



# NORDIC BUSINESS DIVERSITY INDEX

DIVERSITY OF SENIOR LEADERSHIP IN NORDIC LISTED COMPANIES

# FOREWORD

THE BUSINESS' FOCUS REGARDING DIVERSITY has so far been mostly on gender equality and female leadership. While this issue is very important and deserves all possible attention, we realised there is very little information available on other diversity attributes, and thus, fact-based comparison of companies was extremely difficult.

TO ADDRESS THIS DILEMMA, we decided to put together all publicly available information and create an index to measure the diversity of boards and executive management. The aim is to help stakeholders – such as investors, employees and policy-makers – to have improved transparency on the diversity status of businesses and, the possibility to compare diversity based on facts.

This year, we wanted to look beyond the situation in Finland and see the DIFFERENCES BETWEEN NORDIC COUNTRIES. Thus, we included Nasdaq Stockholm and Copenhagen Large Cap companies in our sample and in the comparison.

This report includes an overview of the used methodology, background information on diversity, main results at a general level and at the level of each variable, as well as the names of the best scoring companies, and an industry-specific comparison.

In Helsinki, 27 January 2021

**Suvi Halttula**

**Susanna Saikkonen**

# INCLUSION AND DIVERSITY IS MORE IMPORTANT THAN EVER

During 2020 we saw an alarming amount of political movement towards populist and nationalist world views. There are European countries limiting women's rights and throwing gasoline to the flames of xenophobia. At the same time, we have seen growing movement of Black Lives Matter and #metoo, gathering people around the globe to defend equality and human rights. On top of the political unrest, the global pandemic has not treated everyone equally: women and underprivileged groups suffer the most.

In the past couple of years companies have taken a stronger role both in environmental and social issues to ensure sustainable development, but also to ensure a stable operating environment. For example, some businesses have set ambitious gender equality goals, some are campaigning visibly against racism and some are making a stand, by employing disabled or marginalised people. The amount of "awaken" companies, who realise the benefits of an inclusive and diverse working environment, is growing. Diversity is no longer seen merely as an act of corporate responsibility or as complying with the national Non-discrimination Act. International studies<sup>1</sup> have provided evidence that diversity is a business asset, for example, through an increase in innovation

and productivity. In addition to attracting talent, improving decision making, and increasing customer satisfaction, inclusion and diversity resonates also more and more with investors. These are surely qualities which should sound interesting to any business owner and leader.

Even though more and more companies are now aware of the shortage of expertise and the benefits of diversity, actions are still lagging behind. There are companies who have made progress compared to last year's FINDIX2020 results and there is a slight increase in average points of Large Cap and Small Cap categories, but the big picture remains pretty much the same.

Gender inequality in corporate management is particularly clear in the recent EWOB study, according to which only 42 of the CEOs of Europe's 668 largest companies are women.<sup>2</sup> The global pandemic has increased especially unemployment of women, as lot of the affected sectors are female dominant. Also, the latest pay gap study<sup>3</sup> in Finland shows an alarming trend: the pay

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1 The Mix That Matters: Innovation Through Diversity <https://www.bcg.com/publications/2017/people-organization-leadership-talent-innovation-through-diversity-mix-that-matters.aspx>

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2 European Women on Boards Diversity Index 2020 <https://europeanwomenonboards.eu/wp-content/uploads/2021/01/Gender-Equality-Index-Final-report-2020-210120.pdf>

3 <https://www.sttk.fi/2020/11/01/palkkatasa-arvossa-takapakkia-sttk-esittaa-hyvityksiin-tuntuvaakorosta/>

gap between men and women is growing. In 2020 a woman's pay is ca. 83.8 percent of a man's pay, 0.4 percent less than in 2019.

The results of a recent Swedish study<sup>4</sup> concerning the tech industry point out that every third woman who responded to the survey, report that they have been discriminated against, and not just because of gender. 33 percent of the respondents claim to have experienced discrimination related to their age, and as many as 59 percent claim to have experienced discrimination related to their nationality, language, or the colour of their skin. We have already seen real-life consequences of too homogenous tech innovation teams: facial-recognition services misidentifying people of colour, car safety equipment that are not planned for female bodies and virtual assistants flirting in response to sexual harassment.

It's good to see that inclusion and diversity is climbing up in business agenda. In times like these it's more important than ever.

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<sup>4</sup> AllBright Study [https://static1.squarespace.com/static/5501a836e4b0472e6124f984/t/5ef325ab518cd-32c6b5589ff/1592993207371/TECH\\_DUDES\\_2020\\_WEB.pdf](https://static1.squarespace.com/static/5501a836e4b0472e6124f984/t/5ef325ab518cd-32c6b5589ff/1592993207371/TECH_DUDES_2020_WEB.pdf)

*Data-driven discussion on diversity and inclusion in the Nordic context is much appreciated and needed. The diversity data in this report is not without its limitations, but it serves to push us forward. The situation in Finland in all caps has remained the same compared to the results published a year ago. This report can thus be considered a second call for action. Increasing awareness and interest in D&I must be followed by strategic, long-term actions toward diversity, equity and inclusion.*

*The indicator specific findings of the report are interesting, and a needed first step in measuring the diversity of boards and executive management. To observe power imbalances more accurately, we need to look further and understand how gender, age and other individual characteristics also intersect and overlap.*

Shadia Rask, PhD, Research Manager, Finnish Institute for Health and Welfare (THL)

*In recent years, many international investors have begun to increasingly appreciate the diversity of both senior management and boards. On the one hand, this is probably due to the growing importance of responsible investing in many countries. But also experiences of the usefulness of different educational and work experience backgrounds in the board composition. This report nicely summarizes how the composition of boards in different Nordic countries and different industries varies.*

Hanna Kaskela, Director, Responsible Investment, Varma

*Diversity and inclusion should always start at the top, and this report gives us an interesting insight into the current situation. It clearly shows that we are on the right path. At Nordea we acknowledge that our organisation is diverse, but also that this is a continuous improvement path. We know that diversity and inclusion make us better, both in our aim to deliver great customer experiences, in our efforts to create the best workplaces and long term to deliver the best financial performance. A diversity of thoughts is crucial to succeeding.*

Frank Vang-Jensen, CEO, Nordea

# SAMPLE AND METHODOLOGY

The sample in the study included all publicly listed companies with an executive team and board consisting of at least four people from Nasdaq Helsinki main list, and the Large Cap companies from Nasdaq Stockholm and Copenhagen. Altogether 244 companies were included.

The Nordic Business Diversity Index points were given to companies who publicly disclose information for at least three of the four assessed variables (gender, nationality, age and educational background). Due to the largely limited amount of publicly available information, the Large Cap companies listed in Nasdaq Copenhagen had to be left out from the index (i.e., scoring). However, all the data which was found concerning Nasdaq Copenhagen Large Cap companies has been included in the variable specific observations found in the end of this report.

Companies are grouped the into three categories according to their size-based segment on Nasdaq Nordic in 2020: Large Cap, Mid Cap and Small Cap. The companies have been compared separately in each category.

Number of analysed companies per category:

- Nasdaq Helsinki Large Cap, **31** companies
- Nasdaq Helsinki Mid Cap, **43** companies
- Nasdaq Helsinki Small Cap, **42** companies
- Nasdaq Stockholm Large Cap, **90** companies
- Nasdaq Copenhagen Large Cap, **38** companies

The data was collected from public sources (web pages and annual reports) during September-October 2020. Possible changes to board or management team composition after this time period has not been taken into account in the study.

