



European Professional Women's Network

Press Release

Third Bi-annual EuropeanPWN BoardWomen Monitor 2008 in partnership with Egon Zehnder International

Overall progress remains glacially slow

Norway by far Europe's champion

Companies score better on international diversity than gender diversity

Milan, June 27 2008 - One out of ten board members is female

The top 300¹ European companies now have 9.7% of women on their boards, up from 8.5% in 2006 and 8% in 2004. Of a total 5,146 board seats, women occupy 501. European champion Norway jumped to having 44.2% women on boards as a result of quota legislation². Without Norway, the European growth rate falls back to 9.1% confirming the average growth rate of around 0.5 percentage points over each two year period from 2004 onwards. This development clearly demonstrates that quotas are an effective way to accelerate growth of female representation on boards.

Highlights

The Front Runners in Scandinavia are accelerating

Norway's impressive growth path to 44.2% women on boards (from 28.8% in 2006 and 22% in 2004) is followed at a lesser but still impressive pace by the other Scandinavian countries. Sweden posted 26.9%, up from 22.8% in 2006, whereas Finland and Denmark recorded 25.7% and 18.1% respectively (up from 20% and 17.9%). All Scandinavian countries continue to outperform the rest of Europe.

Movement is glacially slow

Apart from The Netherlands, the rest of Europe is moving glacially slow. The Netherlands has taken over the lead position in the first group of followers from the United Kingdom. With 12.3%, almost double the percentage of 2006 (6.5%), this country clearly benefits from the many private initiatives and press attention for the issue of women's underrepresentation on boards in the past few years. The UK at 11.5% seems to have reached a standstill since the percentage has hardly moved since two years ago (11.4%) after an initial encouraging growth rate of 1.4 percentage points from 10% in 2004. Growth in France is below average, resulting in 7.6% women on boards from 7.3% in 2006. Germany recorded an average growth of women on boards, from 7.2% in 2006 to 7.8%.

Increasing divide in Europe

Italy and Portugal remain Europe's laggards, with Greece, Spain and Switzerland a little ahead. Marked by stagnation, the divide between these countries and the rest is increasing quickly. However,

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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we expect to see some impact of Spain's very recently introduced quota legislation³ in the next survey in 2010.

On average 1.5 women on board

The average European board is now composed of 15.1 people, of which are 1.5 women. The size of boards has slightly decreased since 2006, when the average European board was composed of 15.4 people, of which 1.3 were women. Women today therefore play a marginally stronger role than two years ago.

Three out of four companies have at least one woman on board

72% of companies in the survey have at least one woman on the board, up from 68% in 2006 and 62% in 2004. However, still one out of four companies has an all male board.

Critical mass achieved in three Scandinavian countries

In Norway, Sweden and Finland the average number of women on boards has passed the significant number of three⁴, signalling that these countries have clearly moved 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

23.5% of board members are of a different nationality than that of the company's headquarters (up from 22.6% in 2006). For women the proportion of internationals is even higher, reaching 24.8% in 2008. The exception is Norway, with just 2.4% of women board members coming from a different country; the activities, as organized by the Norwegian authorities, employers federation and private initiatives, in preparation of the introduction of the quota legislation, resulted in finding and developing the pool of female Norwegian talent.

About the EuropeanPWN BoardWomen Monitor 2008

This third edition of the EuropeanPWN BoardWomen Monitor, designed and run by the European Professional Women's Network (www.EuropeanPWN.net) and Egon Zehnder International (www.egonzehnder.com) in partnership with BoardEx, 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 In 2007 Spain adopted a special provision in the Equality Act, enforcing companies to have at least 40% women on their boards in 8 years time.

⁴ McKinsey study "Women Matter", 2007; "Women on Boards - Moving Mountains" p. 89-91.



Detailed findings

1. Country comparisons

The 17 European countries fall into 4 groups: **Front Runners**, the **Above Average Club**, the **Below Average Club** and the **Laggards**.

The **Front Runners** are the Scandinavian countries, led for the third time in a row by Norway, with a high of 44.2% women on boards and followed by Sweden (26.9%), Finland (25.7%) and Denmark (18.1%). Norway jumped 15.4 percentage points from 28.8% in 2006 (and 22% in 2004) driven by quota legislation⁵. Almost all companies in this group have at least one woman on the board. Norway, Sweden and Finland have reached the critical mass of having on average at least three women on the board⁶.

Front Runners	% Co's with women on board (2006) ⁷	% Women on board	Average number women on board
Norway	100 (100)	44.2 (28.8)	7.0 (3.0)
Sweden	100 (100)	26.9 (22.8)	3.3 (3.7)
Finland	100 (100)	25.7 (20.0)	3.3 (2.2)
Denmark	83 (100)	18.1 (17.9)	2.5 (2.5)
Total	97% (100%)	28.6% (22.5%)	3.8 (3.1)

Four countries follow in the **Above Average Club**, led by The Netherlands with 12.3%, and trailed by the UK with 11.5% of women on boards, Ireland (10.1%) and Austria (9.2%). The Netherlands grew by 5.8 percentage points in 2 years making it the 5th European country up from 10th place in 2006; this impressive growth is due to the commitment of a number of CEO's to improve the numbers as a result of pressures built up by various private initiatives and ample press attention. The United Kingdom at 11.5% seems to have reached a standstill since the percentage has hardly moved since two years ago (11.4%) after an initial encouraging growth rate of 1.4 percentage points from 10% in 2004. Austria fell back from 9.5% in 2006 to 9.2% in 2008.

