

2023 Switzerland Spencer Stuart Board Index Highlights

The *2023 Switzerland Spencer Stuart Board Index* is a survey of the 47 largest public companies with a premium listing on the Swiss Market Index. Our sample includes companies in the SMI Expanded index, i.e., the SMI and the SMI Mid as of May 31 2023. Some of the most notable findings are highlighted here.

Female representation on boards and executive committees continues to rise

In our last edition we noted a clear uptick in female board representation in the wake of a 2020 legal amendment to board gender targets that established a gender quota for boards (30% women) and executive committees (20% women) for publicly listed companies with more than 250 employees.

In 2023, this trend continued and we now see female board representation at 36% compared to 33% in 2022. The same upwards trend is seen on executive committees, where women now account for 20% of the seats. Since the legislation was passed, the number of women on boards rose by 28% and on executive committees by 82%.

- » 83% of SMI Expanded companies reached Switzerland's gender quota for boards compared to 69% recorded in the previous year.
- » 45% of SMI Expanded companies achieved both quotas. 38% of the cohort achieved only the board quota while 2% of companies met the quota only for their executive committee. 15% of companies met neither quota.





7%

of chairs are women

36%

of all board directors
are women

83%

of SMI Expanded boards
reached Switzerland's
gender quota

Women remain underrepresented in the most senior positions

While the number of female non-executives has been rising steadily, the same cannot be said for the four most senior positions, which remain dominated by men. Among the top executive appointments made in the period under review, there were six new CEOs and four new CFOs at SMI Expanded companies — all appointees were male.

- » 2% of CEOs are women.
- » 7% of chairs are women.
- » 13% of CFOs are women.
- » 21% of vice chairs are women.

Board evaluation and composition

While external board evaluations are increasingly common across Europe as a measure to improve board effectiveness, they are not yet widely established in Switzerland. To increase transparency, a number of companies disclose how their board composition is rationalised, however, we observed a stark difference between the approach taken by SMI and SMI Mid companies.

- » 40% of SMI companies publish a “skills matrix” for their boards, i.e. a breakdown of which board member contributes which area of expertise.
- » 25% of companies chose instead to present the aggregated skill set on their boards without attributing specific skills to individual directors.
- » 30% of SMI companies and 55% of SMI Mid companies provided no explanation of the board composition in their annual or governance report.

Board renewal

- » While men accounted for 54% of first-time directors, they also accounted for 74% of the departures. Thus, even if a minority (46% in 2023) of the new appointees are women, the overall ratio of women in the boardroom keeps climbing.
- » The average age of newly appointed directors was higher than the cohort of directors who recently left the boards of SMI Expanded companies. First-time board members are on average 57.2 years old. Those who left were on average 63.3 years old after serving for 8.4 years on the boards of current SMI Expanded companies.

The background of chairs

Having analysed the backgrounds of chairs in the SMI Expanded at the time of their appointment, we find that most boards selected a chair who had previously served on the board of a listed company (80% of SMI chairs and 67% of SMI Mid chairs).

- » Most SMI Expanded companies opted to elevate one of their non-executive directors to chair (55% of SMI and 67% of SMI Mid chairs).
- » 25% of SMI chairs and 37% of SMI Mid chairs have prior experience as a public company board chair.
- » 35% of SMI chairs and 22% of SMI Mid chairs have prior experience as a public company CEO.
- » A common path to the chair role remains the appointment of the former CEO. 40% of SMI and 25.9% of SMI Mid chairs were previously CEO of the same company.



8.4

the average tenure of departing SMI Expanded directors

55%

of SMI chairs had been on the board prior to their appointment

35%

of SMI chairs have been a public company CEO

50%

of new SMI directors do not have prior board experience

51%

of newly appointed directors are non-Swiss national

CHF 190,670

the average non-executive retainer

Governance and board composition

We continue to see a stark difference between SMI and SMI Mid when it comes to term and age limits. 75% of SMI companies have instituted formal age and term limits in equal measure. By comparison, only 48% of SMI Mid companies apply formal limits on tenure.

- » 50% of new appointments in the SMI do not have prior board experience.
- » 51% of newly appointed directors are non-Swiss national.
- » 87% of non-executive directors are deemed independent.
- » The average number of committees at SMI companies is 4.1 and 3.4 for SMI Mid companies.
- » The average number of scheduled board meetings was 8.6.

Remuneration

Most companies in our sample include shares as part of the remuneration for directors, which means that the average total payout is susceptible to changes in average share price.

- » 76% of companies have not changed their retainer fee for non-executive directors.
- » The average non-executive retainer is CHF 190,670.
- » The average chair retainer is CHF 1,279,183.
- » 74% of companies remunerate partially in shares.



[READ THE COMPLETE
2023 SWITZERLAND SPENCER STUART BOARD INDEX](#)



About Spencer Stuart

At Spencer Stuart, we know that leadership has never mattered more. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises, on their stakeholders and the world around them. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to non-profit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit www.spencerstuart.com.

