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Session

"Equality in decision-making: diverse approaches for gender balanced corporate boards"

Background note

Advancing gender equality in economic decision-making

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Contents

1. Introduction

This **briefing note** provides relevant background information for participants at the plenary session 'Equality in decision-making: diverse approaches for gender balanced corporate boards' at the European Commission's Conference on Equality between Women and Men on September 19-20 2011 in Brussels.

Section 2 of the briefing note contains an overview of the current situation, EC policy, and the business case for women in decision-making in the economy. Section 3 focuses on good practices and strategies for improvement: what have been successful approaches, developed by governments, individual companies and other stakeholders, to address the underrepresentation of women on corporate boards. Section 4 contains key conclusions.

Annex 1 provides data on the presence of women on corporate boards and as chairpersons of Europe's largest listed companies. Annex 2 presents an overview of quota legislation in Europe. Annex 3 contains a list of reference materials and footnotes for further information and study.

The plenary **panel discussion** at the Conference will involve presentations on the Norwegian quota legislation for corporate boards, self regulatory measures for gender balanced boards (in the UK) and good practices by an individual corporation (from Germany) to improve the presence of women in senior positions.

2. Current situation

2. 1 Facts and figures

Despite their growing presence in the labour force in the EU, women are still **seriously underrepresented in economic decision making positions**, especially in senior management functions and on corporate boards. In 2010[1] almost 12% of board seats of Europe's largest listed companies were filled by women. This marked a modest increase from 2003 when 9% of board seats were taken by women. At this growth rate - half a percentage point per year - it will take another 50 years before a reasonable gender balance (at least 40% of each sex) on boards will be achieved. Moreover, women are almost completely absent in the leadership positions, as **CEO's and Chairpersons**: in 2010 only 3% are being led by a woman.

There are **significant variations** in the current representation and the rate of change of women on boards across Europe (see Annex 1). **Norway is leading the way** with almost 40% women on boards as a result of the quota legislation that came into force in 2008. In **Sweden and Finland** one out of four (26%) board members are women, and in **Latvia, Slovakia and Romania** women account for respectively 23%, 22% and 21% of board seats.

2. 2 EC policy to promote gender equality in decision-making

Equality in decision-making is one of the five priorities areas in both the Women's Charter and the European Commission's Strategy for Equality between Women and Men 2010-2015[2]. In both documents, the European Commission has reaffirmed its commitment to working to increase gender balance in decision-making positions. In particular, the Commission commits to consider targeted initiatives to improve the situation.

International commitments such as the Beijing Platform for Action[3] have been important in raising awareness and monitoring progress on the issue. To that end, the Commission has set up in 2004 a **database on Women and Men in Decision-making[4].** It reports on the situation on the basis on common indicators developed at EU level by the Council of the EU. **Moreover,** in 2008, the **European Commission's Network to Promote Women in Decision-making in Politics and the Economy**[5] was established to facilitate European-level cooperation, exchange of information and good practices. The European Commission reports on progress regularly and released in March 2011 the document **'The Gender Balance in Business Leadership'**[6], addressing the under representation of women in management positions, in particular in company boardrooms. In order to achieve Europe 2020 Strategy's employment target for women and men of 75%, it is necessary to ensure equal opportunities for women to enter and stay in the labour market and develop their careers.

It has been the Commission's intention to date to stimulate the corporate sector to voluntarily take action to achieve more gender-balanced boards. To this end, Vice-President Viviane Reding met with a group of CEO's and Chairs of large listed companies[7] from different European countries on the 1st March 2011 to discuss what measures they have taken and/or will be taking to arrive at more gender-balanced boards. In addition, at the introduction of the **'Women on the Board Pledge for Europe'**[8], Vice-President Reding called upon CEOs and/or Chairs of listed companies to commit to having at least 30% female board members by 2015 and 40% by 2020. She encouraged them to actively recruit qualified women to replace outgoing male board members and take all necessary measures to reach these goals.