Above Average Club	% Co's with women on board (2006)	% Women on board	Average number women on board
The Netherlands	79 (50)	12.3 (6.5)	1.5 (0.8)
UK	81 (86)	11.5 (11.4)	1.4 (1.4)
Rep of Ireland	83 (60)	10.1 (8.1)	1.3 (1.0)
Austria	50 (50)	9.2 (9.5)	1.5 (1.8)
Total	79% (75%)	11.4 (8.6%)	1.4 (1.3)

In the **Below Average Club**, situated well below the 9.7% European average, we find Germany with 7.8% of board women, and France with 7.6%, followed closely by Luxembourg and Belgium. Switzerland, Spain, and Greece follow with results from 6.0% to 6.6% of board women. Luxembourg grew from 0% in 2006 to 7.2% in 2008; Spain grew by 2.5 percentage points in the same period, while France was almost stable with a growth of just 0.3 percentage points from 2006. In Belgium only 44% of companies have women on their boards, compared to France with 73% and Germany with 82%.

⁵ See footnote number 2.

⁶ See footnote number 4.

⁷ In italics the numbers of the BoardWomen Monitor 2006.



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Below Average Club	% Co's with women on board (2006)	% Women on board	Average number women on board
Germany	82 (72)	7.8 (7.2)	1.8 (1.7)
France	73 (75)	7.6 (7.3)	1.2 (1.1)
Luxembourg	50 (0)	7.2 (0.0)	0.8 (0.0)
Belgium	44 (43)	7.0 (5.8)	1.1 (1.0)
Switzerland	57 (58)	6.6 (5.9)	1.0 (0.9)
Spain	70 (48)	6.6 (4.1)	1.0 (0.6)
Greece	56 (57)	6.0 (4.4)	0.8 (0.6)
Total	70% (64%)	7.3% (6.4%)	1.2 (1.1)

The group of **Laggards** consists of two countries that are significantly falling behind: Italy with 2.1% of board women just up from 1.9% in 2006, and Portugal with just one woman on board, representing 0.8% of top board seats. Especially worrying is the lack of progress in Italy; in the 23 top companies in this survey, with a total of 375 board seats, just 8 women take part in decision-making at the highest level.

Laggards	% Co's with women on board (2006)	% Women on board	Average number women on board
Italy	30 (22)	2.1 (1.9)	0.3 (0.3)
Portugal	17 (0)	0.8 (0.0)	0.2 (0.0)
Total	28% (20%)	1.8% (1.7%)	0.3 (0.3)

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%, and it has grown in 2008 to 23.5%. International diversity in Europe is therefore much more significant than gender diversity on boards. In Luxembourg, The Netherlands and Switzerland over half the board members are internationals. The largest international contingent is of American nationality (255 board members), followed by French (131) and British (121). Only 8.6% of board members are from outside Europe, showing that European companies are opening up to global talent from North America, and also from Australia, South Africa, India and Brazil.

Some countries prefer board women from abroad

For women the proportion of internationals is even higher, reaching 24.8% in 2008. All 3 women board members in Luxembourg are of a different nationality, and 57.1% of women board members in The Netherlands are internationals, followed by the UK with 45.7% and Switzerland with 45.5%.

Norway is Europe's champion with a team of Norwegians!

Norway is very low on international diversity with just 2.4% of women board members coming from a different country (and 8.4% men). This indicates that the activities in preparation of the introduction of quota legislation, as organized by the Norwegian authorities, employers federation and private initiatives, has resulted in making visible and developing the pool of female Norwegian talent.



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Country	International board members	International board women
Luxembourg	66.0	100
Netherlands	52.9	57.1
Switzerland	52.0	45.5
UK	35.6	45.7
Rep. of Ireland	33.9	20.0
Belgium	32.3	22.2
Sweden	24.4	35.1
Portugal	23.3	0.0
Finland	22.6	37.5
France	19.6	17.2
Denmark	15.7	6.7
Germany	13.0	5.2
Greece	12.8	0.0
Italy	9.5	12.5
Norway	8.4	2.4
Austria	6.1	0.0
Spain	5.9	0.0
Total	23.5%	24.8%

3. Leadership roles still rare for women

Only 7 women have leadership roles as CEOs or Executive Chairwomen.

Country	Company	Name	Title	Nationality
France	Alcatel-Lucent	Patricia Russo	CEO	American
United Kingdom	Anglo American	Cynthia Carroll	CEO	American
Spain	Banesto	Ana Patricia Botin	Executive Chair	Spanish
Norway	DnB NOR	Benedicte Schilbred	Chair (shareholders rep.)	Norwegian
Finland	Neste Oil OYJ	Heidi Hautala	Chair	Finnish
United Kingdom	Pearson	Dame Marjorie Scardino	CEO	American
The Netherlands	Wolters Kluwer	Nancy McKinstry	CEO/Chair	American

The executive pipeline is almost empty

There are by far fewer women Executive Directors on Boards than men, with only 3.2% of Board executive roles. Women are more popular as Non-Executive Directors (NED), occupying 11.7% of NED positions. This reflects the poor pipeline of women in executive management, which are only 38 in this sample.

