

BPW INTERNATIONAL LEGISLATION COMMITTEE 2011-2014

**MORE WOMEN IN THE
BOARDROOMS**

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OBJECTIVES

The main objective of this document is to offer to BPW Europe a tool about the situation in each country in respect to women on boards in European companies and which is the legislation that should be promoted to increase the number of women on them.

We are presenting rates of several European countries to show the current situation in Europe. It will be necessary to take new measures to ensure gender balance on the boards possibly of all the European companies.



CONTEXT

- The equal representation in all areas is not just an issue of equality but one of human rights, democracy and economic efficiency.
- However, the typical European corporate board of 10 members has on average only one female member.
- Globally, 34% of business have no women in senior management. In the G7, 40%, 18% in the BRIC, 38% in Europe and 30% North America, large behind 20% in Asia Pacific and APAC (excluding Japan)



PROGRESS

- It is extremely slow, 0,5 percentage points per year, despite the economic benefits of parity and increased diversity for the companies.
- Following the European Report on Progress on Equality, it will take 50 years to reach a decent gender balance of 40% in the boards of European companies.
- The European Parliament has called on the Commission to introduce EU level legislation if self-regulation does not provide results.



EQUALITY

- Increasing awareness of urgent action has spurred a number of national governments in the EU favoring the quota systems.
- However, popular misrepresentations continue to abound. The most commonly held mistaken notion is that quotas undermine meritocracy.
- Quotas are a mechanism designed to counteract the variety obstacles competent women face in reaching the top on the basis of equal qualification and merit.



The proposal of EU Vice President and EU Justice Commissioner Viviane Reding

Short listed main elements as presented at EU Parliament

- addressed only to female non-executive directors – 40% increase within reasonable time-frame
- covers only companies listed in the stock-exchange – SMEs should be exempt in order not to put extra burden on small companies given present difficult and challenging times
- qualification must be the decisive criterion and the best candidate must be chosen
- flexibility clause foreseen when no equally candidate from the underrepresented sex is available
- any quota legislation should be temporary, until the objective has been achieved
- member states should themselves choose the sanctions for companies failing to comply with the legislation
- the proposal being a very “subsidiary-friendly proposal”



Viviane Reding additional statements during recent interview in Ireland - by Grainne Rother

Gender equality is a fundamental right and one of the Europe's founding principles: fundamental rights and citizenship. It goes back to 1957 when the principle of equal pay for equal work became part of the Treaty of Rome and the EU has been taking action to improve gender equality ever since. The 2012 EU strategy for Equality between Women and Men gave priority to equality in decision-making because this is one area in which decades of self-regulations failed to produce satisfactory results.

We are asking large listed companies across Europe to show that they are serious when it comes to gender equality in economic decision-making . Recent figures on women on boards show that companies are starting to understand that if they want to remain competitive in an ageing society they cannot afford to ignore female talent: 60% of university graduated are women. The European-wide law that European Commission put on the table will make sure existing talent is used in boosting gender balance evenly across all company boards throughout our internal market



Viviane Reding interview to follow

In order to become a law, the Commission's proposal now needs to be adopted by European Parliament and by EU member states in the Council in EU's normal legislative procedure. The European Parliament has appointed MEP Rodi Kratsa-Tsagaropoulou (Committee on Women's Rights) and MEP Evelyne Regner (Committee of Legal Affairs) as co-rapporteurs (draftsperson)

The Council hold a first discussion on the proposal in December and the Irish Presidency of EU is expected to schedule another discussion on 20 June 2013; on 15 January the draft law successfully passed to the EU's Subsidiary Check Mechanism (with 43:11 result) where national parliaments (each of which has two votes) give opinions on either it is appropriate to tackle an issue at EU level or it is best left to the member states



INTRODUCTION

On the following pages, you will find an analysis on the measures adopted and the progress made in 10 countries - Austria, Belgium, Finland, France, Germany, Italy, the Netherlands, Norway, Spain and the UK.