In March 2012, the European Commission will **evaluate** the impact of the voluntary Pledge and the measures taken by companies. If insufficient progress has been made by then, the Commission will consider implementing other **measures at EU-level** to arrive at gender-balanced boards more effectively. This initiative has been supported by the **European Parliament** in their plenary meeting on July 6 at which a **non-binding resolution on Women and Business Leadership**[9] was adopted. The resolution was proposed by the Committee on Women's Rights and Gender Equality, following the report[10] by EP member Mrs Rodi Kratsa-Tsagaropoulou.

2.3 The importance of women in decision-making in the economy

Gender equality in economic decision-making is not a 'women's issue' but a business imperative. The prevailing arguments are multiple, complex and include[11]:

- **Improved performance**
  An increasing number of reports[12] from various countries and business sectors indicate that there is a positive correlation[13] between a higher share of women at top levels and a company's organizational and financial performance. In line with these findings, some investment firms[14] have set up 'gender equity' funds, solely investing in companies with a large share of women in senior management in the expectation to outperform the general market.

- **Enhanced quality of decision-making**
  Academic articles[15] have pointed towards the effect that diversity may improve the quality of decision-making. By taking into account a wider range of perspectives, a more thorough critical analysis of the issues is reached. The best decisions are taken when neither excessive diversity nor excessive homogeneity are present. Increasing women's board presence has been seen to enrich board information, debate and decision-making in Scandinavian companies[16].

- **Improved quality of corporate governance and ethics**
  Studies[17] have shown a positive correlation between relatively high shares of women on boards with the quality of corporate governance and ethical behaviour.

- **Better utilization of the talent pool**
  More than half of the students (nearly 60%) graduating from Europe's higher educational institutes are women[18]. By not including them in decision-making positions, female (top) talent

will be seriously underutilized and the quality of appointments may be compromised since the talent pool will be limited.

- **Mirroring the market**
  Women make around 80% of consumer purchasing decisions[19]. Companies that can relate to customers' needs with a balanced leadership team stand to gain market share and create better products and services for female consumers needs.

- **Driver for innovation**
  Employees with different backgrounds have different experiences and hold a variety of perspectives on issues, which contribute to team creativity and innovation[20]. Diversity can be linked to the company's innovation strategies needed to compete in the market. A company's diverse workforce and innovation strategy differentiates it from its competitors and enables to access new customer groups.

Next to the business imperative described above, women's access to positions of power in the corporate world is also one of **equal representation, democracy and justice** (human rights). After all, the majority of EU's population are women and their participation in decision-making at the highest level in companies should therefore be natural. Women's presence will lead to more balanced decision-making processes since they will take into account the needs of the whole population. In addition, decisions made by teams consisting of all constituencies, or in this case consumer groups, ensure **acceptance and legitimacy** of outcomes.

2.4 The challenges for women to reach top positions

The challenges for women to reach top positions in corporations can be found at three levels that interact and influence each other during the course of a woman's career.

- **Society level**
  First of all, obstacles can be found in the expectations and prejudices about **women's role** in society. In many cultures women are expected to take care of (most of the) household and care tasks and working mothers are criticized. Stereotypes around leadership positions and the necessary style and behaviours make it more difficult for women to aspire to top positions. In addition, access to sufficient (child/other dependants) care facilities of good quality and other **support mechanisms** (such as access to and opening hours of facilities and shops) may form practical barriers. In some countries **taxation** and benefit policies do not stimulate, or even discourage, women from working. At the **educational level**, women choose to follow studies that often do not provide the best preparatory ground for senior leadership in the corporate world.

- **Company level**
  The lack of opportunities for **flexible or part time working** may decrease the female talent pool for senior positions at an early stage. Most common obstacles cited by women to get promoted from middle to senior management are the lack of access to **informal networks,** the absence of female **role models** and the lack of **challenging positions** open to them. Some elements in **corporate culture**, such as valuing long working hours over output, may make it more difficult for women with care responsibilities to combine a high level position with raising a family or taking care of other responsibilities. Certain choices or expectations in **career development**, such as the preference for staff functions and supporting roles over line management, may lead to diminished chances and lack of necessary experience for top roles. **Gender bias** in the recruitment, selection and promotion system may further diminish women's chances.

