

European Professional Women's Network

Press Release

Fourth Bi-annual EuropeanPWN BoardWomen Monitor 2010 in partnership with Russell Reynolds Associates

***The proportion of women on the boards of the top European companies has grown to 12% in 2010 from 8% in 2004
Keeping current growth rate of 21% every two years, parity could be reached in 16 years
Companies score better on international diversity than gender diversity***

October 4 2010 – Almost 12% of board members is female

Women make up 11.7% of boards at the top 300¹ European companies up from 9.7% in 2008 and 8.5% in 2006, the best progress since first BoardMonitor. Of a total 4,875 board seats, women occupy 571. As a result of quota legislation² Norway remains at the top of the table in having 37.9% women on boards. Portugal, Italy, Greece, Spain, Belgium and France have more than doubled the number of women on boards; the introduction of Corporate Governance Codes together with equal access legislations currently under discussion in a few countries is having a significant impact, as well as increased shareholder and media scrutiny of board membership.

Highlights

The Scandinavian Countries are remaining substantially stable

Norway's growth path following the introduction of a gender quota for board members has reached its peak to 37.9% women on boards (from 44.2% in 2008) and is followed by the other Scandinavian countries. Sweden slightly increased to 28.2%, up from 26.9% in 2008, while Finland remained substantially stable (25.9% in 2010 vs 25.7 in 2008) whereas Denmark decreased to 14% (down from 18.1%). Still, Scandinavian countries continue to outperform the rest of Europe.

Positive growth trend in most European countries

Most European countries – including Southern Europe – show a growing trend, probably thanks to some initiatives related to equal access legislation under discussion or Corporate Governance Codes now effective and to the many private initiatives and press attention for the issue of women's under-representation on boards in the past few years. Portugal, Italy, Greece, Spain, Belgium and France have more than doubled the number of women on boards, even though some of them start from such a low number that the result doesn't appear to be positive enough. All the countries included in the panel, apart from Luxemburg and Ireland show a very positive trend. In the UK, the proportion of women on boards has increased to 13.6% from 11.5% in 2008. Eleven countries out of seventeen are now above 10%. Italy and Portugal show the largest growth rates even though they remain below 5% (3.93% and 3.45% respectively).

On average there are 1.4 women on boards

¹ See Survey Methodology on page 7.

² As from January 2008 at least 40% of non-executive board seats of state-owned and publicly held (Norwegian Stock Exchange) companies needs to be taken by either gender. This provision is part of the Companies' Act.

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The average European board is now composed of 11.7 people, of which 1.4 are women. The size of boards has decreased since 2006, when the average European board was composed of 15.1 people, of which 1.5 were women. Women today therefore play a stronger role than two years ago.

Four out of five companies have at least one woman on the board

80% of companies in the survey have at least one woman on the board, up from 72% in 2008 and 68% in 2006. However, still one out of five companies has an all male board.

Critical mass achieved in many countries

The most relevant achievement is that almost one out of two companies have more than one woman on the board and one out of four companies have more than three³, signalling that more and more companies are moving away from tokenism and are convinced of the positive impact on their results gender diversity brings.

Companies score better on international diversity than gender diversity

25% of board members are of a different nationality than that of the company's headquarters (up from 23.5% in 2008). For women the proportion of internationals is even higher, reaching 30.2% in 2010. Most exceptions are related to language: countries in which board meetings are mostly held in the national language thereby not supporting foreigners that don't read and speak the language fluently.

About the EuropeanPWN BoardWomen Monitor 2010

This fourth edition of the EuropeanPWN BoardWomen Monitor, designed and run by the European Professional Women's Network (www.EuropeanPWN.net). Russell Reynolds Associates provided the data taken from BoardEx. The monitor tracks the number of women on the boards of Europe's top companies. Its bi-annual schedule seeks to provide reliable data on the progress being made.

³ McKinsey study "Women Matter", 2007; "Women on Boards - Moving Mountains" p. 89-91.

Detailed findings

1. Country comparisons

The 17 European countries performed as described below:

Countries	% Co's with women on board (2008) ⁴	% Women on board (2008)	Average number women on board (2008)
Norway	100 (100)	37.90 (44..2)	3.7 (7.0)
Sweden	100 (100)	28.20 (26..9)	3.8 (3.3)
Finland	100 (100)	25.90 (25..7)	2.6 (3.3)
Netherlands	84.2 (79)	15.81 (12..3)	1.8 (1.5)
Denmark	66.7 (100)	13.98 (18.1)	2.2 (2.5)
UK	84.1 (81)	13.59 (11.5)	1.4 (1.4)
Austria	83.3 (50)	12.50 (9.2)	2.5 (1.5)
France	78.6 (73)	11.95 (7.6)	1.8 (1.2)
Belgium	66.7 (44)	11.11 (7.0)	1.7 (1.1)
Spain	85.2 (70)	11.00 (6.6)	1.7 (1.0)
Greece	66.7 (56)	10.26 (6.0)	1.3 (0.8)
Republic of Ireland	66.7 (83)	8.96 (10.1)	1.0 (1.3)
Switzerland	75 (57)	8.83 (6.6)	1.2 (1.0)
Germany	84.1 (82)	8.54 (7.8)	1.9 (1.8)
Luxembourg	50 (50)	6.15 (7.2)	0.7 (0.8)
Italy	43.5 (30)	3.93 (2.1)	0.6 (0.3)
Portugal	66.7 (17)	3.45 (0.8)	0.7 (0.2)
Total	78.7% (72%)	11.7% (8.5%)	1.4 (1.5)

Norway slightly decreased from 44,2% in 2008 (still higher than 28.8% in 2006) despite the effective quota legislation⁵. All companies in Scandinavian countries have at least one woman on the board, only Denmark is moving backwards both in terms of number of companies with at least one woman on the board and percentage of women on board.

The Netherlands grew by 28.6% in two years taking it to 4th place in the table up from 10th place in 2006; this impressive growth is due to the commitment of a number of CEOs to improve the numbers as a result of pressures built up by various private initiatives and ample press attention. All the remaining countries, apart from Ireland and Luxembourg which both decreased and Germany that grew by less than 10%, grew by double digits in two years in terms of the number of women on boards.

The pressures built up by various private and public initiatives, namely the recommendations from the European Commission and all the projects developed, supported and implemented by women's networks, have also contributes to the best progress in this area since the first BoardMonitor even in countries that have not introduced Corporate Governance Codes or don't have equal access legislations under discussion.

In particular, the introduction of the legislation on quotas in Spain (despite the lack of sanctions) in 2008 has increased the number of women on board by 67%. However if we take into consideration a wider panel of Spanish companies the situation seems to be less positive, highlighting a possible "panel effect" due to the economic downturn which has changed the composition of the panel included in the current research.

The legislation currently under discussion in France might have contributed to the 57% increase there.

⁴ In italics the numbers of the BoardWomen Monitor 2008.

⁵ See footnote number 2.

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Italy and Portugal, despite the staggering growth rates in terms of number of women on board (87% and 331% respectively), are still below 5%.

Numbers overall are increasing and if a growth rate of 21% every two years is maintained, we will reach gender parity on boards across Europe in 16 years.

Countries	% Co's with more than one woman on board	% Co's with more than three woman on board
Norway	100.0%	83.3%
Sweden	100.0%	68.8%
Finland	100.0%	37.5%
Spain	85.2%	25.9%
Netherlands	84.2%	21.1%
UK	84.1%	17.5%
Germany	84.1%	27.3%
Austria	83.3%	50.0%
France	78.6%	25.0%
Switzerland	75.0%	8.3%
Denmark	66.7%	50.0%
Belgium	66.7%	22.2%
Greece	66.7%	11.1%
Portugal	66.7%	0.0%
Republic Of Ireland	66.7%	0.0%
Luxembourg	50.0%	0.0%
Italy	43.5%	0.0%
Total	78.7%	23.4%

Almost 80% of companies have at least one woman on board and one out of four companies have more than one. Four countries – Portugal, Ireland, Luxembourg and Italy – are not aligned with this trend, showing that the most capitalized companies in these countries are not yet aware of the potential benefits of gender diversity.

2. International diversity is growing faster than gender diversity

A significant proportion of board members in Europe are of a different nationality than that of the company's headquarters. In 2006 this proportion was 22.6%, in 2008 it grew to 23.5% and in 2010 it reached 25%. International diversity in Europe is therefore much more significant than gender diversity on boards.

In Ireland, Luxembourg and Switzerland over half the board members are internationals.

Country	International board members
Republic of Ireland	73.9
Luxembourg	69.6
Switzerland	60.0
Netherlands	47.3
Belgium	35.0
UK	30.8
Sweden	28.8
France	21.3
Portugal	20.3
Greece	18.9
Denmark	18.4
Finland	17.6
Norway	16.3
Germany	15.6
Italy	11.1



Austria	10.9
Spain	9.5
Total	25.0%

3. Leadership roles still rare for women

Only 7 women have leadership roles as CEOs or Executive Chairwomen. The executive pipeline is almost empty and the increasing number of women on boards doesn't seem to positively impact the number of executives. This seems to be the future challenge for women: how can the increased number of women on boards positively impact the number of women executives? Do board women have the power and opportunity to influence the executive selection process?

Significant demographic differences

The ages of the 4,875 board members range from 26 to 96. The average age of a board member in Europe is 58.0 which is very close to the average age for men (58.6); however, the average age for a board woman is 53.6.