The rating reflects the current situation, the progress made in the last three to five years and future prospects by using the system similar to that used by credit rating agencies. The rates range from AAA (excellent performance) to A- (poor performance). (*EWL –Women on Board in Europe*)
(*From a snail's pace to a giant leap - February 2012*)

Thanks to the contribution of BPW Europe Presidents and members we could add Cyprus, Estonia, Ireland, Poland, Sweden, Switzerland, Turkey



Country: Austria

Current situation: A – Progress: A with neutral outlook

Corporate Governance Code: Adopted in 2009 recommending the representation of both genders in their supervisory boards.
30% of the companies bound to the Code don't have any women in their supervisory boards

Non-binding target Adopted in March 2011 - 35 % women on boards for state-owned companies to be reached by 2018
(25% by 2013)

Sanctions None – for defaultant companies legislative measures will be adopted

Private companies Not bound to the target – In 2012 only 10,3% of women in the supervisory boards of the 200 largest companies

Qualified comment *Marlene Parenzan EWL Board Member Austria – Member BPW Wien
The increase of women representation on boards of the 200 top Austrian companies has been modest. The only way out is the introduction of a mandatory with the target of 35/40% with a gradual implementation.
An immediate step to be taken could be fin-tuning the Corporate Governance Code by introducing effective and concrete rules*



Country: Belgium

Current situation: A – Progress: A+ with positive outlook

Corporate Governance Code

In 2009 a clause was included stating that the boards composition should be determined by basis on gender diversity

Binding law for State enterprises and the listed ones

Adopted in June 2011 providing that a minimum of 30% boards' members must be of different sex

Sanctions

Companies not fulfilling will loose financial and other advantages until the 30% quota is met. Corporate governance declaration proving the efforts made must be produced

Law interesting aspect

Transition is adjusted to different companies' type govern. enterprises must comply immediately (every new nominated director must be a women up to the target of 30%)

Large quoted companies: five years
small and medium-sized listed companies: 7 years



Country: Cyprus

Corporate Governance Code: In place since many years, it does not include any gender policy or recommendations

Binding or not binding laws : None
on quota

YOU MAY HAVE A LOOK TO THE ENCLOSED EU 27 TABLE SHOWING THE GENERAL SITUATION IN PERCENTAGE IN THIS COUNTRY



Country: Estonia

Corporate Governance Code: None; nevertheless the law imposes that companies and organizations are obliged to promote gender equality

Quota binding or non binding law: None (neither in politic nor parental leave) – the biggest political parties have signed a memorandum on 50/50 quota for next election



Country: Finland

Current situation: AA – Progress: AA-with neutral outlook

Corporate Governance Code

It dates from 2003 and was the first in the world to mention gender balance

Binding law

In 2004 government decided that 40% of the boards' members of state owned companies should be women. In 2011 a target of 45% has been reached

Self-regulations

In force for other companies stating now that both gender must be represented in the boards. Non-compliance must be explained in the annual report

Qualified comment by Johanna Pakkanen – the Coalition of Finnish Women Associations. The Government is preparing a new gender equality programme. One of the actions listed is “if the balanced representation of women and men in the boards of listed companies does become reality, a 40% quotas will be introduced”. Lot of political speech are against quotas.



Country: France

Current Situation: A+ - Progress AA with positive outlook

Corporate Governance Code	The business world attempted to avoid the proposed legislation by adopting a strong corporate governance recommendation in 2010 setting targets and deadlines.
Binding government law	In force from 2011, it applies to all listed companies and those with 500 employees and a revenue of more than 50 million Euro Six years to reach the target of 40% women in the boards with a mid-term target of 20% in three years.
Sanctions	From 2017 onwards, board nominations which do not comply with the law, will not be valid.
<i>Facts</i>	<i>The law has accelerated the progress. Half of 40 largest companies have already reached the mid-term target and since 2011 the majority of new appointed directors have been women. Willingness from boards to explore further new candidate pools.</i>



Country: Germany

Current situation: A – Progress with positive outlook

Corporate Governance
Code

In 2010 a recommendation on gender diversity was included in the Code and some progress was finally made

Binding target or law

None - The debate on legislated quota in early 2011 brought to self regulation and flexi-quotas, but many think that are not enough to improve situation. The “Berlin Declaration” a campaign initiated by female MPs from all political parties and leading women organizations calls for binding quota legislation (BPW Germany was one of the signatories). Also Vice-President Viviane Reding has signed the Declaration.

Spiegel online
January 18th 2013

Looking to the Commissioner Viviane Reding directive and its serious sanctions now in place, German Companies are now scrambling to hire a segment of the work force that they used to care little about, the women. But some wonder whether the focus should be on diversity rather than women!

Brigitte Lammers/ Egon Zehnder has crisscrossed Germany but also heading abroad, with the same purpose: looking for women as many and as talented as possible.



Country: Germany

to follow

Spiegel online

March 6th 2013

German opposition to the EU's proposed gender quota will actively lobbying other countries to vote against the plan. German representation in Brussels had been ordered to immediately and on diplomatic levels – promote the German position

German opposes the mandatory EU-wide-requirements in favour of having individual nations law.

The Federal Labour Ministry, headed by Ursula von der Leyen has nothing against the EU- wide- gender quota.

