

Board leadership in the eye of the storm

Interview with Barbara Kux, board member

Barbara Kux is a highly experienced business leader and board member with a focus on corporate governance and sustainability. In a conversation with Prof. Dr. Reto Eberle, she explains why – especially in the current climate – boards of directors need to focus on opportunities, what makes diversity in the boardroom so crucial and how artificial intelligence and sustainability are influencing corporate governance.

Prof. Dr. Reto Eberle: *Ms. Kux, as a business leader with international experience, you are familiar with both the operational and strategic sides of leadership. What are the hallmarks of good governance in practice? Based on your own experience, which aspects do you consider key?*

Barbara Kux: We are living in a time of interconnected crises – political, economic, environmental and social. But every polycrisis also presents polyopportunities: growing markets in Asia, Latin America and Africa, and the rise of the middle class in those regions; new technologies such as AI or green tech; an ageing

population. Peter F. Drucker once aptly said: “The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday’s logic.” For boards of directors, this means analyzing risks and opportunities holistically, exploring scenarios and safeguarding resilience. I experienced this at Siemens in 2011 during the Fukushima crisis, which had a sudden and massive impact on global supply chains. Thanks to transparency regarding alternative procurement options and our decentralized decision-making powers, we were able to react quickly and avoid production downtime. This helped instill confidence and trust among our people, even in a crisis.





What role does each individual board member play in the interplay with the board as a whole? And what is important when it comes to board composition – particularly in terms of skills such as finance, cash flow management or human resources?

For Switzerland, the law is particularly important. Article 716a of the Swiss Code of Obligations dictates that the board of directors is responsible for strategy, and this task cannot be delegated. To fulfil it, the board as a whole needs to have the relevant qualifications and skills. It can also be useful to consult external experts when drawing up strategic scenarios. The chair of the board of directors should not act as CEO, but as a conductor who ensures that all voices are heard. I have often found that this significantly improves the quality of decisions reached. Today, this work is more important than ever, as strategies are often less clear than in the past. In terms of qualifications, I consider the T-shape profile to be crucial. On the one hand, each member should have broad general management experience (the roof of the T), ideally gained in an executive position. On the other hand, they need to have an area of specialization (the leg of the T), for example in finance, compliance, digitalization, sustainability or supply chain. This enables each member to comment knowledgeably on issues such as acquisitions, market entries, new products or personnel decisions.

Headline-hitting governance failures still occur in Switzerland sometimes, despite established structures. Why is that?

We have the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse*. It is comprehensive and solid, but there is still room for greater transparency. Germany and France offer inspiration for possible approaches. They require annual statutory declarations of compliance, competency matrices, attendance overviews and disclosure of independence and potential conflicts of interest. In addition, the terms of office are more clearly regulated. These instruments strengthen trust, especially among international investors. The work of the nomination committee is also crucial. A clear, professional profile of requirements is essential. What skills are lacking on the board of directors? What international experience is needed? It is not enough to simply appoint a likeable candidate or a digital expert under the age of 30. Transparency about candidates and a global selection process are necessary to find the best profile for the position. The Swiss Corporate Governance Code provides a decent framework. However, in light of recent failures at large companies and the ensuing hit to their reputations, it would make sense to tighten it up and address risks more consistently in the future. Without excessive red tape, but with more accountability.

A board also needs to be confident that all upcoming decisions have been prepared professionally within the company, taking into account all relevant and affected functions.





The Swiss response would probably be to create transparency and leave it up to shareholders to react. Isn't that enough?

No. Many shareholders are international investors, from the US or Asia, for example. They expect governance standards in Switzerland to be comparable to those in their own markets, as is the case with financial reporting. Such shareholders will not study the Swiss regulations in detail, but will assume that they are comparable to international standards.

You have been involved with sustainability for a long time. Are there differences between economic regions such as Europe, America, China or India in the way the topic is perceived?

Yes, very much so. Sustainability is most firmly embedded in Europe. In growing economies such as India, China and Africa, the focus is initially on basic needs such as food, housing and education. Companies operating in these markets need to actively communicate to their suppliers why sustainability matters to customers. We deliberately provided training on the topic in China, for example. It is important not to view sustainability as internal bureaucracy, but as a business opportunity. At Philips, we focused on green lighting, at Siemens on green tech, and even at TotalEnergies we developed new areas such as solar, batteries and green fuel. Sustainability opens up market potential in every company, from impact investing in the banking sector to new industrial business models. It also motivates employees because they see that they are contributing to something with a future focus. Of course, it is also important to adopt a consistent approach within the company, from energy management and supply chains to the optimization of all business processes.

“The board’s chair is a conductor who brings together the different voices of the orchestra into a symphony.”

Has Europe gone too far with its regulations? CSRD and CS3D seem very bureaucratic – wouldn't it make more sense to focus more on incentives?

CSRD and CS3D are indeed excessive regulations, but the EU is already in the process of streamlining them. Standards are needed, if only because of supply chains. At Siemens, we had around 100,000 suppliers, many of them in emerging markets. If every company imposes different requirements, it becomes almost impossible to manage. Standardized guidelines do make sense, then, but they should remain practical and not burden smaller companies in particular with unnecessary costs. It is important that Switzerland does not introduce its own “Swiss finish,” but instead adopts international standards. AI can help to make reporting and supply chain management more efficient.

Digitalization and AI raise fears, but also offer enormous opportunities. How should Europe position itself in these areas – especially with regard to AI and green tech – among global competitors?

Green tech is a huge growth market. In 2024, the global market size was valued at around USD 20 billion. , and by 2032 it is expected to exceed USD 100 billion. Virtually every sector – from building technology to industry and mobility – can participate. Europe is a leader in this field, and this is a major opportunity for us: we can expand our business while reducing CO₂ emissions. AI also opens up enormous potential. It helps to make processes more efficient and sustainable and enables us to achieve more with less. One example is a start-up with digital twins for the automotive industry. Entire production chains can be optimized virtually. Such applications accelerate innovation, improve customer contact and increase competitiveness.

