

On the 2026 board agenda

KPMG Board Leadership Centre

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Boardrooms across the UK are navigating an era of unprecedented disruption and complexity. The regulatory landscape, in particular, has become increasingly demanding, with 95% of directors citing regulatory responsibilities as the challenge that has increased most for boards and directors in recent years. At the same time, the scope of board accountability continues to expand, as 86%¹ of board members indicated that accountability to broader stakeholder groups has increased in recent years. These heightened pressures are compounded by a rapidly evolving threat landscape – most notably, the growing risks associated with cybersecurity. Boards are wrestling with how best to allocate investment to cyber defences and resilience, particularly in the context of an economically challenging world where resources are constrained and the pace of technological change is relentless. Together, these factors underscore the need for boards to remain agile, resilient, and forward-looking.

Drawing on insights from our conversations with directors and business leaders, we highlight seven key issues for boards to consider as they set their agendas for the year ahead:

01 Strategy

Reassess the board's engagement – Particularly in scenario planning, agility, crisis planning, and resilience.

02 Artificial Intelligence

Understand the company's AI strategy, related risks and opportunities and closely monitor the governance structure and talent needs around the deployment and use of technology.

03 Data governance

Consider the adequacy of the company's data governance framework and processes.

04 Cybersecurity

Assess whether the company's cybersecurity governance framework and processes are keeping pace.

05 Sustainability

Keep material sustainability issues embedded in risk and strategy discussions and monitor management's preparations for sustainability reporting requirements as well as shareholder expectations.

06 Board composition and talent

Review board composition in line with new strategic imperatives, evaluate ESG competency and refocus on IDE as a powerful catalyst for effective decision-making and innovation.

07 Risk oversight

Revisit board and committee risk oversight responsibilities and allocation among committees.

01 Strategy

Reassess the board's engagement – Particularly scenario planning, agility, crisis planning, and resilience.

The UK's economic and political landscape remains fluid, with ongoing global conflicts, trade tensions, and domestic policy shifts contributing to uncertainty. Risks related to cyber security, climate change, AI and other new technology continue to pose major challenges for companies. Boards must actively engage in strategy, adopt rigorous forward-looking governance practices whilst ensuring robust scenario planning and crisis preparedness. This includes:

- Developing vivid future scenarios, with focused "what-if" discussions considering both opportunities and risks relating to AI, human capital, and supply chains. Ensuring scenario planning is iterative and informed by external perspectives including where the industry, market and competition are headed. Embedding risk resilience, stress-testing and crisis planning into strategic discussions, with frequent updates to the company's risk profile; considering risk interconnectedness and independent third-party perspectives.
- Balancing short-term agility with long-term vision to safeguard organisational endurance and value creation.

02 Artificial Intelligence

Understand the company's AI strategy and related risks and opportunities and closely monitor the governance structure and talent needs around the deployment and use of technology.

AI is transforming businesses, bringing significant opportunities but also complex risks – ranging from data accuracy and cybersecurity to regulatory compliance and reputational concerns.

Boards should consider:

- Whether the organisation has the right mix of skills and mindset to deliver in an AI-driven environment, and how to support leaders and staff in adapting to rapid technological change through upskilling and cultural transformation.
- The potential for AI to disrupt or replace core services, and the implications for workforce requirements, recruitment strategies, and the future of the workplace.
- Governance structures, risk management, trust and workforce needs around AI deployment.
- Robust guardrails and regularly reviewed governance policies for GenAI and AI agents, particularly regarding autonomous decision-making and operational integration.
- Change management, skills development, and cultural transformation to maximise the benefits of AI adoption including increasing return on investment ROI and productivity.
- Human-centred leadership in an AI-driven world, ensuring that empathy, sound judgement, and relationship-building remain core to decision-making and organisational culture – even as technology reshapes work and learning.
- Ongoing board and workforce education on AI and emerging technologies, using external expertise where needed.

03 Data governance

Consider the adequacy of the company's data governance framework and processes.

The explosive growth in the use of AI and broader use of technology, is prompting more rigorous assessments of companies' data governance frameworks and processes. Companies usually design ones suited to their industry and specific needs, but several established frameworks are available for consideration. They vary in many respects, but generally focus on data quality, data privacy and security, data stewardship, and data management.

Boards may consider how frameworks:

- Define data collection, storage, management, and usage.
- Assign responsibility for data governance across the enterprise, including the roles of chief information officer, chief information security officer, and chief compliance officer (or those performing similar functions).
- Address third-party access and obligations to protect company data.
- Align data governance with the company's AI strategy and broader business objectives.

04 Cybersecurity

Assess whether the company's cybersecurity governance framework and processes are keeping pace.