Von der Leyen has been asked by Chancellery to stay quiet on the issue



Country: Ireland

Corporate Governance Structure

Ireland's Corporate Governance structures are deeply imbalanced in terms of male/female diversity. Recent review found that just 8% of senior positions in listed companies are held by women and 43% of the companies have no female representation at all.

Gender Quota

None, 66% of directors surveyed are not in favour of the introduction of a formal quota system, however 60% of female directors are in favour, even a temporary one.

Skills framework

Only 50% of the companies use it when appointing board's members.



Country: Ireland

to follow

Some interesting , qualified and controversial comments:

Maura Quinn-chief executive, Institute of Directors in Ireland

Some progresses have been made, but obstacles remain

Greater transparency is needed in the appointment process

70% of women surveyed support EU legislative proposal introduced by Viviane Reding

Grant Thornton - International Women Day

Women have 21% of senior roles in Ireland

The lack of progress this year is disappointing and even more frustrating is to see that Ireland has deteriorated from position in 2009, but only 37% of surveyed companies would support the introduction of quotas legislation

Eimear Kenny – Executive Vice President Strategic HR –Icon

I don't agree on quota's legislation as I believe in a merit based system everyone should "earn" their way via performance



Country: Italy

Current situation: A- Progress: A-with positive outlook

Corporate Governance code	Until now in general does not take care on gender diversity
Binding law –listed firms and supervisory bodies	In force since August 2011 the gender balance law reinforced by the Consob regulations as per decision of February 2012, imposes that underrepresented gender shall receive 20% of the positions in the first renewal of the board and 33% in the second and third renewal
Sanctions by Consob*	Failure to comply – First a warning – than, if the quota is not reached within four months, the company will be fined up to 1 million Euros. After 3 months, when not complying, the board will loose the legality of its mandate
Survey dated October 2012	27 Companies already in line with first renewal 6 Companies already have 1/3 of women in their board The law and relevant regulations will bring to a “forced” board renewal by 32% in the next 3 years



Country: Italy

to follow

Binding law for stated owned Companies and State administrations

Law 120 – Art. 3 on gender balance in force since August 2011, still missing the relevant regulations, to be now ratified by the State Council, to put in force the mentioned Art.3

Covered Categories

Schools of any order and degree, the University Institutions, the Regions, the Provinces, Municipalities, the Chambers of Commerce, Industry, Handicraft and Agriculture with relevant Associations and finally Administrations and Institutes of the National Health Service

Qualified comment

The summer did not stop the “gender mainstreaming” put in place by EU Commission but we have to thank the women engaged in politic that have strongly supported the the initiative and wise and unlighted men that shared their efforts believing that the professional competence should overcome any gender belonging – Paola Zambon Turin

Facts

In 2012 BPW Italy has established an online database where women interested in board membership could register



The Netherlands

Current situation: A Progress: A+ with positive outlook

Corporate Governance Code Updated in 2008 requiring to aim for gender balance only in supervisory boards, however no targets were set.

Not binding Company Law In 2011 a target of 30% of supervisory and management board seats to be held by each sex, to be reached by 2016 It applies for state companies and large private companies Comprehensive national level data shows a moderate progress, but self-regulation and the debate about legislation seems to have opened the boardroom doors for women

Qualified comment

The target of 30% is not enough because it only applies to large companies and is not enforced through sanctions.

The evaluation of the law in three years will give the opportunity to address the shortcomings

Marion Minis-EWL Board Member, The Netherlands



Country: Norway

Current situation: AAA- Progress- AAA- with neutral outlook

Not binding law	Put in place in 2003 with a similar target to the present law Considered that the desired effect was not achieved, legislation with sanctions was adopted
Binding law	Norway has been the first country introducing binding legislation on quota. Adopted in 2005 set a quota of 40% of the least represented sex on the boards. It applies to listed and non-listed public limited and inter-municipal companies, state companies and co-operative companies
Sanctions	If the enterprise fails to comply with the law, the sanction is the dissolution of the company. Thanks to active survey, the 40% threshold has been reached, but without any important extension of women representation beyond the mentioned quota
<i>Facts</i>	<i>An online database was also established, where women interested in board membership could register</i>



Country: Poland

Corporate Governance Code

None

Non binding target or law

The diversity Code Chart signed by
49 companies as per 22.2.2013 including
7 micro companies
10 SME
26 big companies
6 NGO's

Public Stock Exchange started a public discussion on boardrooms
diversity and gender diversity – they did not sign the
mentioned Code Chart

Trend up to 2012 – wide discussion on the issue –
Slow Progress – Corporate Governance Code is needed



Country: Spain

Current situation: A Progress: A+ with modest positive outlook

Binding law

The Law of Equality adopted in 2007 imposes to have a balanced presence of women and men in the boards of at least 40% of each sex.