Every company – and every board – must actively seize these opportunities. At the same time, clear rules – ideally at the European level – are needed for data protection, privacy rights and corporate security.

Alongside the opportunities offered by digitalization and AI, there are also risks, particularly in terms of data security and cybersecurity. Do boards pay sufficient attention to these issues?

Yes, absolutely. Boards of directors must be focused on both a clear AI strategy and its secure implementation. Beyond green tech, I see “applied AI” in particular as a major opportunity in Europe, i.e., the use of artificial intelligence in industrial processes or product innovations. Companies such as Schneider and Siemens are already making extensive use of this potential, and Europe should follow suit.

Is Switzerland doing enough to bring innovation from research to application, for example at start-ups or established companies? With the ETH and EPFL, we are home to two institutions with a global reputation in technological research.

It is true that Switzerland has cutting-edge research, but there is still potential for improvement when it comes to transferring it to the market. Start-ups in particular face barriers. The market is small, and financing and scaling are difficult. As a result, many promising companies are drawn to Berlin or the US. Other countries, such as Denmark, specifically support start-ups with financing and knowledge sharing. Switzerland could be bolder in this area. If, for example, we were to invest just one percent of pension funds in future innovations, this

would immediately create a strong financial foundation and give a real boost to the innovation ecosystem. As a jury member of various innovation panels, I repeatedly see highly relevant start-ups and innovations and am impressed by these developments. Better partnerships between larger companies and start-up platforms could realize enormous potential in this regard.

How can boards of directors ensure that they do not get left behind amid rapid technological advances?

The right board composition is crucial. Members should be curious, open-minded and willing to learn. Some boards of directors regularly invite experts or organize training sessions on topics such as AI, sustainability or digitalization. Such initiatives are important for ensuring that the board remains up to date and empowered to act.

Does the board of directors need young digital experts, or is it better to seek expertise from external sources as needed?

Outside expertise is often the better option. There are numerous opportunities available all over the world these days to easily continue your education, whether in AI, sustainability or other topics as relevant for the future. Every board member should regularly make use of such options to stay up to date.





“In turbulent times, it’s all the more important for boards to recognize the polyopportunities in a polycrisis.”

Do you use AI to prepare for board meetings, for example to gather information?

Yes. If I need data on competitors, new products or market sizes, for example, I use AI-supported analyses. AI also provides valuable independent due diligence input, for example when assessing reputation risks prior to an acquisition.

Some controversial voices are calling for AI to have a seat on the board of directors in the future. Is this something you can imagine?

No, I don’t agree. AI is a tool you can work with, nothing more.

A fellow professor once said, “AI is a good servant but a bad master.”

Yes, exactly, that statement is spot on.

Now let’s talk about your personal perspective and leadership. What have been the most defining moments in your career as a manager and board member?

Above all, it was the big opportunities and the major crises. As already mentioned, Fukushima was a defining moment. At the time, Siemens had an external spend volume of 40 billion euros. Thanks to transparent supply chains and globally connected teams, we knew immediately where the problems were. Our teams were empowered to act independently: they purchased the materials needed in a critical business on the global market at lightning speed. This enabled us to be the only company to continue production without any supply disruptions. This example illustrates how crucial transparency and network structures are, especially in a world where crises have become the “new normal.”

Companies must create structures that enable them to act in any situation, from the fall of the Berlin Wall to the financial crisis to COVID-19 or Ukraine.

What values are most important to you in your leadership work?

For me, the top priority is always the long-term strength and prosperity of the company. This includes employees, clients, suppliers and shareholders. It is not about who is right, but what is best for the company in the long run. Being open and curious to learn new things is just as important. The board members do not have to agree on everything but a board should be a team with different contributions. In my view, the lowest common denominator is not enough; there must also be differences. Diversity is valuable, provided that each member has the courage to express their opinion, even if it differs from that of the majority. It is precisely this diversity that makes a board strong and what the conductor, i.e., the chair, uses to create the symphony. Top soloists and a fantastic conductor make for excellent music!





I like your conductor metaphor, because it leads directly to the question of culture - both in the company and on the board. In reality, many processes are tightly orchestrated, and there is often little room left for discussion.

This makes it all the more important to ask specific questions. I remember my first meeting at TotalEnergies in 2011. Everything was in French, and the members were high-ranking business leaders. When I asked what opportunities we had in green tech, they initially looked at me as if I had joined them from the moon. But it is precisely these kinds of questions that open up new perspectives. It is also important to discuss topics with individual members in advance, however, rather than bringing them up unprepared in a plenary session.

Thank you for this enlightening conversation.

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About Barbara Kux

From 2008 to 2013, Barbara Kux was the first woman on the board of Siemens AG, Germany, responsible for supply chain management and sustainability. During this time, Siemens was recognized by the Dow Jones Sustainability Index as the most sustainable industrial company in the world and improved its performance in procurement and environmental technologies by several billion euros. Barbara Kux is currently a member of the Supervisory Board of Henkel AG & Co. and the Board of Trustees of the Max Schmidheiny Foundation. She has previously served on the boards of directors of Firmenich (CH), Pargesa Holding (CH), TotalEnergies (F), Umicore (BE) and Grosvenor Group (UK). She also contributes to academia, including as a lecturer at the University of St. Gallen (MBA programs), a member of the Advisory Board of the Department of Economics at the University of Zurich, and a member of the Advisory Board of INSEAD. In 2024, she received the SEF WomenAward Honorary Prize from the Swiss Economic Forum.

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