- **Individual level**

Obstacles can be found in the **individual choices** women make in the course of their career, often in relation to their other responsibilities and influenced by social pressures. Especially when raising a family, many struggle with creating a workable work life balance. At middle management level women often make career choices, such as preferring supporting or staff roles that typically do not lead to a top position or board membership. Women may be reluctant to **self-promote** and as a consequence they are **less well-known** and **less visible** as candidate in circles where new board members are recruited.

3. Good practices and strategies for improvement

Across Europe a wide variety of instruments and initiatives has been developed to address the underrepresentation of women in senior management positions. In many countries a mixture of these instruments and initiatives are deployed. They can be divided into four major categories, of which the first three may be seen as voluntary commitments:

- Individual company's programs, such as developing the business case, setting targets and developing tools like mentoring and training programs;
- Cross-company or sector initiatives[21], like Prizes, Awards and Charters;
- Industry self-regulation instruments, like corporate governance codes;
- Government legislative and policy initiatives, like quota laws.

Other instruments, such as diversity labels, rankings and compendiums of good practices typically regard organization's overall diversity policy, in which the representation of women in senior management may or may not be taken into account as one of the factors.

3.1 Good practices in companies

Developing the business case

Good practice companies start with developing a diversity strategy linked to their **overall business strategy** by composing the so-called **'business case'**. The business case provides arguments and underlying numbers about the strategic goals of the organization and the ways a diverse workforce will contribute to the realization of these goals. Based on a macro-economic analysis of labour market developments, it will demonstrate the need to recruit, develop and retain female talent. The business case builds the case to cater for the needs of women's different life cycle choices and specific requirements for work life balance and career development. Important part of the business case is the system to set targets, monitor progress and feedback into the strategic plans. In business one says: 'If it gets measured, it gets done'.

Good practices typically include creating **flexibility in career paths,** for instance by allowing parents to take time out or temporarily work part time without penalty of being thrown off the career track. Technological developments allow companies to enable **(tele)working from home.** Instead of evaluating employees on their physical presence in the office and long working hours, companies are increasingly valuing workers on their output. Women actively seek out companies that make use of technology and have an **output-driven culture.**

The female talent pool for senior functions can be enlarged by requiring that **lists of candidates for promotions** and top positions, both internal and external when recruiting from the outside, contain a minimum number of women. In addition, high profile positions need to be **advertised** and **selection procedures** made more transparent.

Raising awareness of possible gender bias in the organization and learning to use tools to create an inclusive culture have become part of good practice companies' training courses for managers. **Women-only leadership development programs** are a vital instrument in preparing women leaders for challenges ahead. In addition, a variety of **mentoring and coaching programs**, both inside the company and external, benefit women in various ways; not only do women learn how to navigate corporate culture from experienced, often male, leaders, they also become known in the circles of leaders that decide on promotions and challenging jobs leading to visibility and senior positions.

Good practice companies invariably have established a **corporate women's network**, which provides a platform for women to share their experiences and connect across all levels of the organisation. Senior women take their status as **role models** seriously and actively engage with women in the pipeline to share their experiences and act as mentors.

Crucial elements in successful programs to promote women to top positions are the **engagement and drive of the top level executives**, in particular the CEO. By setting the example and rewarding good behaviour among peers, **CEOs** have a vital role to play in shaping company policies that will enable women to become part of the power structure at the top.

Setting targets
In 2010, **Deutsche Telekom**, a majority government-owned listed company in Germany, voluntarily implemented **female targets for management positions.** At least 30% of management positions across all subsidiaries worldwide will have to be filled by women by 2015. A group-wide policy has been introduced in the areas of recruitment and HR development (with the aim of creating transparency), setting and monitoring targets, and instruments such as individual re-entry options after parental leave or a sabbatical. Penalties for non-compliance are included in various ways.

3.2 Cross company and sector initiatives

Many **prizes and awards** reward organization's excellent performance on themes such as work life balance and equal pay. Only a few address the topic of women in managerial positions, such as the **'Women managers' friendly company'[22] Award in Slovenia.** This Award has been awarded since 1991 to companies with more than 50 employees at which one third of managerial and leading positions are taken by women.