The average age of female board members is lower than average age of male board members due to the recent entrance of women in boards:

- → this situation will probably change in 10 years.

About the EuropeanPWN Board Women Monitor 2010

Providing Pan-European Data on the Position of Women in Europe's Boardrooms

This survey is the fourth data gathering exercise on the subject of women on Boards across Europe. The European Professional Women's Network, in running its bi-annual "EuropeanPWN BoardWomen Monitor", provides individuals and companies with data on the progress of female representation at the highest levels of the private sector, by country, by industry and by company. This enables women to make informed choices and analyses about the context in which they are crafting their careers. In addition, it offers companies a benchmark of what is being done where with the results and benefits – for employees, markets and shareholders.

Survey Methodology

The data for the survey was provided by Russell Reynolds Associates using data from BoardEx which is based on publicly available information. The survey focuses on European companies with a market capitalization of more than £1bn (based on the worldwide headquarters' home-country). In addition, where the top 6 companies in a country had market capital under £1bn, the top 6 companies by market capital were included. The data was collected on June 22, 2010. The data from the 2004, 2006 and 2008 survey were similar while not strictly comparable; the economic downturn that impacted the economy also impacted the panel of companies: 38.7% of companies in the 2010 panel were not present in the 2008 panel. The difference in data sourcing could impact the conclusions. For countries where a two tier system applies, both boards (supervisory board and executive board) were considered.

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Statistics and Rankings

The 2010 EuropeanPWN Board Women Monitor included the following countries and number of board positions.

Country	Number of companies	Total number of board seats	Number of women on boards
Austria	6	120	15
Belgium	9	135	15
Denmark	6	93	13
Finland	8	81	21
France	56	837	100
Germany	44	984	84
Greece	9	117	12
Italy	23	382	15
Luxembourg	6	65	4
Netherlands	19	215	34
Norway	6	58	22
Portugal	6	116	4
Rep. of Ireland	6	67	6
Spain	27	402	46
Sweden	16	216	61
Switzerland	24	317	28
UK	63	670	91
Total	334	4875	571

Rankings EuropeanPWN BoardWomen Monitor 2010 – 2008 – 2006 - 2004

2010	Country	2008	2006	2004
1	Norway	1	1	1
2	Sweden	2	2	2
3	Finland	3	3	3
4	Netherlands	5	10	8
5	Denmark	4	4	10
6	UK	6	5	4
7	Austria	8	6	7
8	France	10	8	9
9	Belgium	12	12	11
10	Spain	13	14	12
11	Greece	15	13	NA
12	Rep of Ireland	7	7	NA
13	Switzerland	14	11	6
14	Germany	9	9	5
15	Luxembourg	11	16/17	NA
16	Italy	16	15	13
17	Portugal	17	16/17	NA

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What is EuropeanPWN (www.EuropeanPWN.net)?

EuropeanPWN's mission is to create a pan-European voice for professional women to promote professional progress, power and impact. Europe's leading network for professional international women organizes over 500 leadership events a year in 17 major cities in Europe: Amsterdam, Barcelona, Berlin, Brussels, Copenhagen, Düsseldorf, Frankfurt, Geneva, London, Lyon, Madrid, Milan, Nice, Oslo, Paris, Stockholm and Vienna. A state-of-the-art internet platform connects over 3,500 members from more than 90 nationalities and from all business sectors, in ThinkTank Communities. EuropeanPWN has published 8 books in the Women@Work series on topics as Best Practices in corporate diversity programs, Mentoring and Women on Boards. Our main corporate partners are IE and Orange. Other corporate partners are Sodexo, Abbot, Coca-Cola, Aon, BNP Paribas, Mercer, Alcatel-Lucent and Mexx.

About Russell Reynolds Associates

Leadership for a Changing World. In today's global business environment, success is driven by the talent, vision and leadership capabilities of senior executives. Russell Reynolds Associates is a leading global executive search and assessment firm with more than 300 consultants based in 39 offices worldwide. Our consultants work closely with public and private organizations to assess and recruit senior executives and board members to drive long-term growth and success. Our in-depth knowledge of major industries and our clients' specific business challenges, combined with our understanding of who and what make an effective leader, ensures that our clients secure the best leadership teams for the ongoing success of their businesses.

www.russellreynolds.com

What is BoardEx?

BoardEx is a specialist company, director and senior manager analysis system. Extensive networking features are used to map relationships across a broad spectrum of the top 120,000 directors of the largest, listed companies in Europe and North America. It collates data on European and North American companies, directors and senior managers from a wide range of sources and updates this information on a daily basis.

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Visit our website for more information: www.europeanpwn.net and see "Women on Boards – Moving Mountains", by Mirella Visser and Annalisa Gigante, ISBN 978-2-9522703-7-3.