Nordic Business Diversity Index results regarding Nasdaq Helsinki are comparable with the FINDIX report published in January 2020.

## Scoring

**MAXIMUM SCORE = 100** (50 for executive team, 50 for board)

The score is divided between four variables with max. 12.5 points per variable<sup>5</sup>



Gender – equality goal



Age – number of different age groups (by decade) in proportion to the size of the executive team



Nationality – number of different nationalities in proportion to the size of the executive team



Educational background – number of different educational backgrounds in proportion to the size of the executive team. All qualifications found in the publicly available Company information has been marked for the Board and executive team members and considered in the data.

**GENDER DISTRIBUTION:** full points are awarded when the percentual distribution by gender is at 40–60%. Companies received two bonus points if the CEO or the Chair of the Board was a female and one bonus point for each female with business responsibility on the executive team or for being the Vice-chair of the Board.

**AGE, NATIONALITY, EDUCATIONAL BACKGROUND:** we defined a “*diversity ratio*”: the more there is diversity in addition to the most common variable and in proportion to the size of the group, the more points are awarded.

<sup>5</sup> The variables are based on the recommendations in the Corporate Governance Code of the Finnish Securities Market Association (2020) 8 regarding the principles of diversity.

*Nasdaq's purpose is to champion inclusive growth and prosperity to power stronger economies. Since gender equality and diversity lead to more successful companies, Nasdaq Nordic announced in December 2020 a collaboration with the Allbright Foundation to advance equality and diversity in corporate boards and management groups among both the public and private companies in the Nordic region. The Nordic Venture Capital Associations are also involved in the collaboration to improve awareness around the benefits of diversity among private companies. It is important that companies gain knowledge on how to combat unconscious biases, challenge recruitment processes and learn why transparency on equality and diversity efforts is important to investors.*

*What comes to the Nordic Business Diversity study results, it is interesting see how close the diversity scores are especially in Finland and Sweden.*

Henrik Husman, President, Nasdaq Helsinki

*Do I want to be right or do I want to become wiser? That's the question. If I just want to be right, I surround myself with like-minded people and expect others to change when a change is due.*

*Much can be gained by organizations that seek more diverse views and experiences. A diverse perspective at the board level can help organizations understand the world from multiple angles. It helps the organization not to miss out specific market, business and consumer trends.*

Anneli Karlstedt, Head of Inclusion and Diversity, Nokia

# RESULTS OF THE STUDY

## Nordic Business Diversity Index top 5 companies

FINLAND LARGE CAP		
Best Total Points (max. 100)	Wärtsilä	73.5 ↑
	Nokia	71.5 ↑
	Nordea	69.5 ↑
	Citycon	68.5
	Neles	67.5 (new)
	<b>Average</b>	<b>57.8 ↑</b>
Best Executive Team Points (max. 50)	Citycon	41
Best Board Points (max. 50)	Neles, Nordea	40 (new) 40

FINLAND MID CAP		
Best Total Points (max. 100)	Rovio	69.5 ↓
	Marimekko	69 ↑
	Uponor	67 ↑
	Caverion	63.5 ↑
	Stockmann	63.5 ↓
	<b>Average</b>	<b>48.8 ↓</b>
Best Executive Team Points (max. 50)	Rovio	37 ↑
Best Board Points (max. 50)	Uponor	39.5 ↑

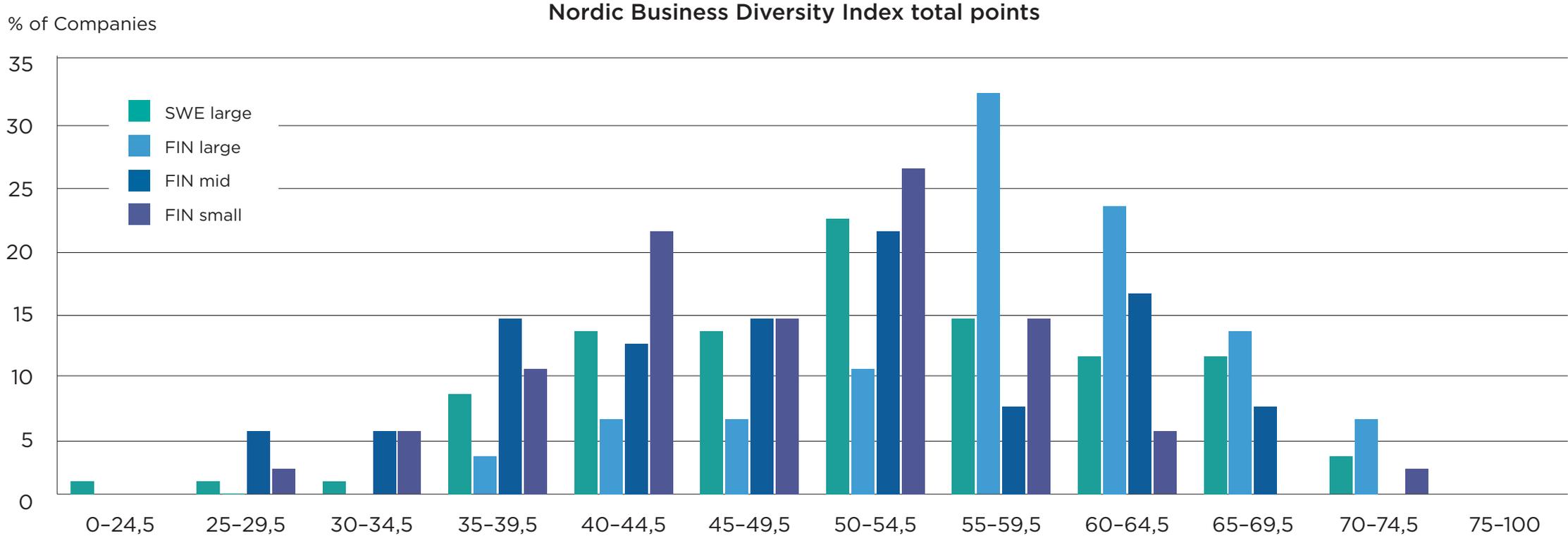
FINLAND SMALL CAP		
Best Total Points (max. 100)	Incap	70 (new)
	Biohit	62.5 ↓
	Optomed	61 (new)
	Apetit	↑
	Nixu	57.5 ↑
	Panostaja	↑
Suominen	↓	
<b>Average</b>	<b>47.3 ↑</b>	
Best Executive Team Points (max. 50)	Incap	37.5 (new)
Best Board Points (max. 50)	Nixu	37.5 ↑

SWEDEN LARGE CAP		
Best Total Points (max. 100)	Nordic Entertainment Group	72.5
	EQT	70
	Medicover	70
	Attendo	69.5
	Kinnevik	69.5
	<b>Average</b>	<b>52.1</b>
Best Executive Team Points (max. 50)	Arjo	41
Best Board Points (max. 50)	Nordic Entertainment Group	45

Compared to the 2020 FINDIX results, Large Cap average in Finland has improved 2.4 points to 57.8 points (2020: 55.5 points). Also, the minimum score to get to top 5 in Large Cap category is now 67.5 points compared to last year's 65.5 Overall the top 5 scores are higher than earlier and, there are also two newcomers in the top 5 list: Neles and Nordea. In the 2020 FINDIX study, Nordea was the only Large Cap company with an all-male Executive Management Team, but due to changes in the management team they scored 7 points higher in 2021. It is however noteworthy to point out that Incap, who

received the highest score for Small Cap companies, has an all-male Executive Team, but performs well in the other diversity attributes.