The **Danish 'Charter for More Women in Management'**[23] was launched by the Minister for Equality as a tool to battle vertical segregation and in response to the political majority favouring voluntary initiatives as opposed to quota legislation. The signatories (64 in 2010) are large companies committed to undertake concrete actions to increase the number of women in management. In addition, the Danish Minister for Gender Equality has introduced recommendations to improve the representation of women on supervisory boards (Operation Chain Reaction). The **Dutch Charter 'Talent to the Top**'[24] (2008) aims to realize and preserve a continuous smooth flow of women into top positions and has over 180 signatories from the private and public sector. Signatories commit to carrying out an assessment of the situation (with a focus on women in operational as opposed to supporting and staff roles), setting clear and measurable targets, implementing actions and reporting annually on progress. The Monitoring Committee (May 2011) reported an average growth of 7.5% (over 2008 and 2009) of women in senior management at the participating organizations, in line with the set target of 21.4% in 2013.

In **Germany,** the largest listed companies (DAX30) promised to set **voluntary targets** for women at top management level by the end of this year[25] in an effort to avoid much stricter regulatory measures and counter criticism from shareholders. A number of companies, like Siemens, SAP, BASF, EON and Daimler, have taken concrete action to appoint women to their boards in the last year.

The FTSE100 Cross-Company Mentoring Program was set up in 2003[26] by UK's leading company in executive coaching Praesta. The program addresses one of the key causes for the underrepresentation of women on boards: potential women candidates were unknown to those in the recruitment, selection and decision-making processes. The program aimed at linking able, ambitious senior women (the **'supply' side**) with corporate Chairmen and CEOs (the **'demand' side**) through a program of mentoring relationships across participating companies. Currently the framework has been implemented in 12 countries, including France, Canada and Australia, and participating companies have reported gradual increases in numbers of women on their boards.

3.3 Industry self-regulation

In many EU countries the private sector has included recommendations or requirements for (gender) diversity in their **corporate governance codes**[27]. This is the case in Austria, Belgium, Denmark, Finland, France, Germany, Luxembourg, the Netherlands, Poland, Spain, Sweden and the UK. This tool of self-regulation relies on peer pressure within organizations in combination with outside pressures from stakeholders and the media instead of introducing and enforcing concrete or legal penalties. When the codes apply the principle of 'comply or explain' a company is obliged to explain non-adherence to any part of the code in its annual report, first of all to its shareholders and in general to society. This creates transparency and puts further pressure on companies to comply. Corporate governance codes typically apply to large and/or listed companies only but can be followed by other companies voluntarily.

3.4 Government legislative and other policy initiatives

The introduction of quota legislation for the minimum representation of each gender on corporate boards in Norway (see 3.5 below) has sparked wide-spread debate and action across the EU. In a number of EU-countries, such as the UK, Finland, Sweden, Spain, France, the Netherlands, Italy and Belgium, different approaches have been taken (see Annex 2).

The main **arguments used against the use of quota law** as a means to improve the presence of women in top levels of corporations are that it violates the companies' autonomy and the right of owners to select their own board members based on their own criteria. Another frequently used argument is the lack of qualified women to fulfil board positions, which may well be a ***perceived*** lack based on prejudices about women's abilities and their roles in business and the fact that the regular talent pools for recruitment often did not include female talents in the past.

In **Spain** the **'**Law on Effective Equality between women and men' (2007) recommended that companies with more than 250 employees and listed companies (IBEX 35) have to gradually appoint women on their boards until a proportion of between 40 % and 60 % of each gender has been reached by 2015. When companies apply for the equality label, public subsidies or state administration contracts, (non-)compliance with the law might be taken into account in the awarding process.

In **France,** listed companies and companies with at least 500 employees and revenues over € 50 million are obliged to appoint at least 20% women on their boards within 3 years (2015) and 40% within 6 years. The appointment of a board member who does not meet the gender criteria will be invalid and he/she will not receive the (financial) benefits attached to the position.

The Netherlands adopted a legal target to achieve a minimum representation of 30% of each gender on boards (executive and supervisory) for large companies (over 250 employees, both listed and not listed) per January 2016. (Non-) compliance and action plans to achieve the target must be included in the annual report. The law is a temporary measure and relevant articles will be automatically deleted in 2016.

