

# European Professional Women's Network

## Press Release

### Second Bi-annual EuropeanPWN BoardWomen Monitor 2006 *Scandinavia Strengthens its Lead*

Paris, June 12 – The number of women on Europe's top company boards<sup>1</sup> is stagnating except in Scandinavia. Women occupy 8.5% of corporate boardroom seats, or 385 of the 4,535 positions considered, a tiny variation on the 8% found in 2004. The Scandinavian countries, through proactive policies and quotas are surging ahead. Norway has strengthened its lead, with 28.8% (up from 22%) board seats accounted for by women, after its government indicated they would introduce quotas of 40% this past year. Sweden (22.8%), Finland (20%) and Denmark (17.9%) are close behind.

The rest of Europe trails these countries, although the number of companies with at least one woman on the board has increased over the past two years (from 62% to 67.8%). The UK, for example, now has 85.9% of its boards boasting at least one woman, but overall the percentage of women directors has shifted by only 1.4 percentage points, from 10% in 2004 to 11.4% today. Italy and Portugal are still the laggards, with Belgium, Spain and Greece a little ahead. It should be noted, however, that Spain will put before parliament this month the same 40% quotas that seem to have propelled the Norwegians to the head of the league.

Companies seem to prefer another element of diversity, that of nationality, which is progressing more quickly. The survey shows that 22.7% of board directors are not the same nationality as their company, compared to 18% in our 2004 survey. In The Netherlands and Finland, many of the female directors (71% and 42%) had a foreign nationality.

This second EuropeanPWN BoardWomen Monitor, run by the European Professional Women's Network ([www.EuropeanPWN.net](http://www.EuropeanPWN.net)) in partnership with Egon Zehnder International and using data produced by BoardEx, tracks the number of women on the boards of Europe's top companies. Its bi-annual schedule seeks to evaluate the progress made on this dimension of board diversity.

## Detailed findings

### National Differences

The most significant variable in the accession of women into corporate boards remains the nationality of the company. And the most significant result of this second EuropeanPWN survey is how much progress the Nordic countries have made in two short years. Europe is still segmented into the three general groups regarding board gender diversity: Trail-blazers, Middle-of-the-roaders and the Slow going.

### The Trail-Blazers

As in 2004, the Scandinavian companies are setting the pace, but they have greatly increased their lead. Norway remains No.1 with 28.8% women on boards while Sweden is second with 22.8%, and Finland has jumped from 14% to 20%. Denmark has also joined the head of the group with 17.9%. These improvements are a direct result of highly proactive policies to increase the representation of women on corporate boards, including this year's introduction of quotas of 40% in Norway.

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<sup>1</sup> The FTSEurofirst300', see Survey Methodology for details



Country	% Companies with Women on board	% Women on board	Average number Women on board
<b>Trail-blazers</b>			
Norway	100	28.8	3.0
Sweden	100	22.8	3.7
Finland	100	20.0	2.2
Denmark	100	17.9	2.5
<b>Total</b>	<b>100 %</b>	<b>22.5 %</b>	<b>3.1</b>

### Middle-of-the-Roaders

The UK is leading this group with 11.4% of female board members. Austria, France and Germany follow with percentages around the European average (9.5%, 7.6% and 7.2% respectively). The French have risen by 1.3 percentage points, while the Germans have fallen by three points and remain largely made up of labour appointees. The Netherlands has fallen slightly from 7% to 6.5%.

Middle-of- the-Roaders	% Companies with Women on board	% Women on board	Average number Women on board
UK	86	11.4	1.4
Rep of Ireland	60	8.1	1.0
Germany	72	7.2	1.7
France	75	7.6	1.2
Austria	50	9.5	1.8
The Netherlands	50	6.5	0.8
<b>Total</b>	<b>75 %</b>	<b>8.6 %</b>	<b>1.3</b>

### Slow Going

Just as the Trail-Blazers are strengthening their lead, the Slow Goers are at risk of falling behind. Portugal (not included in the last survey) trails the European group with no women on boards. Italy has remained stable at around 2%. Belgium made progress (from 4.2% in 2004 to 5.8%) and Spain inched ahead from 3% in 2004 to 4.1%. Spain's recent plan for introducing quotas could see it amplifying this trend in subsequent years.

Slow going	% Companies with Women on board	% Women on board	Average number Women on board
Switzerland	58	5.9	0.9
Greece	57	4.4	0.6
Spain	48	4.1	0.6
Belgium	43	5.8	1.0
Italy	22	1.9	0.3
Portugal	0	0	0
<b>Total</b>	<b>41 %</b>	<b>3.8 %</b>	<b>0.6</b>

Certain countries have statistics that overstate the current situation for women in the private sector. The very top companies in each country are not representative of large firms in general, but usually outperform others not only in performance but also in their corporate policies. So, for example, across all its publicly listed companies, the average number of women on boards in Norway falls to a still high 18%<sup>2</sup>.