On average, the top 5 list of Swedish Large Cap companies score a bit higher than Finnish Large Cap companies. The highest Board points go also to a Swedish company, Nordic Entertainment Group, but looking at total points, Finland wins the competition in Large Cap companies' category with Wärtsilä's 73.5 points.



Approximately 60 percent of all companies receive at least 50 points (max. 100 points). The points are however distributed very differently in the size-based categories. In Finland, where we can compare different company sizes, it seems that the bigger the company, the more diversity can be found in Executive Management Teams and Boards.

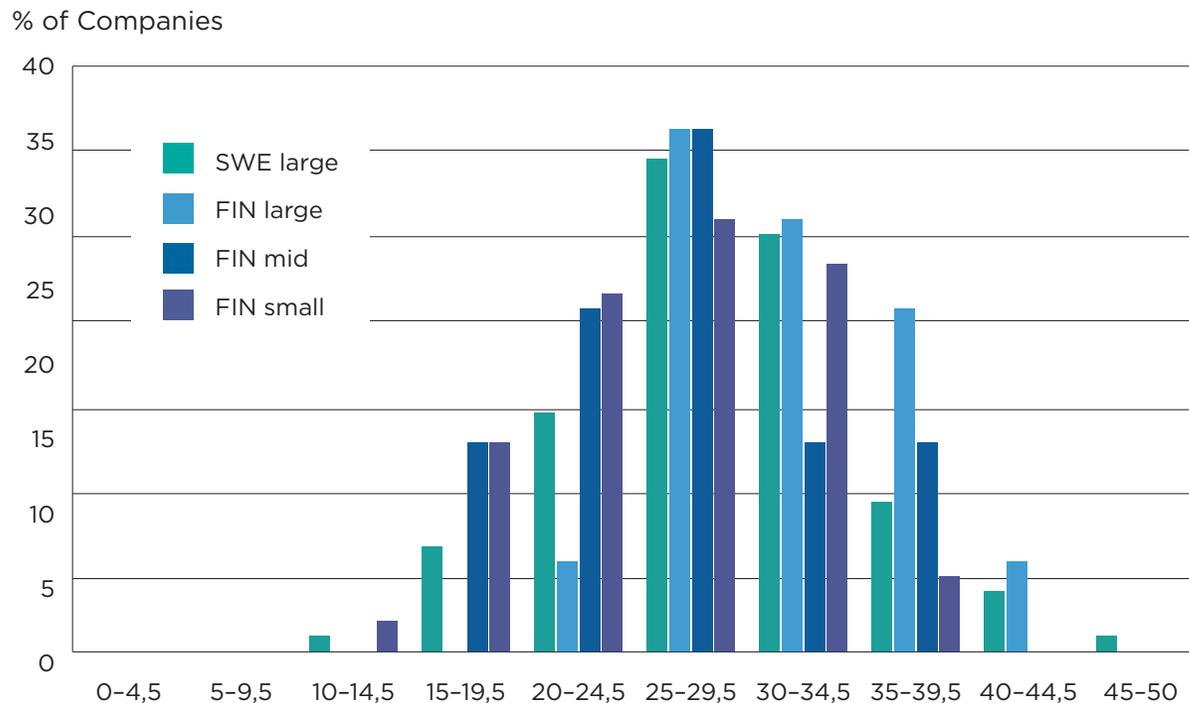
- **FIN LARGE CAP** average score is **57.8** (last year 55.5)
- **FIN MID CAP** average score **48.8** (last year 50)
- **FIN SMALL CAP** average score **47.3** (last year 44,9)

Small cap companies have more male dominance (7 all male Executive Teams, 19 percent female executives), and they are less international. The situation regarding Nasdaq Helsinki has remained almost the same compared to 2020 results in all Caps.

Comparing the total index points of Large Cap companies in Finland and Sweden, it seems that Finnish Large Cap companies are a bit ahead in diversity compared to their Swedish counterparts: 84 percent of Finnish Large Cap companies and 62 percent of Swedish Large Cap companies achieve at least 50 points. Additionally, 6 percent of Finnish Large Cap companies and 3 percent of Swedish companies receive at least 70 points. There is also more variance in Swedish large companies than in Finnish large companies – lowest points in Finland being 35 and in Sweden 22.5. However, none of the companies reach 75 points or more.

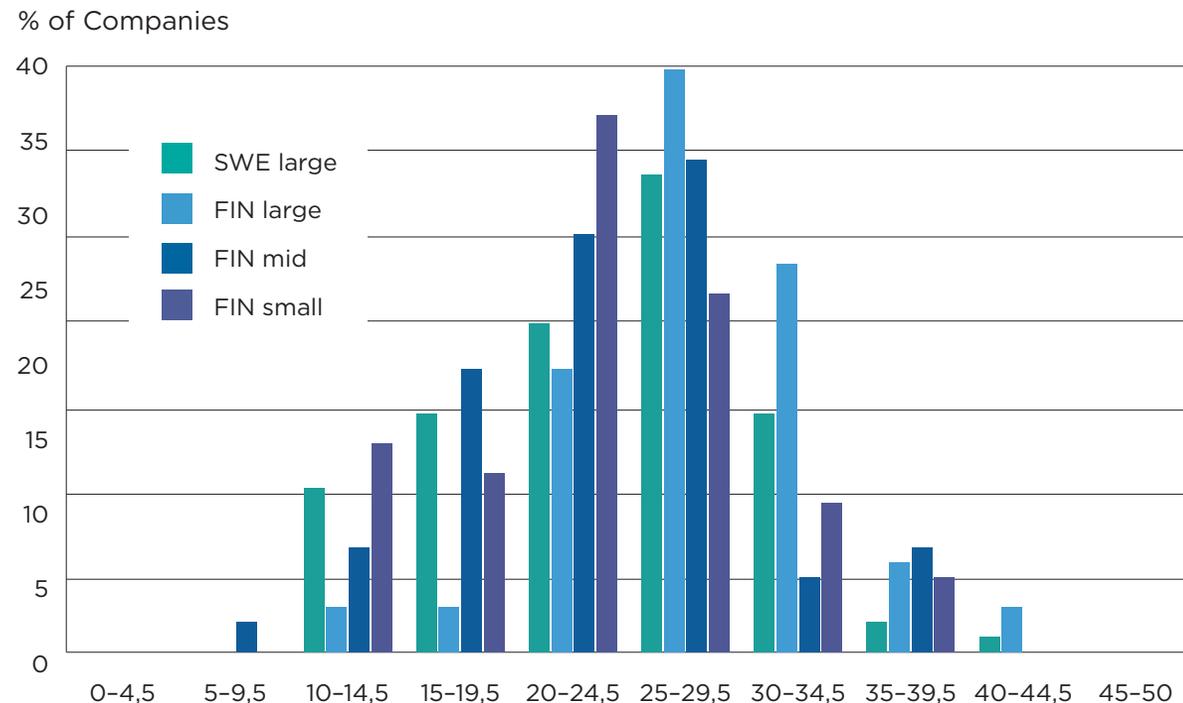
**It seems Finnish Large Cap companies are a bit ahead in diversity: 84% of Finnish and 62% of Swedish Large Cap companies achieve at least half of the total Index points.**

## Nordic Business Diversity Index points for Board of Directors



Looking at all of the companies, 73 percent achieve at least half of the points for Board composition, but only 50 percent achieve the same for Executive Management team. This result correlates with the recommendations of the Corporate Governance Codes of both Finland and Sweden. Also, company-specific diversity policies determining the compositions of boards and setting related goals, have promoted and progressed diversity in corporate boards in a positive manner.