Italy introduced quotas of one third of each gender by 2015 for boards of directors and statutory auditors' boards of listed companies and state-owned companies. Sanctions are progressively a warning, followed by fines and ultimately forfeiture of the offices of all members of the board.

Belgium adopted a law imposing one third of each gender in management boards of state and publicly listed companies. State companies will be granted one year to comply, listed companies five years and small to medium-sized (listed) firms eight years. Sanction for non-compliance is the loss of benefits by board members until the quota law has been complied with.

Other EU member States implement a voluntary approach to promote gender balance in boards:

The 2010 **UK Equality Strategy**[28] introduced a new approach of government working together with business to develop **business-led initiatives** to promote women on boards. An **Independent Review into Women on Boards** was commissioned, led by **Lord Davies**. The review[29] (February 2011) included recommendations for UK listed companies (FTSE 100) to aim at having at least **25% female board members by 2015**. In addition, FTSE 350 companies were encouraged to set their own targets which were expected to be higher than 25%. Other recommendations refer to companies **disclosing** the numbers of women working at each level of the company and investors to take into account compliance with these recommendations when considering new or re-appointments to company boards. Furthermore, companies should **advertise board vacancies** and **executive search companies** should address the issue of sufficient diversity in a voluntary code of practice. The **UK Corporate Governance Code** may be amended to require listed companies to establish a policy concerning boardroom diversity. Lord Davies emphasized that setting targets for female representation on boards is about 'improving **business performance** because growing evidence shows that diverse boards are better boards, delivering financial out-performance and stock market growth'. In response to Lord Davies' Report, 20 leading executive search firms announced the introduction of a **voluntary code of conduct** for their industry[30] on July 22 2011. It states that 'search firms should look at overall board composition and, in the context of the board's agreed aspirational goals on gender balance and diversity more broadly, explore with the chairperson if recruiting women directors is a **priority** at this occasion'.

Finland has relied on a multi-faceted strategy to increase the number of women on boards of private companies. Currently women take up 26% of board seats in the largest listed companies (OMX Helsinki 25). Government set a clear target of having at least 40% women on boards of state-owned companies and achieved it. The 2008 corporate governance code[31] included the recommendation that 'both genders shall be represented on the board'. The Finnish media played an important role; by publishing both positive and negative examples put extra pressure on companies to make the necessary changes and avoid negative publicity.

Sweden's largest listed companies (OMX Stockholm 30) have around 26% of board seats filled by women[32]. Boards of wholly owned governmental enterprises count 51% women and 35% female chairpersons. The Swedish corporate governance code (2004) states that companies need to 'strive for equal gender distribution on their board'. Middle size and large companies are obliged to disclose the numbers of women in top levels, which helped making the issue more transparent.

3.5 Developments outside the EU

The **Norwegian Gender Equality Act** (1981) required that 40% of each gender should be represented on publicly appointed boards, councils and committees. In 2004 the requirements were extended to boards of publicly owned enterprises and in 2006 (in effect as from 2008) to large joint stock companies in the private sector. It led to a dramatic and fast increase from 6% women on boards of public limited companies in 2002 to 36% in 2008[33]. The law was introduced by the **Minister of Economic Affairs**, citing the arguments that gender-balance on boards was 'good for business' and the need to use all talents available for realizing economic growth in the future. Due to the fact that Norwegian society was accustomed to quota as a means to address inequalities in society, politicians were willing to go this route after having given companies ample opportunity to correct the imbalance themselves. A large pool of female candidates to take up board responsibility[34] was identified, trained and mentored. Cooperation between all stakeholders (government, employers, companies, unions, women's organizations) led to the creation of necessary support systems. The implementation of legal sanctions in case of non-compliance, ranging from official warnings and financial penalties to ultimately delisting of the company from the Stock Exchange and forced dissolution for breach of the Companies Act has ensured a high degree of compliance. A number of companies changed their **legal status** with the aim to prevent having to comply; a few changed status because they wanted to comply.