While boards and management teams have invested significant effort in addressing increasingly sophisticated cyber threats, the risk landscape is evolving at pace. Malicious and state-sponsored actors are intensifying their attacks for financial or political gain, while AI is enabling cybercriminals to scale operations with unprecedented speed, volume, and sophistication. The growing prevalence of ransomware, data corruption, and model poisoning highlights the urgency for vigilant oversight, and looming advances in quantum computing could further amplify risk by rendering current encryption methods obsolete.

Given the growing likelihood and potential impact of cyber-attacks, it is essential for boards to ensure that robust resilience and business continuity plans are in place. Effective preparation means not only focusing on prevention, but also ensuring the organisation can respond and recover if a cyber-attack succeeds, thereby safeguarding critical operations and stakeholder interests.

Boards also face significant challenges in allocating capital to cyber defences. While the magnitude of cyber risk is widely acknowledged to be high, quantifying the likelihood of specific threats remains difficult.

The pace at which cyber threats evolve – often outstripping traditional risk assessment methods – can make it challenging to determine whether investment in prevention is sufficient or if resources should be directed elsewhere. Boards may need to draw on external benchmarks, scenario analysis, and lessons from public incidents to inform their decisions and ensure that investment strategies remain agile and effective.

Boards may consider:

- Asking for regular briefings on cyber defence strategies, including resilience against deepfakes and phishing campaigns.
- Understanding how robust cyber response plans are, and management's readiness for quantum computing risks.
- Board committee skills and expertise and seek external advice where appropriate.

05 Sustainability

Keep material sustainability issues embedded in risk and strategy discussions and monitor management's preparations for sustainability reporting requirements as well as shareholder expectations.

Sustainability and environmental issues remain central to long-term value creation, despite shifting stakeholder expectations and regulatory developments.

Boards are encouraged to consider how:

- Sustainability issues are material or of strategic significance to the company, including climate risk, energy transition, and workforce diversity.
- Sustainability is embedded in strategy, operations, and risk management, with clear commitment from leadership.
- Prepared the organisation is for UK, EU, and global sustainability reporting requirements.
- Clearly sustainability matters are reported to the business and its stakeholders.

Review board composition in line with new strategic imperatives, evaluate ESG competency and refocus on inclusion, diversity and equality (IDE) as a catalyst for effective decision-making and innovation.

The board should regularly assess its composition to ensure it has the right mix of skills, experience, and perspectives to meet evolving strategic and regulatory demands. This includes:

- Working closely with the nomination committee to lead a formal and transparent process for board and senior management appointments, with a focus on developing a diverse and future-ready talent pipeline aligned to the company's strategy.
- Recognising diversity and inclusion as key drivers of effective decision-making and innovation, providing transparent reporting on progress in the annual report.
- Maintaining board competence in ESG oversight, technology, and emerging risks, with regular skills assessments to address any gaps.
- Keeping succession plans up to date, with clear rationale for any extensions to the chair's tenure and transparent articulation of each director's ongoing contribution.
- Engaging proactively with investors on board composition, diversity, and succession, anticipating scrutiny on issues such as AI governance, ESG, and over-boarding.

Revisit board and committee risk oversight responsibilities and allocation among committees.

Refining board and committee risk oversight responsibilities remains a challenge. The increasing complexity of risks require a holistic approach to risk management and oversight. Investors, regulators, rating firms, and other stakeholders expect high-quality disclosures on climate, cybersecurity, AI, and other sustainability risks, as well as on how boards and their committees oversee the management of these risks. However, the emphasis placed on these areas may vary, with many stakeholders equally focused on business and industry-specific risk factors.

Boards should consider how:

- Management's risk processes are up-to-date and aligned with board expectations.
- Clearly risk oversight responsibilities across the board and committees are delineated, facilitating information sharing and coordination.
- Strategy, goals, risks, controls, incentives, and performance metrics are aligned.

Looking ahead

Carrying out the board's 2026 agenda will be a significant oversight challenge. The right board leadership, composition, and committee structure – supported by ongoing director education and rigorous evaluations – will be essential to meeting the demands of the year ahead.

The KPMG Board Leadership Centre

The KPMG Board Leadership Centre offers support and guidance to non-executive directors, whether managing a portfolio non-executive career or embarking on a first appointment. Membership offers you a place within a community of board-level peers with access to topical and relevant seminars, invaluable resources and thought leadership, as well as lively and engaging networking opportunities. We equip you with the tools you need to be highly effective in your role, enabling you to focus on the issues that really matter to you and your business.

Learn more at www.kpmg.com/uk/blc.

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Create | CRT164737A | January 2026