## Nordic Business Diversity Index points for Executive Teams



When looking at company size and diversity, Large Cap companies tend to again be more diverse than Mid and Small Cap companies. The Boards seem to be more diverse than the Executive Management Teams in both Mid and Small Cap companies.

*You can't be what you can't see", to quote American lawyer and civil rights activist Marian Wright Edelman. This is why representation in the leadership of businesses matters. Still, diverse representation is not enough without an understanding and implementation of inclusion and antiracism.*

Shadia Rask, PhD, Research Manager, Finnish Institute for Health and Welfare (THL)

*Board and executive leadership team are very significant. We know that diversity can improve team performance, and board as well as executive leadership team is very much team work. The more diverse perspectives we can include, the better our decisions will become.*

*Furthermore, it is also of great importance to the organisation as a whole that executive leadership team shows commitment to what we expect from everybody else – that we are role models. Our leadership teams ultimately set the tone for the entire company and we need to take accountability and ownership for that.*

Frank Vang-Jensen, CEO, Nordea

*Workforce diversity (e.g. gender, ethnicity, age, religion, language, cultural identity, nationality etc.) refers to matters concerning difference and inclusion in working life context. Diversity in working life can be seen as a resource for learning and change, way to advance equality, sign of business responsibility and ethics as well as beneficial for organizational performance (e.g. creativity, innovation, reputation). Typically, the range of differences tends to be more salient in big businesses compared to small- and middle-sized companies. A simple explanation is that big businesses, e.g. globally operating companies, have more employees and bigger recruitment pool. Another explanation is that big companies have exercised systematically diversity management initiatives already for some decades, while the topic is newer to smaller companies.*

*In Finland, discussions concerning workforce diversity as a business-case approach and form of corporate social responsibility in management has gained a foothold from the beginning of the 21<sup>st</sup> century. It is possible that this tendency is followed by smaller companies which often follow the examples and ideas of successful big businesses.*

*In terms of the boards of big and middle-sized companies listed in the Helsinki stock it is noteworthy that gender representation of these companies' board members should follow a rule that 40% of the members represent minority gender (women). Gender diversity concerning the boards relies on the principle of equality of treatment.*

## INDUSTRY-SPECIFIC RESULTS

The industry-specific comparison has been carried out on industries with at least four companies. To be able to include Energy and Utilities to comparison, these categories were combined. The comparison includes all scored companies from Nasdaq Helsinki and Nasdaq Stockholm. Nasdaq Copenhagen companies are not included due to lack of publicly available information. Industry listing is based on Nasdaq Nordic industry categories and thus, industry listing is not comparable with the FINDIX2020 results.

Of all the industries Health Care has the most diverse Executive Teams and Boards with an average score of over 60 points. The Industrials and Technology score lowest, both in average below 50 points. Industrials sector has also the biggest variation of points, as it includes the highest score of all companies and one of the lowest scores in the sample.

INDUSTRY	TOP 3 COMPANIES	SCORE	average	highest	lowest
Health Care	Medicover	70	61.1	70	47.5
	Attendo	69.5			
	Arjo	68.5			
Telecom- munications	Nordic Entertainment Group	72.5	56.6	72.5	35
	Nokia	71.5			
	Telia Company	60.5			
Energy & Utilities (comb.)	Neste	63.5	55.5	63.5	35
	Lundin Energy	62.5			
	Fortum	61			
Consumer Staples	Olvi	60	52.4	60	35
	Altia	59.5			
	Essity	58.5			
Financials	EQT	70	51.3	70	32.5
	Nordea	69.5			
	Kinnevik	69.5			
Basic Materials	Marimekko	69	50.7	69	22.5
	Kemira	62.5			
	BillerudKorsnäs	61			
Real Estate	Citycon	68.5	50.6	66	35
	Castellum	65.5			
	Wallenstam	61			
Consumer Discretionary	Rovio	69.5	50.5	69.5	27.5
	Modern Times Group MTG	67			
	Sanoma	65.5			
Industrials	Wärtsilä	73.5	49.5	73.5	27
	Incap	70			
	Neles	67.5			
Technology	Basware	60	47.0	60	37.5
	Nixu	57.5			
	Tecnotree	57			

*The key tool for promoting equality is equality planning. Organizations in Finland are obliged by law to assess and develop their activities from the perspective of equality, and the support and active involvement of leadership is crucial. Individual actions can include training personnel and developing HR practices, but there are no quick fixes. An important question is: how do we support employees from underrepresented groups past middle-management roles?*

Shadia Rask, PhD, Research Manager, Finnish Institute for Health and Welfare (THL)

*It is not sufficient to believe we will get there eventually, without setting serious goals and taking severe actions. Companies need to make a sincere effort to get to know potential candidates and make concrete opportunities available for them.*

*Use of shadow boards leads to better visibility of emerging and diverse talent. When owned by the CEO, the shadow boards have proven to lead to both personal and business growth.*

Anneli Karlstedt, Head of Inclusion and Diversity, Nokia

# VARIABLE-SPECIFIC FINDINGS

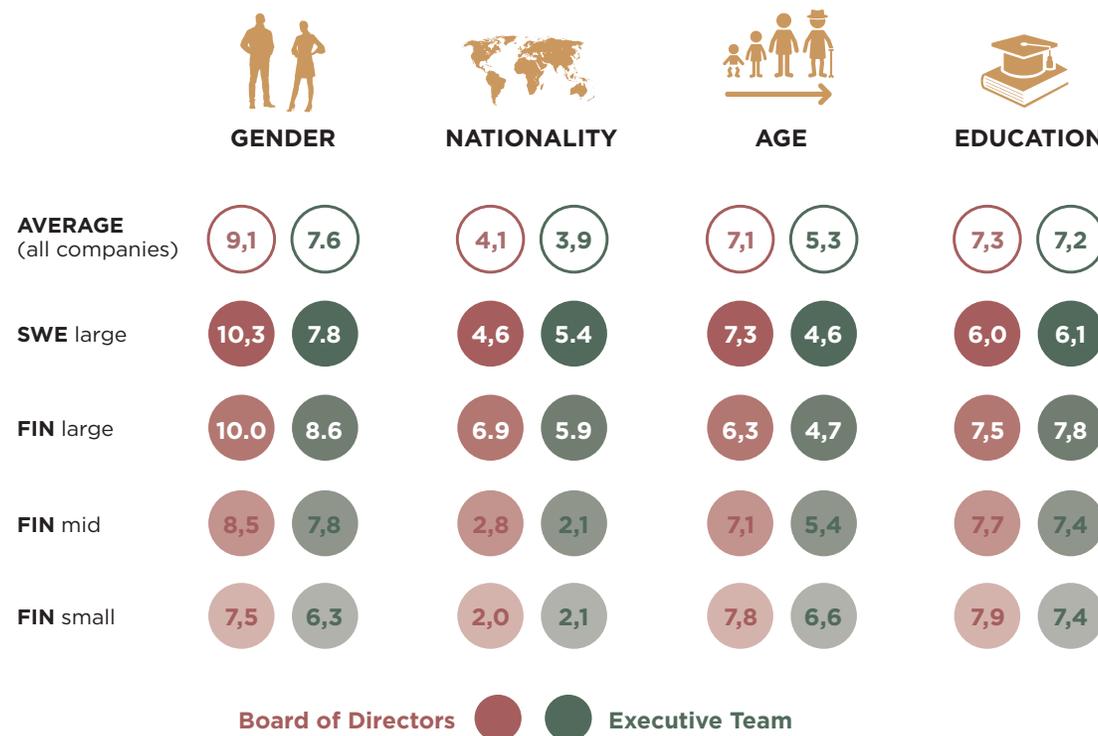
In this section of the report, we will give information on the variable-specific results, which gives more detailed information on what diversity looks like in practice. Even though we were not able to give Nordic Business Diversity Index scores to the Copenhagen Large Cap companies (due to the low level of disclosure and transparency in company information), we have included the data we were able to collect from the Danish companies in these variable-specific results.