The impact on private (non-listed) limited companies has been less impressive since the share of women on those boards grew from 15% (2004) to 17% (2009) only. This may be caused by the high demand for qualified women for public companies' boards and the attitude of private companies' management that the quota law will not become applicable to them. In addition, the numbers of women leading companies as CEO or Chair have not improved at the same rate (from 4% in 2005 to 13% in 2010) either, so the **'trickledown effect'** of the law has been limited so far. Preliminary results of a survey among current board members by the Institute for Social Research in Oslo[35] indicate that the initial resistance in the private sector against the law's applicability has now disappeared and that **'boards just get on with business like before'.**

The **USA** does not regard quota as a means to improve the representation of women on boards. However, the **Security & Exchange Commission governance rules** nowadays require companies to disclose if and if so, how the company's nominating committee has considered diversity in identifying board candidates for appointment.

The **Australian** Corporate Governance Code (2010) included the recommendation that 'companies should establish a policy concerning diversity and disclose the policy or a summary of that policy'. In 2010 the federal government announced striving for a target of 40% women and 40% men on government boards and committees, and some regions have introduced mandatory quota. The debate to implement legal gender quota for corporate boards is ongoing.

4. Conclusions

- The many initiatives taken to date have created **awareness** and increased **pressure** on companies and governments to improve women's access to the decision-making power in the corporate world. However, **progress has been glacially slow** and more action is needed to reach gender balance in economic decision-making positions.

- By far the **most effective instrument** has been the Norwegian quota law, but other **relatively effective strategies** can be found in Finland and Sweden. These strategies contain elements of effective corporate governance codes, leading to transparency, accountability and peer pressure, an active role of the government (in the form of target-setting for state-owned companies' boards), a constructive role of the media and global policies in favour of gender equality.

- The **major challenge** in most countries is how to overcome **resistance** from the public and the corporate sector against quantified voluntary targets and legal quotas for board positions. The Norwegian experience has learned that after the implementation of quotas the resistance fades away and boards 'just get on with business like before'.

- **Successful EU Member State strategies to achieve gender balanced boards** may include these elements:
    - An **active role of the government** in leading the change, for instance through target-setting for women's representation in the public sector including for boards of state-owned companies and institutions.

- Implementation of **policies** addressing the current obstacles for women to reach top positions, such as measures to reconcile work, family and private life for both women and men; fight against gender stereotypes in education and in the labour market; and engaging men in the debate.
- A **monitoring and measuring system** at country level, tracking progress and signalling effective approaches for further dissemination. Regular data collection, reporting and publication of results in order to increase pressure on boards to make changes.
- The introduction of an **adequate system of positive encouragement** (such as awarding government contracts or labels) and the use of **corporate governance codes** including **a** requirement to 'comply or explain', could further **enhance accountability** and put pressure on the need for corporate boards to strive for gender-equality at their top levels.
- **Active participation of all stakeholders** -such as companies, investors, social partners organisations, executive search firms, civil society, women's organisations and networks - to develop and implement measures and initiatives, and exchange of **good practices** between all actors involved.

ANNEX 1 – Women on corporate boards and as Chairs of the board (2005 – 2010)

Country	% Women on corporate boards		% Women Chairpersons	
	2010[36]	**2005**	**2010**	**2005**
EU-27	***12***	***10***	***3***	***3***
Belgium	10	6	0	0
Bulgaria	11	19	13	15
Czech Republic	12	11	9	2
Denmark	18	11	0	0
Germany	13	12	3	0
Estonia	7	13	7	0
Ireland	8	6	5	2
Greece	6	7	0	0
Spain	10	4	3	4
France	12	7	3	4
Italy	5	3	3	4
Cyprus	4	7	5	0
Latvia	23	19	9	7
Lithuania	13	11	3	0
Luxembourg	4	3	0	0
Hungary	14	10	8	5
Malta	2	3	6	0
The Netherlands	15	7	0	0
Austria	9	7	0	2
Poland	12	11	5	8
Portugal	5	6	0	2

Romania	21	13	0	2
Slovenia	10	19	6	19
Slovakia	22	11	10	6
Finland	26	21	4	0
Sweden	26	24	0	0
United Kingdom	13	12	0	0
Outside the EU				
Iceland	16	7	0	0
Norway	39	29	13	4
Australia[37]	8.4	2.5	8.7 (2006)	2
Japan	1.2	NA	NA	NA
USA[38]	15.7	14.7	2.6	NA