Above average presence of women as employee and family representatives

Of the 5,146 board members, 52 are employee representatives. Of these 31% are female. This confirms the previous findings that in the countries where employee representatives sit on the board (e.g. Norway, Sweden, Denmark, France, Germany, Spain, and Switzerland) more women find their way onto boards, although in a very specialized role.



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Shareholder or family representatives also have an impact on gender diversity on boards: 10.1% of these board positions are currently covered by women, vs. the overall average of 9.7%.

Below average presence of women as board committee chairs

In this year's survey the representation of women on board committees was included for the first time. The sample contains 1110 committees with identified chairs, of which 48 (just 4.3%) are chaired by women. The UK is in the lead with 21 women as committee chairs, followed by Spain with 6 women committee chairs.

Technology committees have the most women chairing them with 10%, followed by Corporate Social Responsibility (5% of women chairs), Nomination, Compensation committees (4.9%) and Audit (4.8%). Committees responsible for banking and safety issues have no women chairs today.

Board committee	Chair women	Chair men	Total chairs	% Chair women	% Chair men
Technology	1	9	10	10.0	90.0
CSR, ethics	3	57	60	5.0	95.0
Nomination, compensation	23	451	474	4.9	95.1
Audit, IC, finance, risk	18	356	374	4.8	95.2
Strategy	2	48	50	4.0	96.0
Presiding	1	66	67	1.5	98.5
Banking, safety, other	0	75	75	0.0	100
Total	48	1062	1110	4.3%	95.7%

Significant demographic differences

The ages of the 5,164 board members range from 24 to 94. The average age of a board member in Europe is 58, which is also the average age for men; however, the average age for a board woman is 53.

The median age for board women is 51 compared to 61 for men, which reflects the growing supply and seniority of women in the workforce from the 1980s and 1990s that is starting to come through.



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About the EuropeanPWN Board Women Monitor 2008

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

This survey is the third 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

As in the previous two editions, the survey was carried out by Egon Zehnder International using data provided by BoardEx which is based on publicly available information. It focuses on the 300 largest companies in Europe by market capitalisation and is sorted based on the worldwide headquarters' home-country. The top European companies were based on the FTSEurofirst 300 Index⁸. In addition, for all countries at least 6 companies were included to ensure the data is significant. The data was collected on April 15, 2008. The data from the 2004 and 2006 survey are similar while not strictly comparable; the slight difference in data sourcing does not impact the conclusions.

⁸ FTSEurofirst 300 Index measures performance of Europe's largest 300 companies by market capitalization; index was developed with a base of December 31, 1985.



Statistics and Rankings

The 2008 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	98	9
Belgium	9	142	10
Denmark	6	83	15
Finland	8	101	26
France	56	860	65
Germany	44	1022	80
Greece	9	116	7
Italy	23	375	8
Luxembourg	6	69	5
Netherlands	19	227	28
Norway	6	95	42
Portugal	6	118	1
Rep. of Ireland	6	79	8
Spain	27	396	26
Sweden	16	197	53
Switzerland	23	333	22
UK	70	835	96
Total	340	5146	501

Rankings EuropeanPWN BoardWomen Monitor 2008 – 2006 - 2004

2008	Country	2006	2004
1	Norway	1	1
2	Sweden	2	2
3	Finland	3	3
4	Denmark	4	10
5	Netherlands	10	7
6	United Kingdom	5	5
7	Rep. of Ireland	7	NA
8	Austria	6	8
9	Germany	9	4
10	France	8	9
11	Luxembourg	16/17	NA
12	Belgium	12	12
13	Switzerland	11	6
14	Spain	14	11
15	Greece	13	NA
16	Italy	15	13
17	Portugal	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 Deloitte and Orange. Other corporate partners are IBM, Sodexo, Coca-Cola, Aon, Alcatel-Lucent, Cisco, Mexx and Mercer.

What is Egon Zehnder?

Egon Zehnder International was founded in 1964 with a distinctive vision and structure aimed at achieving two basic goals – to place our clients' interests first and to lead our profession in creating value for our clients through the assessment and recruitment of top-level management resources. The Firm specializes in assessing and recruiting business leaders with outstanding track records who will create competitive advantage and sustainable value.

Our culture of seamless collaboration and global knowledge sharing allows us to go well beyond recruitment in facilitating and influencing business relationships towards value creation. Underpinning our unique structure is our private ownership which ensures we are motivated solely by the desire to exceed our client's expectations and we remain independent of any outside shareholder interests. We function in three principal areas: executive search, management appraisal, and board consulting. The Firm has 60 offices, all of which are wholly-owned and has approximately 360 Consultants around half of whom are part of the single profit-centre partnership.

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.