Companies had 8 years time to comply, but reports indicate that at the current rate it is unlikely that the target of 40% will be reached by 2015: the slow progress may be blamed on the lack of mid-terms targets and sanctions

Sanctions

None by now, but if the target is not reached by 2015, the Spanish legislators may take further action, introducing sanctions for non complying companies

Facts

The law contains interesting provisions regarding other incentives. Companies complying, may be favoured in public procurement



Country: Sweden

Corporate Governance Code In place since some years – it does not include any gender policy or recommendations

Binding or not binding

Gender Law or Target None

Solveig Staffas – BPW Europe EWL Representative informed she will lobby for the adoption of quota legislation by next election in Sweden



Country: Switzerland

Corporate Governance Code	None
Listed Companies under	Swiss Company law
Binding target or law	None
Internal self regulations	in place within big Companies, Banks and Groups only

*Facts In September 2012 BPW Switzerland central board voted unanimously the decision to petition for a minimum quota of women in the boardrooms in a strategic decision aimed at the equal participation of women at all corporate level.
Decision based on BPW International Constitution Art. 2 and art. 11.3 Scope of the activities of their Statute. (a 10 pages document has been sent to BPW Europe Presidents)*

*Introduction of women quotas on governmental level: A motion presented by a national Councillor to introduce a law on women quota has been rejected by the National Council in 2011. The Federal Council also recommended to reject the motion.
At the current rate it will take at least 40 years for women to be equally represented.
The BPW Switzerland Central Board strong statement: we don't want our members to belong to a lost generation .*



Country: Switzerland

to follow

the mentioned document includes quite a lot of good points, among them as an overview:

- *just over half of the population are women*
- *around 80% of women are in work*
- *at least 80% purchasing decisions are made by women*

but

- *only 5% of women sitting in the executive boards of 115 largest companies*
- *only 11% of women are members of the boards of the 89 largest companies*
- *due to the small number of Women in senior management positions, the women 's interests are poorly represented, or are not represented at all*

BPW Switzerland contribution is really welcome and important non only for its Country but also for the relevant Countries were non binding quota target or law are not in place yet, as an example of good practice, advocate engagement and concrete action. Congratulations.



Country: The United Kingdom

Current situation: A+ Progress: A+ with modest positive outlook

Corporate Governance Code

The revised version of the Code came into effect on 2010 stating for the first time, the value of the principle of gender balance in the boardrooms. Following a recommendation of Lord Davies Review it was amended in 2011. Companies must include in the annual report, board's policy and progress to achieve the objective. This is in force since October 2012 Lord Davies in 2011 pointed out that with the current rate it would take more than 70 years to reach equality, but did not recommend legislative quotas

Qualified comment

The intervention of the Government is crucial. Lord Davies Review, despite the good intentions, could be a missed opportunity. To make it effective we need strong measures to remove the barriers and targets to measure the progress Liz Law – EWL Board members – UK Women Joint Committee.



Country: Turkey

Corporate Governance Code

None

Commercial Code and Bank Code

are prepared in the framework of cooperate governance principles, but without any recommendation about the gender balance in the boardrooms.

World Economic Forum launched a Task Force that has already began to work with government agencies and private companies to address the challenges at gender based inequalities in economic life. One of the important priority is to provide gender balance in the boardrooms.

Turkey, as coordinator Country, has established a working group. 52 biggest companies mostly located in Istanbul, that showed that the percentage of women on boardrooms is 30% but this result is based on the biggest companies.



Country: Turkey

to follow

Estimated value for the small cities is much lower than 30% BPW Turkey is working to organize same survey in different cities all over the country.

The working group is working to evolve strategic plan that will be a legal basis for relevant law

We congratulate President Arzu Ozyol being a member of such a high level working group.