ANNEX 2 – Schedule Quota legislation in selected European countries

Country	Required % women	Applicability[39]	Timing	Penalties for non-compliance
Norway	40% of each gender	Listed co's, (inter-) municipal, state-owned, cooperative co's	Per Jan 2008	Official warning; fines; ultimately delisting and dissolution of co.
Spain	40% of each gender	Public companies with more than 250 employees and IBEX-35 co's	Per 2015	No penalties, but possibility of gaining priority status for government contracts
France	At least 20% in 3 years and 40% in 6 years	Listed companies Co's with more than 500 employees or turnover/asset of more than € 50 mil.	2 phases: 1st 3 years (20%) 2nd 3 years (40%)	Annulment of board appointments
Nether-lands	At least 30% of each gender at executive and supervisory boards	All companies, regardless of listing, ownership, private/ public, with more than 250 employees (or turnover criteria)	Per 2016	No sanctions in law Comply, or explain in annual report and publish action plan to address
Italy	At least 20% of least represented gender per 2012 At least 30% of least represented gender	Listed co's, co's with public participation and with state-ownership	2 phases: 2012: 20% 2015: 30%	Verbal sanction by Consob[40] ; fine (up to E 1 mil.); decadence of board (illegal)
Belgium	At least 1/3 women on boards	State-owned co's as from 2012; Listed co's per 2016; Small and medium sized listed co's per 2018; Co's with less than 50% shares listed per 2018	Per legal status of co.	Temporary loss of financial and non-financial benefits by board members

ANNEX 3 – List of reference materials and footnotes
Reference materials

- Database on women and men in decision-making, European Commission, DG Justice: http://ec.europa.eu/justice/gender-equality/gender-decision-making/ database/ index_en.htm
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- European Corporate Governance Institute: http://www.ecgi.org/codes/all_codes.php
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Footnotes

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[1] Database on women and men in decision-making, European Commission, DG Justice: http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm
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[3] http://www.un.org/womenwatch/daw/beijing/platform/plat1.htm
[4] http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm
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[10] http://www.europarl.europa.eu/meetdocs/2009_2014/documents/femm/pr/858/858914/858914en.pdf
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[16] 'Gender related board room dynamics', M.Huse, A.G.Solberg, 2006
[17] 'Gender differences in ethical perceptions of business practices', G.R. Franke et al., 1997; 'Women on Boards. Not just the right thing, the bright thing', Conference Board Canada 2002; 'Gender difference in ethical decision-making', S. Glover et al., 2002.
[18] Report from the European Commission on Equality between women and men, 2010
[19] 'Women want more', by M.J. Silverstein, K. Sayre, 2009 (Boston Consulting Group)
[20] See note 15
[21] See 'Non-legislative initiatives for companies to promote gender equality at the workplace', 2010
[22] "Managerkam prijazno podjetje" by the Managers' Association of Slovenia: http://www.zdruzenje-manager.si/en/work/
[23] 'Charter for flere kvinder i ledelse' : http://www.kvinderiledelse.dk/
[24] Dutch Charter 'Talent to the Top': http://www.talentnaardetop.nl/
[25] http://www.ft.com/intl/cms/s/0/8e6bf8be-5b7f-11e0-b965-00144feab49a.html#axzz1SBRYx8ao
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[33] 'Gender Quotas in Norwegian Corporate Boards', M. Teigen, April 2010

[34] The Female Future program of NHO (Confederation of Norwegian Business and Industry): www.nho.no/ getfile.php/filer%20og%20vedlegg/In_response_to__ilo_-_Female_Future_doc_short_version1.pdf

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[36] Database on women and men in decision-making, European Commission; data collected between 27/09/2010 and 08/10/2010 : http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm. Companies covered are largest publicly listed companies in each country (shares traded on StockExchange). Board seats refer to supervisory board in case of two tier systems.

[37] http://www.eowa.gov.au/: top 200 companies listed at Australian Stock Exchange

[38] Catalyst: Fortune 500

[39] Applicability to type of company, like public, private, state-owned, listed/unlisted, certain size etc.

[40] Consob : Commissione Nazionale per la Società e la Borsa, Italy's official body for regulating and supervising companies and stock exchanges