## AVERAGE POINTS PER EACH VARIABLE

To understand better what the total Nordic Business Diversity Index score is comprised of it is interesting to look at the average points given per each variable.

As the table shows, there are significant differences between the company groups, but on average gender is the variable where most points are received. The Board of Directors, compared to Executive teams, are leading the way for gender equality, which shows that the Board diversity policies have been effective at least to some extent. Interestingly, Finnish Large Cap company Boards achieve on average 2.3 points more for nationality than Swedish Large Cap company Boards. This result is in line with the variable-specific results.

## Average points per variable (max 12.5 points/variable<sup>6</sup>)



<sup>6</sup> For gender, the score can be more than 12.5, because extra points are given for female BOD Chairs, Vice Chairs, CEOs and business head positions.

## GENDER

When looking at the gender balance for the entire data, it becomes quite clear that men are still the majority in the highest executive positions. In the Nordic Large Cap companies, the gender balance within the Board of Directors is more or less the same. On the other hand, the Executive Teams of Copenhagen Large Cap companies are clearly lagging behind in gender balance and in the same situation as the Helsinki Small Cap companies.

Comparing to the results of FINDIX 2020, the number of females has increased in three Finnish groups: both Board of Directors and Executive Teams of Large Cap companies as well as the Executive Teams of Mid Cap companies.

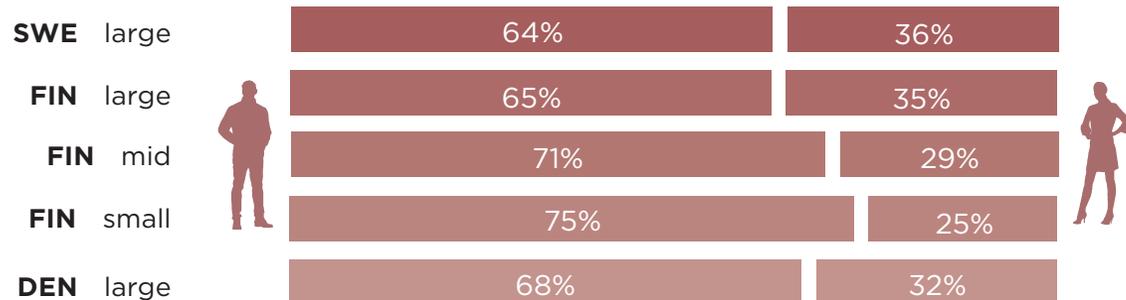
None of the companies in the sample have an all-male Board of Directors, However, Finnish Large Cap is the only size category with no all-male executive teams.

## All male groups

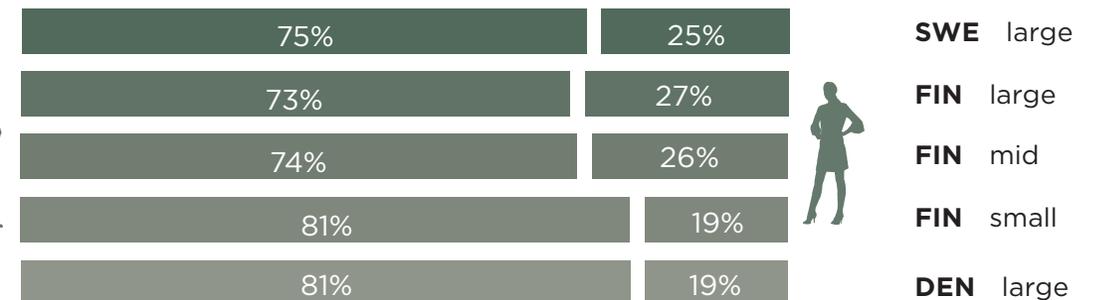


Board of Directors  Executive Team 

### Board of Directors



### Executive Team



## Females in top executive positions

	# of companies	% BOD Chair	% BOD Vice-Chair	% CEO	% of female business heads of all executive team females
<b>SWE</b> Large	90	12%	0%	8%	23%
<b>FIN</b> Large	31	3%	0%	13%	26%
<b>FIN</b> Mid	43	5%	7%	7%	18%
<b>FIN</b> Small	42	17%	10%	2%	15%
<b>DEN</b> Large	38	3%	5%	11%	12%
<b>TOTAL</b>	<b>244</b>	<b>9%</b>	<b>4%</b>	<b>8%</b>	<b>21%</b>

Looking at all the Nordic companies in our sample (see table above), only 9 percent have a female Chair of Board and 4 percent a female Vice Chair of Board. Similarly, only 8 percent of the Nordic companies in our sample have a female CEO. These findings are very much in line with the recent European Women on Boards Diversity Index, where the results show that 9 percent of

European companies have a female Chair of Board and 6 percent a female CEO. In total all the Nordic companies in our sample have 468 females in their Executive teams. One fifth (21 percent) of these holds a business head position, while the remaining 79 percent are leading support functions.

## AGE

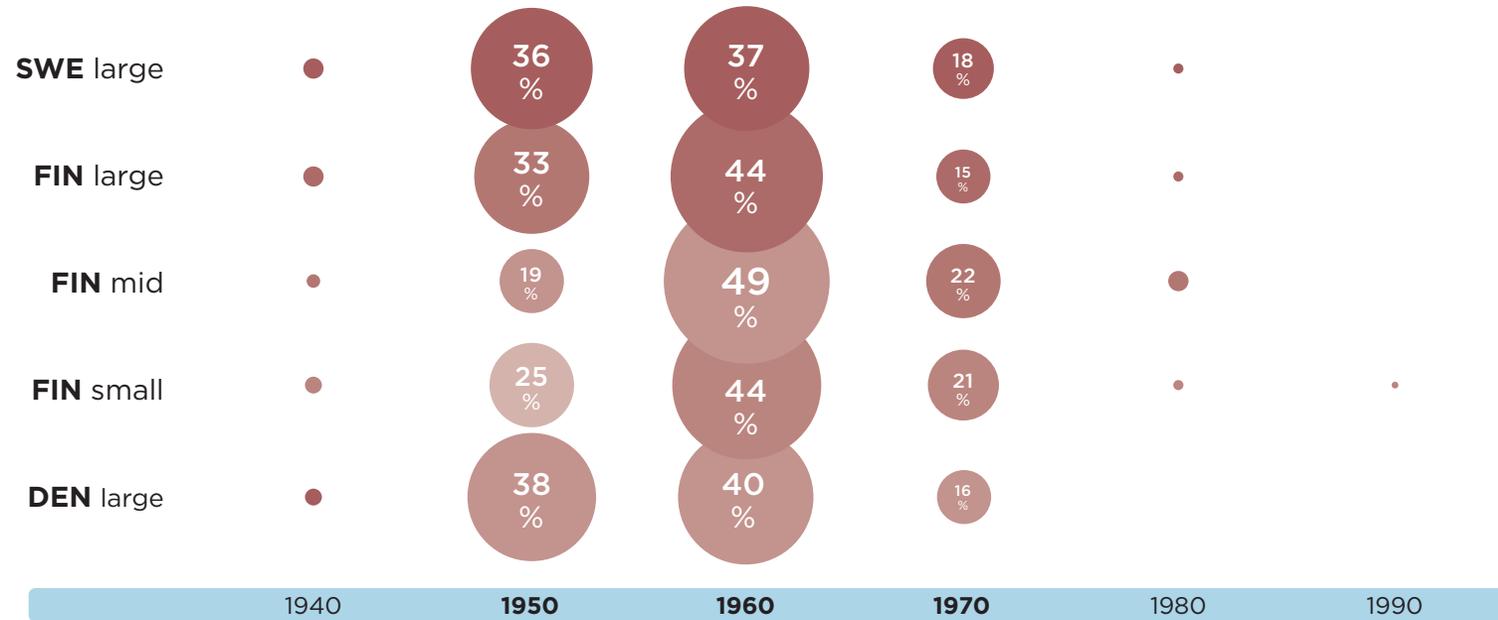
When studying the full data, the most common decade to be born within all the sample companies, with the exception of Helsinki Mid Cap companies' Executive Teams, is 1960s. There are no members of Executive Teams who are born in the 1940s which is natural due to retirement. On the other hand,