RECOMMENDATIONS

- Introduce binding legislation for 50/50 on boards by 2020.
- Find ways to increase the number of female chairs and CEOs
- Limit the number of board positions one person may hold



MORE RECOMMENDATIONS

- Adopt measures to support enterprises and empower women
- Favour gender-equal companies in public procurement
- Address the root causes of women`s underrepresentation



COMPANIES'S WOMEN PRESIDENTS IN EU-27

EU Justice Department data collected between
26.09.2012 -15.10.2012



	Highest decision making body					
	Number of companies		President		Members	
	Covered	With data	Women (%)	Men (%)	Women (%)	Men (%)
EU-27	582	582	3	97	16	84
Belgium	19	19	0	100	13	87
Bulgaria	15	15	7	93	12	88
Czech Republic	12	12	17	83	16	84
Denmark	18	18	0	100	21	79
Germany	30	30	3	97	18	82
Estonia	14	14	0	100	8	92
Ireland	19	19	0	100	9	91
Greece	18	18	0	100	8	92
Spain	34	34	3	97	12	88
France	36	36	6	94	25	75
Italy	38	38	0	100	11	89
Cyprus	20	20	5	95	8	92
Latvia	31	31	13	87	28	72
Lithuania	25	25	8	92	18	82
Luxembourg	10	10	0	100	10	90
Hungary	11	11	0	100	7	93
Malta	20	20	0	100	4	96
The Netherlands	20	20	0	100	22	78
Austria	20	20	0	100	12	88
Poland	19	19	5	95	12	88
Portugal	18	18	0	100	7	93
Romania	10	10	0	100	12	88
Slovenia	19	19	11	89	19	81
Slovakia	10	10	10	90	14	86
Finland	23	23	4	96	29	71
Sweden	26	26	0	100	26	74
United Kingdom	47	47	0	100	19	81

	Highest decision making body					
	Number of companies		President		Members	
	Covered	With data	Women (%)	Men (%)	Women (%)	Men (%)
Croatia	25	23	4	96	15	85
Macedonia, the former Yugoslav Republic of	10	10	20	80	16	84
Turkey	50	50	12	88	10	90
Republic of Serbia	14	12	17	83	18	82
Iceland	9	9	11	89	36	64
Liechtenstein	-	-	-	-	-	-
Norway	19	19	11	89	44	56
All countries	709	705	5	95	16	84

CEO – FEMALE CHIEF EXECUTIVE OFFICERS IN EU-27

from EU Justice Department
data collected between 26.09.12-15.10.2012



	Decision making bodies							
	Number of companies		CEO		Executives		Non-executives	
	Covered	With data	Women (%)	Men (%)	Women (%)	Men (%)	Women (%)	Men (%)
EU-27	582	582	2	98	10	90	17	83
Belgium	19	19	0	100	10	90	14	86
Bulgaria	15	15	0	100	11	89	17	83
Czech Republic	12	12	0	100	6	94	18	82
Denmark	18	18	0	100	11	89	17	83
Germany	30	30	0	100	7	93	14	86
Estonia	14	14	0	100	20	80	8	92
Ireland	19	19	0	100	7	93	10	90
Greece	18	18	0	100	5	95	10	90
Spain	34	34	3	97	6	94	14	86
France	36	36	0	100	8	92	27	73
Italy	38	38	0	100	4	96	13	87
Cyprus	20	20	5	95	9	91	6	94
Latvia	31	31	3	97	22	78	28	72
Lithuania	25	25	4	96	12	88	19	81
Luxembourg	10	10	0	100	10	90	12	88
Hungary	11	11	0	100	3	97	3	97
Malta	20	20	5	95	7	93	4	96
The Netherlands	20	20	10	90	7	93	22	78
Austria	20	20	0	100	5	95	12	88
Poland	19	19	5	95	5	95	12	88
Portugal	18	18	0	100	10	90	7	93
Romania	10	10	10	90	31	69	13	87
Slovenia	19	19	0	100	18	82	22	78
Slovakia	10	10	10	90	14	86	15	85
Finland	23	23	0	100	14	86	29	71
Sweden	26	26	4	96	19	81	27	73

	Decision making bodies							
	Number of companies		CEO		Executives		Non-executives	
	Covered	With data	Women (%)	Men (%)	Women (%)	Men (%)	Women (%)	Men (%)
Croatia	25	23	4	96	17	83	16	84
Macedonia, the former Yugoslav Republic of	10	10	0	100	32	68	16	84
Turkey	50	50	2	98	9	91	10	90
Republic of Serbia	14	12	17	83	18	82	19	81
Iceland	9	9	0	100	8	92	37	63
Liechtenstein	-	-	-	-	-	-	-	-
Norway	19	19	0	100	17	83	46	54
All countries	709	705	3	97	11	89	17	83

**EU-27'S MAP WHICH DISTINGUISHES
COUNTRIES WITH LEGISLATION TO
INCREASE THE NUMBER OF WOMEN ON
COMPANY BOARDS AND SELF-REGULATED
COUNTRIES**



- Legislation to increase the number of women on company boards
- Self-regulation (gender balance in corporate governance codes)

