Welcome to Board Monitor Mexico 2021

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a focus on experience



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In an unprecedented year, a focus on experience



Board fundamentals—financial oversight and good governance—were crucial in 2020 as companies navigated through a global pandemic, geopolitical uncertainties, and economic recovery. Many directors found themselves working more closely than ever with executive teams to keep their companies afloat, and working at a faster pace than ever before. Boards were increasingly expected not only to address topics as wide-ranging as community responsibility, sustainability, and diversity in their own composition, but to do so publicly. Furthermore, remote working and crisis management forced boards to operate differently—often outside their traditional schedule and agenda.

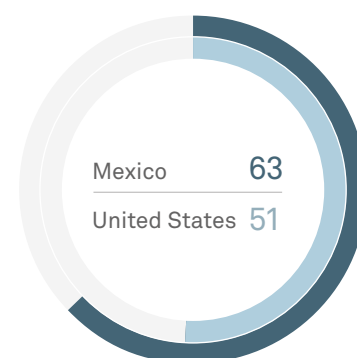
All of this, of course, affected how boards thought about the new members they added in 2020. In Mexico, where we are tracking new directors for the first time, companies listed on the BMV filled 27 seats. Sixty-three percent of those seats went to people with CEO or CFO experience, notably higher than the United States' 51%.

Furthermore, in Mexico, 93% of the new seats went to people with prior public company board experience, the highest share in any country we study.

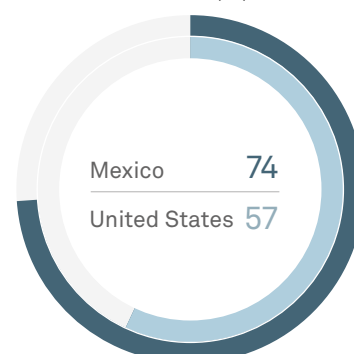
Nearly three-quarters of seats, 74%, went to active, rather than retired, executives, a much higher share than the 57% in the United States and one of the highest shares anywhere in the world. Forty-one percent of seats were filled by people from other countries, consistent with Europe's 40% and much higher than Brazil's 15%. A third of seats were filled by women.

New directors found themselves joining boards dealing with myriad, unprecedented challenges, which led many boards to reassess how they worked, as entire organizations were also doing. Many boards were faced with game-changing decisions. Some boards stepped back to analyze what they—and *only* they—could do to support their companies, with a focus on ensuring board members can support sound and swift decision making.

New members added with CEO or CFO experience (%)



Active members added (%)



Snapshot of 2020 findings

New director
seats filled



27

Average age



59

Current and
former CEOs



Current and
former CFOs



Active/retired executives (%)

Active: 74

Retired: 26

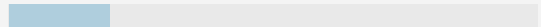


Experience (%)

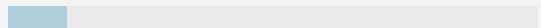
93 Previously served on boards



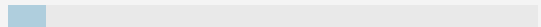
19 Financial risk/compliance



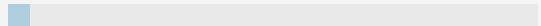
11 International



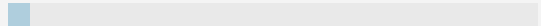
7 Sustainability



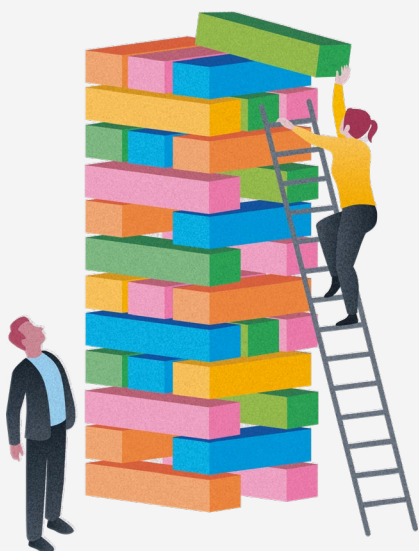
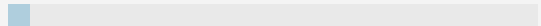
4 Digital or social media



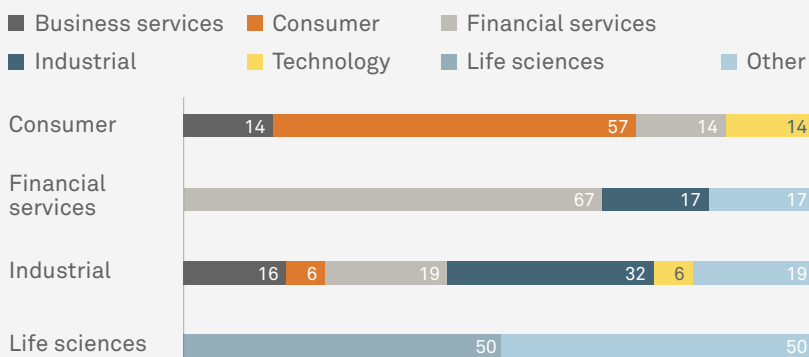
4 Cybersecurity



4 Diversity and inclusion

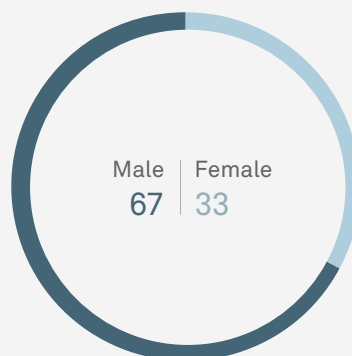


Distribution of previous industry experience, by industry (%)

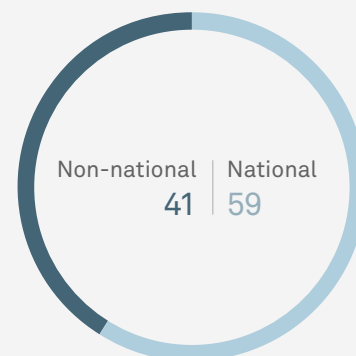


Note: Numbers may not sum to 100%, because of rounding.

Gender (%)



Nationality (%)



Looking ahead



Boards in Mexico are increasingly committed to their own effectiveness. We expect boards to intensify their focus on their role in supporting their organization's purpose, including continued commitment to having the right people on the board. We also see boards innovating their refreshment processes.¹ In Mexico, we expect that many current board members will retire over the next three to five years. This should lower the share of incoming board members with prior board experience,

making the share closer to global levels. The turnover will also help boards increase gender diversity and to fill seats with people with a broad range of relevant experience—including nontraditional industry, functional, or regional experience—in order to bring in new perspectives that will help companies maintain agility.

We expect the directors added this year, all in all, to be part of boards that are more diverse, more committed, and more agile than ever.

¹ For more on new approaches to board refreshment, see Alice Breeden, Theodore L. Dysart, and David Hui, "Building the foundation for better board refreshment," Heidrick & Struggles, on heidrick.com.

CEO & Board Practice

Heidrick & Struggles' CEO & Board Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients' most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital, enables us to provide sound global coverage for our clients.

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