the proportion of Board members born in the 1950s is significantly larger compared to Executive Team members. This is specifically true for Large Cap companies. Similarly, the amount of Executive Team members who are born in the 1980s is highest for Helsinki Mid and Small Cap companies.

*Boards assume that valuable experience is only gained with age. This assumption no longer holds true as digitalization has made experience and insight available to anyone with a keen mind. There is no reason for the currently missing perspective in the boardroom: Millennials. They are more aware of cultural issues which become increasingly important for strategic discussions in organizations. Also, fresh thinking, co-creation skills and change in decision-making is in need. Failing to include voices and perspectives of the younger generations may even pose risks for businesses, regardless of their industry.*

Anneli Karlstedt, Head of Inclusion and Diversity, Nokia

**Age distribution  
Board of Directors**



**Age distribution  
Executive Team**



## NATIONALITY

Nationality is the variable with the least diversity in all the companies in our sample. Looking at the full data set, the number one position is quite naturally held by the citizens of the respective Nordic country. However, looking at the Nordic Large Cap companies, Stockholm Large Cap has the most Swedish citizens (approx. 70%) whereas Helsinki and Copenhagen Large Cap

companies have Finnish and Danish citizens between 60-65%. Based on the data, it also seems that Helsinki and Copenhagen Large Cap companies rely on Swedish Board and Executive Team members, whereas Stockholm companies are not so reliant on the neighbouring Nordics.

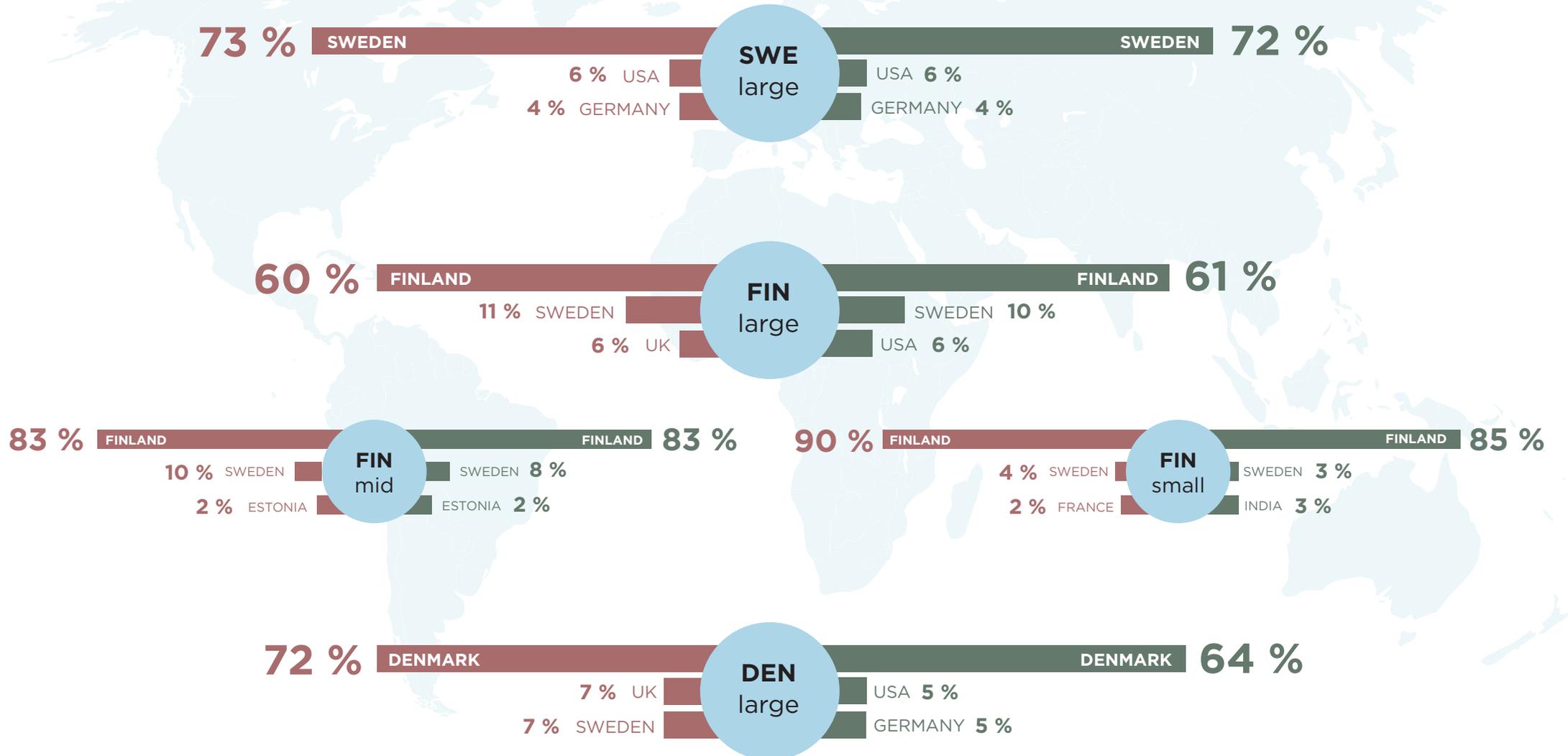
*We often look at the Nordic countries as very similar to each other, but this report clearly shows that we have different starting points. This can be a weakness as well as a strength and I think we can gain a lot by learning from each other – why do we succeed with one thing in Finland and another in Denmark, for example. From Nordea perspective this is a strength and great opportunity as we operate in the Nordic context. We also see big differences between the large companies and small and medium-sized ones. I think it is interesting to reflect how we can learn from, help and inspire each other.*

