

## THE CNMV PUBLISHES ITS REPORTS ABOUT THE REPORTS ON CORPORATE GOVERNANCE AND THE REMUNERATION OF BOARD MEMBERS OF LISTED COMPANIES FOR 2020

17 September 2021

- *The degree of adherence to the Good Governance Code recommendations recorded in 2020 was 83.7% (85.7% in 2019).*
- *The presence of women on boards of directors increased by almost three percentage points compared with the previous year, to stand at 26.1%.*

The Spanish National Securities Market Commission (CNMV) publishes the reports on the [Annual Corporate Governance Reports \(ACGRs\)](#) of issuing entities and the [Annual Reports on the Remuneration of Board Members \(ARRBMs\)](#) for 2020. Both documents reflect, in aggregate and summarised terms, the main conclusions of the reports on both matters that companies submitted to CNMV over the course of this year.

### Annual Corporate Governance Report (ACGR)

2020 was the sixth year in which the 2015 Good Governance Code for listed companies was applied and the first in which the amendments incorporated following the review of June 2020 were applied.

In this sixth year, the degree of compliance with the recommendations was 83.7%, down two percentage points from the previous year, mainly due to the aforementioned amendments of June 2020, where the level of compliance was nine percentage points lower than the average.

In addition, another 9.5% were partially adhered to (7.1% in 2019), meaning that full or partial adherence to the recommendations rose to 93.2% (92.8% in 2019).

It should be noted that 32% of companies – 42.5% in 2019 – followed at least 90% of the recommendations of the new Code and one company stated that it complied with 100% of them (one less than in 2019). In contrast, four companies (two more than in 2019) complied with less than 60% of such recommendations.

All listed companies stated that they had followed recommendations number 12 — that the board be guided by the corporate interest —; number 21 — that the board of directors should not propose the

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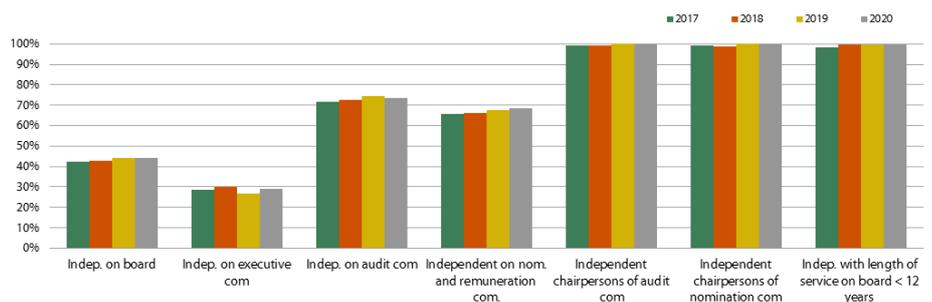
removal of any independent directors before the expiry of their offices as mandated by the articles of association, except in cases of just cause, based on a report issued by the remuneration committee and submitted to the board of directors —; number 23 — that all board members express their opposition when they consider a proposal to be contrary to the corporate interest —; number 28 — that when board members express concern about a proposal and it is not resolved, it be recorded in the minutes —; and number 43 — that the audit committee may call upon any employee or executive —.

On the other hand, the least followed recommendations, either in full or in part, continued to be those relating to the new practices recommended by the Code on large-cap companies having a separate nomination committee and remuneration committee (recommendation 48), and that the variable remuneration of board members be linked to the delivery of shares (recommendation 61).

In relation to the Board of Directors, it should be noted that the average size remained unchanged with respect to 2019.

The chairpersons of boards of directors continued, in their majority, to be executive chairpersons (50%), particularly in the Ibex companies, where this average stood at 52.9%. The percentage of independent board members holding the position of board chairperson increased to 19.9% (13.4% in 2019).

**Percentage of independent board members on boards of directors**



Source: ACGRs of the companies and the CNMV.

In 2020, 67.6% of the boards of the Ibex 35 companies were at least 50% made up of independent board members (the same percentage as in 2019). As far as the other companies are concerned, the boards of directors of 73.6% of them were at least one-third composed of independent board members (74.2% in 2019).

The presence of women on boards rose to 26.1% (23.4% in 2019), which stood at 31.3% in the Ibex 35 companies. This rise was experienced in all categories, although it was mainly concentrated in independent women directors. The number of female executive board members also slightly increased to 5.6% (one basis point more than in 2019).

In 2020, the average age of board members was 60.5 years. In Ibex 35 companies this average is slightly higher, standing at 61.6 years.

As regards **ownership structure**, the floating capital decreased slightly to 43% (43.9% in 2019). In 80 companies (the same number as in 2019) the sum of significant shareholdings and blocks of shares held by the board exceeded 50% of the share capital. In 30 companies the floating capital was less than 25%, while in four of them it was below 5%.

Finally, it should be highlighted that the average participation in the general shareholders' meeting increased to 70% in 2020 (71.2% in 2019). The number of companies that made available remote voting (electronic, postal, by courier, etc.) increased by 4 percentage points, to stand at 51.2%.

### **Annual Report on the Remuneration of Board Members (ARRBM)**

The report contains detailed information and various considerations on the system for the remuneration of board members, both executive and non-executive, of listed companies in 2020 and the way in which it is applied.

The areas for improvement mentioned, as in previous years, include the information that companies provide on pension schemes and other long-term savings systems, as well as on the criteria and metrics used to determine variable remuneration and their specific application.

If we exclude the impact of the multi-year compensation plans of an Ibex 35 company, the average remuneration of both executive and non-executive board members fell, in general, in 2020. The average remuneration of executive board members, mainly executive chairpersons and CEOs, of the Ibex 35 companies increased by 5.8% (to stand at 3.4 million euros), due to the expiration of the aforementioned multi-year compensation plans of a listed company, meaning that the remuneration of two of its executive board members increased by 48.7 million euros. Excluding this specific maturity, the average remuneration of executive board members of IBEX-35 companies fell by 18.2%. The remuneration of executive board members of the other listed companies fell by 14.1% (to 705,000 euros). As for the non-executive board members, their remuneration

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was reduced by 4.5% (to 212,000 euros, 190,000 euros excluding non-executive chairpersons) in Ibex 35 companies, and fell by 1.1% (to 88,000 euros, 80,000 euros excluding non-executive chairpersons) in other listed companies.