<sup>2</sup> at Jan 1st, 2006, up 2 points from June 30th 2005. Based on 491 listed companies



## Corporate champions have moved beyond tokenism

Country	Companies with four or more female directors	Companies with three female directors
Austria	Erste Bank	
Belgium	-	Belgacom
Denmark	Danske Bank	
Finland	UPM – Kymmene	Fortum, Neste Oil
France	Publicis, Sodexho Alliance	EDF, Pernod-Ricard
Germany	Deutsche Bank , Deutsche Post , Deutsche Post Bank , T-Online	Allianz, Deutsche telekom, Henkel, MAN, Metro, SAP
Netherlands	-	Royal Ahold, Royal Dutch SHELL
Norway	Statoil, Telenor	Orkla
Spain	FCC – Fomento de Construcciones y Contratas	-
Sweden	Electrolux, Foreningssparbanken, H&M, Nordea bank, Svenska Handelsbanken, Teliasonera	LM Ericsson, Investor, Sandvik
Switzerland	Swatch Group	Swiss Reinsurance
UK	AstraZeneca, Lloyds TSB Group	Centrica, HBOS, HSBC Holdings, Legal & General Group, Pearson, Scottish Power, WPP Group

### International comparisons

In comparison, recent studies in the US (by Catalyst), put the US figure for women on Fortune 500 corporate boards at 14.7% in 2005, up from 13.6% in 2003. Only 10% of US companies have no women board directors (compared to Europe's 32.2%). Europe's top companies, with the exception of the Scandinavians, are lagging well behind their American counterparts.

### Retail and Telecom Sectors Lead the Way

In terms of absolute numbers, more than 40% of female directors are on boards in five sectors: Banks, specialty and other finance, telecoms services, media and entertainment, oil & gas. In percentage terms, the sectors with the greatest percentage of women on boards are shown in the adjacent table.

These data can be analysed with some of the following comments. The household goods sector largely serves women who are the primary purchasers. The software and computer services sector is a relatively new sector, has sometimes been portrayed as being more open to women and in addition is facing a rather severe talent shortage, encouraging them to recruit all the best candidates – male or female. Banking and energy are industries that have made long-term efforts in attracting and promoting women.

SECTORS WITH MOST WOMEN on BOARDS	% Women on Boards
Household Goods & Services	18.8%
Software & Computer Services	17.9%
Luxury Goods	16.7%
Energy	16.7%
Forestry & Paper	15.6%
SECTORS WITH FEWEST	
Travel & Leisure	0%
Steel	0%

### Women on boards are frequently Employee Representatives

Interpreting the numbers requires taking into account that in several countries a significant number of the female board members are labour union appointees. For example, in France 10 of the 41 female board members were union appointees and in Germany, 66 of the 83. Of the board seats occupied by employee representatives, 17.9% were taken by women.



### Women in leadership positions extremely rare

Of the 385 board positions occupied by women, only 4 were described as being Chairwomen of the Board and 3 were CEOs. Many women leaders can be found in UK companies.

Country	Company with female Chair/CEO	Name and position
France	Publicis Groupe SA	<b>Elisabeth Badinter</b> (Chair)
	Pages Jaunes Groupe SA	<b>Stéphane Pallez</b> (Chair)
Spain	Banesto	<b>Ana Patricia Botin-Sanz de Sautuola Y O'Shea</b> (Chair)
Sweden	Skandinaviska Enskilda Banken	<b>Annika Bolin Falkengren</b> (President/CEO)
UK	3i Group	<b>Baroness Hogg</b> (Chair)
	Thomson Intermedia	<b>Sarah Thomson</b> (Joint CEO)
	Pearson	<b>Dame Marjorie Scardino</b> (CEO)

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

This survey is the second 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 women 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. And offers companies a benchmark of what is being done where with what results and benefits – for employees, markets and shareholders.

### Survey Methodology

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 Index<sup>3</sup>. In addition, for those countries (with the exception of Luxembourg and Ireland) that have less than 10 companies included in the "top 300" in Europe list, we added their next largest companies to offer a reasonable representation of each country. The data was collected in late March, 2006. The data from the 2004 and 2006 survey are similar while not strictly comparable. However, we do not think the slight differences in data sourcing in any way impact the conclusions.

### What is EuropeanPWN ([www.EuropeanPWN.net](http://www.EuropeanPWN.net))?

EuropeanPWN's mission is to create a pan-European voice for professional women to promote professional progress, power and impact. EuropeanPWN offers professional women an opportunity for networking with peers - both online and off - in cities across Europe. Regular monthly events with professional women across the continent are enhanced by a powerful interactive online networking platform and a resource-rich website.

EuropeanPWN's member networks are located in Austria (Vienna), Belgium (Brussels), France (Paris and Sophia Antipolis), Italy (Milan), the Netherlands (Amsterdam), Norway (Oslo), Switzerland (Geneva), the United Kingdom (London) and Spain (Madrid). Through EuropeanPWN over 2,500 international professional women from across Europe are connected. Corporate members of the European network are IBM, Deloitte, Alcatel, Cisco, HP and Mexx.

### 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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