Frank Vang-Jensen, CEO, Nordea

## TOP 3 nationalities

Board of Directors

Executive Team

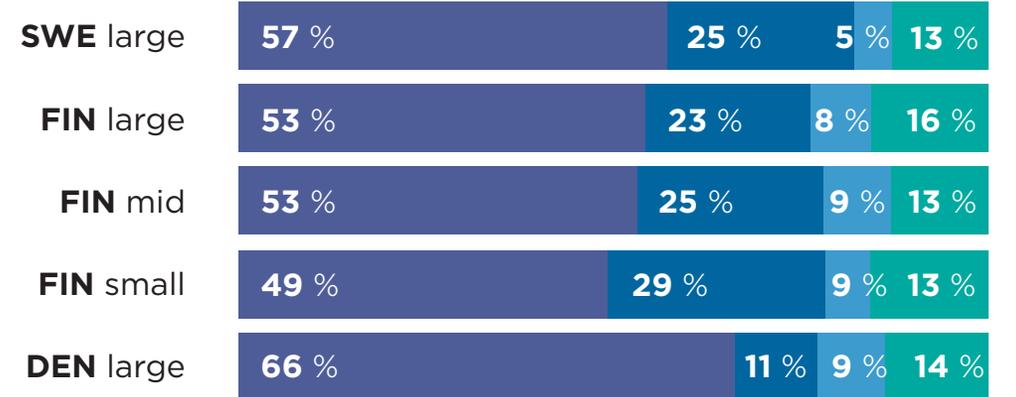


## EDUCATION

The top three educational backgrounds are the same in all the company groups, and the dominance of business administration qualification is quite significant. It is however noteworthy to mention that there is nevertheless diversity in the educational backgrounds of top executives as the proportion of “other” is between 10-16 percent in all company groups.



### Board of Directors



BUSINESS ADMIN



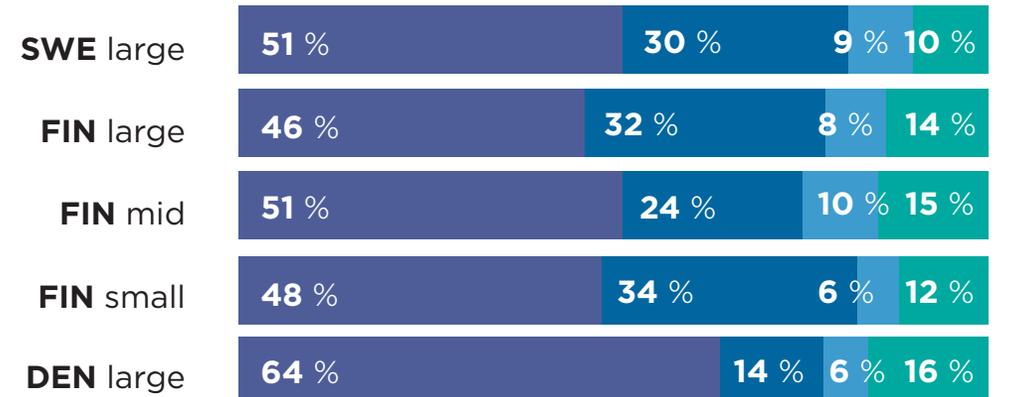
ENGINEERING



LAW

OTHER

### Executive Team



## PEOPLE OF COLOUR<sup>7</sup>

According to the “*Being Black in the EU, Second European Union Minorities and Discrimination Survey 2019*”, 25 percent of respondents felt racially discriminated against when looking for work in the five years before the survey. Additionally, 82 percent of respondents believe skin colour or physical appearance is the main reason for experiencing discrimination when looking for work.<sup>8</sup> The “*Report of the Non-Discrimination Ombudsman: Racism and discrimination - everyday experiences for People of African descent in Finland*” shows similar results in Finland. The respondents have experienced discrimination by employers, colleagues, and customers in both private and public sectors, especially in recruitment and at the workplace. They also feel that, regardless of their educational background and work performance, career progression may be slower and more difficult.<sup>9</sup>

Because of the wide-spread discrimination against people of colour in the workplace and society in general, the importance of equal opportunity and representation in the workplace becomes more and more crucial. This is why we have also wanted to include information on how people of colour are represented in the top executive positions. We are aware that the collected data is with limitations and only indicative, but it does nevertheless give an idea of the current situation.

Looking at all the companies in the sample, there are only few people of colour in all countries, groups and caps. The highest representation is in Helsinki and Stockholm Large Cap companies (4%), while other groups remain under 2 percent.

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7 Acronym POC is used for people of color. Also BIPOC, Black, Indigenous and people of color is emerging as a commonly used term for “a person who is not white”.

8 Being Black in the EU Second European Union Minorities and Discrimination Survey, 2019. [https://fra.europa.eu/sites/default/files/fra\\_uploads/fra-2019-being-black-in-the-eu-summary\\_en.pdf](https://fra.europa.eu/sites/default/files/fra_uploads/fra-2019-being-black-in-the-eu-summary_en.pdf)

9 Report of the Non-Discrimination Ombudsman: Racism and discrimination - everyday experiences for People of African descent in Finland. <https://syrjinta.fi/en/-/report-of-the-non-discrimination-ombudsman-racism-and-discrimination-everyday-experiences-for-people-of-african-descent-in-finland>

*I'm happy to see this wider context to diversity. The sample size is ample enough to provide us an interesting comparison on the state of diversity in the Nordic countries. Interestingly, Sweden and Finland seem to share information more openly than Denmark and have more educational diversity in their boards and management teams. Swedish boards prefer Swedish board members and Finland sees most value in lawyers. All and all, it is essential across all Nordic countries that we ensure women gain early exposure to business leadership positions so that they will have the right experience for board roles.*

Päivi Jokinen, Chair, European Women on Boards / Board member, Board Professionals Finland

# CONCLUSIONS

In the FINDIX 2020 report we concluded that executive management positions of companies listed in Nasdaq Helsinki are very likely held by Finnish males born in the 1960s and with a degree in Business Administration and Economics. The results of this first **Nordic Business Diversity Index** portray the same picture. Leadership positions continue to be predominantly held by men, born in the 1960s with a degree in Business Administration and Economics, and being citizens of the company's HQ country.

This observation is unfortunately not surprising, but it is still quite alarming. Nordic countries are often cited to be forerunners in gender equality, but in 2021 we are in a situation where only 8 percent of companies have a female CEO. We also seem to be short-sighted and not able to grasp the importance of attracting foreign talent even the ones who already live in the Nordics. A recent study from Finland also paints a worrisome picture of the age discrimination women face in recruitment: women are either too young or have too many small children, and then at 50 they are already too old<sup>10</sup>.

To tackle these issues, we within the wider society as well as in workplaces need to start asking ourselves how? How to make leadership positions more attractive to women? How will people of colour or people with a foreign name face less intersectional discrimination in recruitment? How can Millennials be

seen as an innovative asset in leadership? Only after honest self-reflection we can start to take down the existing barriers, which make it impossible for under-represented people to advance in organisations.

Representation is crucial when we aim for diversity. When leadership in our societies and companies reflect diverse backgrounds, we send the message that opportunity and success is not limited to a closed, homogenous group. Additionally, representation empowers those who have traditionally been left voiceless, and it encourages all of us to encounter our unconscious biases and learn about people who are different from us.

While collecting the data for the Index, it became clear, that Finnish and Swedish companies have a similar level of transparency in disclosing background information about their senior leadership. In Denmark, however, companies seem to disclose far less information and thus, Danish companies could not be scored for the Index. It would require more research to understand the reasons behind this different approach in Denmark, but we hope that this study underlines the importance of transparency as well as acts as encouragement to all companies, regardless of country, to ensure that sufficient background information about top management is publicly disclosed.

The Nordic Business Diversity index will be published every two years and we have our hopes up that results will be different in January 2023. Now, let's all roll our sleeves and begin walking the talk!

