



2024 Year in Review

January 2025

Tapestry's Equity, People, Ethics, and Culture (EPEC) initiative convenes customized programs and collaborative working groups, where senior business leaders share ideas, explore innovative strategies, and address barriers to critical corporate governance challenges that are shaping the future of business leadership. In 2024 the program engaged more than 200 board directors, senior ethics & compliance and human resources executives, and other stakeholders to engage in focused discussions on corporate culture, human capital management and the future of talent, executive compensation, and the implications of artificial intelligence.

EPEC by the numbers

 200+

Executives, directors, and key stakeholders

 250+

Leading global organizations

 10+ trillion

Market cap represented

Meeting topics and thought leadership

- [Critical challenges for corporate boards' oversight of AI](#)
- [Strategic priorities for compensation committees in 2025](#)
- [Culture and talent governance summit: leadership and culture oversight take center stage for boards](#)
- [Reimagining the future of talent](#)
- [Inclusive leadership strategy as a business imperative](#)
- [Shareholder activism and the 2024 proxy season](#)
- [Board directors and ethics and compliance leaders discuss key challenges and priorities](#)
- [Compensation chairs discuss challenges and goals](#)

Key Themes

Companies are adapting to a shifting talent landscape. *“Companies are doubling down on talent. They realize that if they don’t make strategic investments in inclusive talent pathways, they will be left behind.”* Global demographic shifts and evolving worker expectations are transforming the workforce and challenging workplace norms. To attract and retain next-generation talent, organizations need to appeal to workers who prioritize mobility and flexibility over stability and who value opportunities for development and work-life balance more than compensation. This may require new approaches and a significant rethinking of work culture: *“We’re trying to fight with the last tool rather than reimagining what work could be like. This could be a moment of real creativity, but we keep trying to go back to the past.”* Enhancing oversight of talent strategy is a priority for board members, who recognize the need to integrate people strategy into overall strategic and operational planning but acknowledge that there is significant work to be done in this area. *“We always see the financial plan that supports the operating plan, but we never see a people strategy actually tied directly into the plan. I have yet to hear of an organization that really does that well,”* a director said.

Boards are navigating the tensions around diversity and inclusion. Directors and senior human resources leaders acknowledge that they are adjusting their approach in the face of increasing legal, reputational, and political pressures around DEI initiatives in 2024. Most insist that their commitments to diversity and inclusion remain, but they are dropping polarizing language, avoiding the appearance of promoting a political agenda, and giving these issues a lower profile. One director said, *“The commitment to environmental and social issues hasn’t changed—it’s about executing effectively while staying out of the headlines and not attracting undue attention.”* Senior leaders agree on the need to emphasize the

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links between diversity and concrete business outcomes, backed by data. *“It’s about sales,”* one retail leader said. *“I can show that for every 10 basis points of BIPOC market share, we add \$2.4 million in revenue.”* And demographic changes make diversity and inclusive approaches to recruitment, retention, and development business imperatives. *“Almost all organizations have to understand the critical change that’s going to happen to both their workforce and their consumer base. It’s going to be more and more imperative for boards to*

be educated about those implications—and those conversations are critical to setting the strategic vision for any organization moving forward.”

Experts and guests

Mark Davies, Maia Gez, Kimberly Petillo-Decossard, and Tali Sealman
White & Case LLP

Monique Nelson and Doug Freeman
UniWorld Group

Darren Moskovitz and Virginia Rhodes
Meridian Compensation Partners

Sean Neary
Edelman Smithfield

Rich Thomas
Lazard

Sean M. Thompson
Navex

Carlton Villagran
CMPC

Trust in institutions is at risk. Trust in large institutions of all kinds is steadily declining, and [only 16% of Americans say they have a “great deal” or “quite a lot” of confidence in big companies](#). Board directors and senior executives acknowledge an increased responsibility to foster and uphold cultures characterized by trust and transparency in the face of challenging conditions. *“Trust has become a currency. We’ve really focused on rebuilding trust and using culture to engender trust.”* said a member. Rebuilding trust requires consistent focus on culture at the board level. *“I would hope that culture is being embedded in all of our boardroom discussions, no matter the topic,”* one participant said.

Investors are scrutinizing board oversight of talent and succession planning. The key question, one investor said, is *“How are you making sure that you have the talent strategy of tomorrow, not the talent strategy of 20 years ago?”* People and talent are focus areas for investors; one large institutional investor pointed out that, despite all the attention paid to executive compensation, *“poor pay practices have destroyed way less value than poor succession management, planning, and implementation.”* One member noted that *“the real issue was a failed CEO succession,”* in a recent activist campaign their board had faced. *“To champion that is our number one responsibility, and that’s what we’re accountable for.”*

AI governance continues to develop. *“If you’re not engaging with AI, you’re not bringing true value. Boards must ask how management is investing in AI and making decisions that target areas with the highest ROI.”* Oversight of AI technology is becoming essential for boards as they strive to harness its competitive advantages while effectively managing associated risks. A key concern for boards is the impact of AI on talent, including the risk of workforce displacement and the urgent need to prioritize upskilling. *“The key question is how do we upskill talent to ensure they’re prepared for the technology and aren’t left behind.”* Members noted that this workforce disruption often leads to hesitation among employees, slowing the adoption and innovation of AI. *“When a new, disruptive technology comes into the market, the top leaders understand it and buy into it, and the most junior people clearly get it because they’re on the cutting edge and see new opportunities. But the whole messy middle often slows things down, as adopting the technology may not immediately align with their interests.”*

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