

2022 Nordic Spencer Stuart Board Index Highlights

The *Nordic Spencer Stuart Board Index* analyses the board governance practices of the 25 largest listed companies by market capitalisation in Denmark (OMX Copenhagen), Finland (OMX Helsinki), Norway (OBX), and Sweden (OMX Stockholm). The period covered by this 2022 Board Index is 1 June 2021–31 May 2022. Some of the most notable findings are highlighted below.

Gender diversity remains a top priority

Women are well-represented on Nordic company boards and there has been further progress towards gender parity across all the countries in the region.

- » 39% of all board members across the region are women, a slight increase from 37% in 2020 and 38% in 2021.
- » Progress can be most clearly seen in Denmark, where women's share of board seats has risen 32% over the past five years (from 28% in 2017 to 37% this year).
- » Consistent with previous years, Norwegian boards have the highest proportion of women on their boards at 45% (unchanged from 2021).
- » Sweden has the second-highest female representation with 39% (unchanged from 2021).
- » In Finland, women represent 36% of board directors (25% in 2021).

39%

of all board members across the region are women

8

out of 100 boards are chaired by women

25%

of deputy chairs (or equivalent) are women

45%

of audit committee chairs are women



41%

of new directors are
first-time directors

53.4

is the average age of first-
time non-executives

47%

of first-time non-executives
are women

61%

of first-time non-executives
are foreign

Board leadership positions are still predominantly male

Although there are more women in the boardroom, they are not well represented in leadership roles. There are observable differences from country to country when it comes to the numbers of women in leadership positions such as board chairs, deputy chairs and committee chairs.

- » At the cut-off date, 8 out of 100 boards are chaired by women.
- » Four Norwegian boards have female chairs, followed by Denmark (2), Finland (1) and Sweden (1).
- » 25% of deputy chairs or equivalent are women. The highest proportion of female deputy chairs can be seen in Finland (33%), followed by Denmark (24%). Swedish boards have 22%; Norwegian boards have 20%.
- » 45% of audit committee chairs are women, compared with 18% of remuneration committee chairs.

Many more first-time directors

A significant number of new non-executives are sitting on their first listed board. The profile and backgrounds of first-time directors are diverse.

- » Across the region, 41% (49) of new directors joined the board of a listed company for the first time. This is a sharp increase from 30% in 2020 and 36% in 2021.
- » The average age of first-time non-executives is 53.4 years.
- » 47% (23) of non-executives appointed to a listed company board for the first time are women.
- » 61% of directors appointed to a listed company board for the first time are foreign
- » 76% of first-time directors hold executive positions; only 24% have portfolio careers.

External commitments

Investors and boards have become increasingly concerned over recent years about the dangers of 'overboarding', a reflection of the growing demands and time commitment inherent in the role.

- » The average number of reported board meetings held increased to 13.1, compared to 11.4 in 2019 and 11.5 in both 2020 and 2021.
- » Non-executives continue to hold an average of two listed company board directorships in total, giving an average of one external board role per director
- » Among chairs, those on Finnish boards hold the fewest additional board roles, at an average of 0.8 per chair. This is followed by chairs in Denmark (1.1), Sweden (1.6) and Norway (1.7).
- » The number of board roles held by chairs has declined since 2020. In 2022, 12 chairs had three or more additional commitments, compared with 16 in 2021 and 28 in 2020.

Committees

Each country has different requirements and best-practice recommendations in relation to board committees. In addition to mandatory core committees, some boards create other market- or industry-specific committees. Details on every board committee can be found in the 2022 Nordic Spencer Stuart Board Index.

- » The most common committee outside the audit, remuneration, and nomination committees is the risk committee (11 companies), followed by technology (9) and sustainability-related (6) committees.
- » Three of the six ESG committees are on Norwegian boards.
- » Chairs and members of risk committees are the highest paid: chairs receive €36,536; members receive €22,404.
- » Denmark has the highest number of committees (3.4), due to corporate governance regulations. Norway has fewest committees per board (2.1). Finland averages 2.3 committees and Sweden 2.2.

13.1


is the average number of
board meetings

1

additional board role
per non-executive director

6

companies have
sustainability-related
committees



€165,501

is the average chair fee

Remuneration

Board remuneration is increasing.

- » €165,501 is the average fee for chairs in 2022, an increase from €151,556 in 2021.
- » €62,161 is the average basic retainer for non-executive directors in 2022, an increase from €56,841 in 2021.

Remuneration structures across the Nordics vary by country.

- » 20% of companies paid board directors both fixed and meeting attendance fees.
- » 26% of companies in the region paid their board directors partly in shares. This is most prevalent in Finland, where 72% of companies (18) reward their board directors in shares. The practice is seldom seen in other countries.

€62,161

is the average basic fee for
non-executive directors

26%

of companies paid directors
partly in shares

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