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<sup>10</sup> Akavan Erityisalojen työelämä tutkimus 2020: rekrytointisyjintää koskevia tuloksia

*Diversity is a necessity for a company to long term succeed in today's complex, interconnected global business environment. From a CEO perspective I would like to highlight three things that I think are of importance:*

**Understanding the purpose** of why we should work to improve diversity – which is a combination of “the right thing to do” and the business case – and the value of diversity to the company's development.

**Diversity is broader** than what we often include in the word. When we talk about diversity, we often think of isolated traits like gender or ethnicity. But, diversity is much more and the broader the diversity we manage to include, the greater the opportunities to reach and utilise a diversity of thoughts that will enrich the company's development.

**That we offer equal opportunities** to all is a necessity and the foundation. And to succeed **we need inclusion**. Without inclusion, diversity may still be achieved, but it will not be sustainable.”

Frank Vang-Jensen, CEO, Nordea

*Transparency is the keystone for increasing diversity. Not just transparency that complies with the minimal requirements. But transparency that makes selection criteria visible to customers, shareholders and investors and forces to objectivity in decision-making when recruiting.*

Anneli Karlstedt, Head of Inclusion and Diversity, Nokia

## Authors



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Suvi Halttula is the founder of 3bility Consulting and a corporate social responsibility professional with strong background and passion for social responsibility, business and human rights, diversity and inclusion, Sustainable Development Goals and shared value creation. She is an experienced trainer and strategist who loves to capacitate clients in identifying meaningful and practical approaches through which social responsibility and the respect for human rights can be embedded into business strategies and day-to-day operations. She has a Master's degree in Political Science as well as in Corporate Social Responsibility and Sustainability.



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Susanna is the CEO of Joosuanpuu Oy and a corporate responsibility consultant. She looks at corporate responsibility from the perspective of both business and civil society, and she is particularly experienced in matters related to strategic sustainability and social responsibility. During her career, Susanna has worked on brand development of international technology brands and has over 10 years of experience in corporate responsibility and social development projects. Susanna is also a Master of Science in Business Administration, in addition to which she has studied intercultural management, human rights in business and diversity and inclusion.

Our partner in Nordic Business Diversity Index:

## Board Professionals BPF Finland ry

Board Professionals Finland is a networking organization promoting increased diversity in boards and executive management.

The story of BPF started in 2006 to promote female access to management positions and board member roles within Finnish and international enterprises. Today BPF is an active organization with talented and highly educated members. Its mission is to strengthen and develop competitiveness and responsible decision making in companies by training and developing its members to be better leaders, promoting networking between other stakeholders, sharing information of diversity and participating in social debates of leadership. BPF believes in equal leadership and increasing the diversity leading to sustainable success, more and better innovation and improved financial performance. Board Professionals is a founding partner of European Women on Boards, networking organization, founded 2013 to promote gender equality, and increase the number of women in European corporate boards and leadership teams.

More information: <https://boardprofessionals.fi/>



## LIST OF COMPANIES

### As categorised at Nasdaq in 2020

#### FIN LARGE CAP

Ahlstrom-Munksjö	Nokia
Cargotec	Nokian Renkaat
Citycon	Nordea Bank Abp
Elisa	Orion
Fiskars	Outokumpu
Fortum	Sampo
Huhtamäki	Sanoma
Kemira	SSAB
Kesko	Stora Enso
Kojamo	Terveystalo
Kone	TietoEVRY
Konecranes	UPM-Kymmene
Metso Outotec	Valmet
Metsä Board	Wärtsilä
Neles	YIT
Neste	

#### FIN MID CAP

Aktia Pankki	NoHo Partners
Alma Media	Olvi
Altia	Oma Säästöpankki
AS Tallink Grupp FDR	Oriola
Aspo	Pihlajalinna
Atria	Ponsse
Basware	Qt Group
Bittium	Raisio
CapMan	Revenio Group
Caverion	Rovio
Enento Group	Scanfil
eQ	Stockmann
Etteplan	Taaleri
Evli Pankki	Talenom
Finnair	Tikkurila
F-Secure	Tokmanni Group
HKScan	Uponor
Kamux	Vaisala
Lassila & Tikanoja	Verkkokauppa.com Oyj
Lehto Group	Viking Line
Marimekko	Ålandsbanken
Musti Group	

#### FIN SMALL CAP

Apetit	Neo Industrial Oyj
Aspocomp Group	Nixu
Biohit	Nurminen Logistics
Componenta	Optomed Oyj
Consti Yhtiöt	Ovaro Kiinteistösijoitus
Digia	Panostaja
Digitalist Group	PunaMusta Media
EAB Group Oyj	QPR Software
Eezy Oyj	Rapala VMC
Enedo Oyj	Raute
Exel Composites	Saga Furs
Glaston	Siili Solutions
Harvia	Solteq
Honkarakenne	Soprano Oyj
Ilkka-Yhtymä	SRV-Yhtiöt
Incap Oyj	Suominen
Innofactor	Tecnotree
Investors House	Teleste
Keskisuomalainen	Tulikivi
Kesla	United Bankers Oyj
Martela	Wulff Group

## SWE LARGE CAP

AAK AB	EQT AB	Kungsleden AB
ABB Ltd	Ericsson, Telefonab. L M	Lifco AB
Addtech AB	Essity AB	Loomis AB
Alfa Laval AB	Evolution Gaming Group	Lundin Energy AB
Arjo AB	AB	Lundin Mining Corporation
ASSA ABLOY AB	Fabege AB	Medicover AB
AstraZeneca PLC	Fastighets AB Balder	Millicom International
Atlas Copco AB	Fastpartner AB	Cellular S.A. SDB
Atrium Ljungberg AB	Fenix Outdoor International	Modern Times Group MTG
Attendo AB	AG	AB
Autoliv Inc. SDB	Getinge AB	Mycronic AB
Avanza Bank Holding AB	Hexagon AB	NCC AB
Axfood	HEXPOL AB	NIBE Industrier AB
Beijer Ref AB	Holmen AB	Nobia AB
Betsson AB	Hufvudstaden AB	Nolato AB
BillerudKorsnäs AB	Husqvarna AB	Nordic Entertainment
Boliden AB	ICA Gruppen AB	Group AB
Bonava AB	Industrivärden, AB	Nyfosa AB
Bravida Holding AB	Indutrade AB	Pandox AB
Castellum AB	Intrum AB	Peab AB
Dometic Group AB	Investor AB	Ratos AB
Electrolux Professional AB	JM AB	Resurs Holding AB
Electrolux, AB	Kindred Group Plc	SAAB AB
Elekta AB	Kinnevik AB	Sagax AB
Epiroc AB	Klövern AB	Samhällsbyggnadsbolaget i

## DEN LARGE CAP

A.P. Møller - Mærsk	Københavns Lufthavne
ALK-Abelló B	Netcompany Group
Alm. Brand	Novo Nordisk
Ambu	Novozymes
Carlsberg	Pandora
Chr. Hansen Holding	Ringkjøbing Landbobank
Coloplast	Rockwool International
Danske Bank	Royal UNIBREW
Demant	Scandinavian Tobacco Group
DFDS	Schouw & Co.
DSV Panalpina	SimCorp
FLSmidth & Co.	Spar Nord Bank
G4S plc	Sydbank
Genmab	The Drilling Company of 1972
GN Store Nord	Topdanmark
H. Lundbeck	Tryg
ISS	Vestas Wind Systems
Jeudan	Ørsted
Jyske Bank	Össur hf.

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