



EUROPEAN WOMEN SHAREHOLDERS  
DEMAND GENDER EQUALITY

[www.ewsdge.eu](http://www.ewsdge.eu)

# GENDER BALANCED LEADERSHIP EUROPEAN WOMEN SHAREHOLDERS PAVE THE WAY

PROJECT DOCUMENTATION 2014-2016



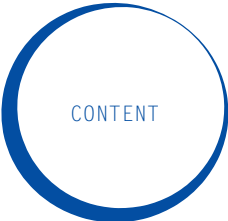


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# 1

## EXECUTIVE SUMMARY AND RECOMMENDATIONS

## EUROPEAN WOMEN SHAREHOLDERS DEMAND GENDER EQUALITY (EWSGDGE)

The EWSGDGE project's ([www.ewsdge.eu](http://www.ewsdge.eu)) aim is to achieve gender balanced leadership in companies (section 2). The project, mostly funded by the European Commission as well as the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ), the Ministry for Justice and Equality of Saxony-Anhalt, the Finnish Chamber of Commerce and the German Women Lawyers Association (djB), ran from 16<sup>th</sup> of May 2014 until 15<sup>th</sup> May 2016.

It is a successor to the highly successful German *Aktionärinnen fordern Gleichberechtigung* project that ran for five years (2009–2014), led by the djB. The djB decided to find partners to replicate the project at European Union (EU) level. In 2013 the djB, acting as coordinator for the EWSGDGE project proposal, found several partners: the European Women Lawyers Association (EWLA) and national women lawyers associations (EWLA Bulgaria, the French Women Lawyers Association (A.F.F.J.) and the Hungarian Women (Advocate) Lawyers Association). This large network enabled the djB to find and bring together the national coordinators for Belgium, Bulgaria, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom. The Finnish Chamber of Commerce took on the role of advisor, so too the University of West of England. The University of Applied Sciences Magdeburg-Stendal was

in charge of the evaluation of the EWSGDGE project and produced an EWSGDGE Short Film. The Ministry for Justice and Equality of Saxony-Anhalt hosted the project meetings and the final conference.

The idea is a simple, yet effective one: the EWSGDGE project would visit Annual General Meetings (AGMs) of the EURO STOXX 50 index companies as well as a selection of the BUX, SOFIX and FTSE 100 indices companies during the first half of 2015, submitting a questionnaire to ask the (Supervisory) Boards for detailed information about women's representation in leadership positions of their companies (Executive and/or Supervisory Board, but also other management positions) as well as about the companies' overall activities and achievements in relation to promoting women's careers (for example, the accelerated women's management programmes).

Between January and September 2015, 125 listed companies in 11 Member States were engaged in EWSGDGE activities (section 3). Their AGMs were visited and/or they were asked orally and/or in writing to answer the specific questionnaire developed by the EWSGDGE project.

105 activists undertook an impressive number of activities: created and maintained the EWSGDGE website, established contacts with representatives of the companies, drafted the national toolkits, prepared the AGM visits, wrote press releases, organised preparatory national workshops, were spea-

kers at AGMs, were minute takers at AGMs, held national meetings, organised press conferences, implemented national conferences, developed analysis and disseminated the EWSDGE project idea, held meetings with Chief Executive Officers (CEOs), produced the EWSDGE Short Film.

The EWSDGE project also monitored the respective legislative progress of the Women on Board Directive at European level (section 4.1). In addition, the national coordinators submitted proposals for the transposition of the CSR Directive (section 4.2).

It was evident from the EWSDGE activities that there is no level playing field in Europe: no uniform legislation that would enable women (or men) to enforce rights or to strive for diversity. Besides appropriate and necessary legislation the “pipeline” is of special interest because it is an evidenced-base of progressing women onto Boards.

We are planning further concrete steps (section 5.1). We are convinced that we are able to pave the way to gender balanced leadership with our activities. We wish to continue the EWSDGE activity at national levels, at a minimum in France, the UK and Spain as well as in Germany. This is all the more important taking into account that the Women on Board Directive is currently blocked at the level of Council of Ministers. It is desirable, and the evidence demonstrates imperative, that the EWSDGE activity is developed by increasing the

number of selected companies and making face-to-face contacts with selected women employees from those companies. It is important that companies are obliged to provide easily accessible and timely information regarding the dates and times of AGMs, information rights for shareholders and facilitate transnational proxies. It is crucial that speakers advocating gender equality are treated with respect. Companies should be obliged to provide publicly available, timely, full written answers to written questions submitted to the companies with regard to gender and CSR issues.

The EWSDGE project also put forward a set of recommendations on the basis of our main findings (section 5.2). These findings are based on convincing and overwhelming evidence from over a decade of cumulative research, action and revision throughout the EU. This evidence base includes results from previous projects in Germany, Spain and France, as well as all of the activities of the EWSDGE project itself over a two-year period. It is equally informed by the Finnish experience, independent national and international literature and good practice across the globe.

The EU is seen as a world leader in gender equality principles, policy and laws. It negotiates as a block on the international stage on gender equality issues at, for instance, the United Nations (UN). This is a heavy responsibility for the EU, one it can meet with pride. These recommendations help retain its place as leader on the world stage.



# RECOMMENDATIONS OF THE EWSDGE PROJECT



## **Ambitious legislation and policies at European and national level are necessary**

1. Adopt binding gender quota legislation.
2. Governments to make a political decision to require 40 per cent representation of both genders on Boards of state-owned companies.
3. Increase transparency concerning female representation in corporate structures.
4. Prepare studies and statistics on women in leadership positions.
5. Positively develop the equal pay provisions in line with transformative equality.
6. Strengthen the link between gender equality principles and public procurement.
7. Develop benefits for companies implementing sound, evidenced gender equality policies.
8. Develop effective and smart sanctions for non-compliant companies.
9. Complement the Europe 2020 strategy with transformative gender equality measures.



## **Companies need to act and change their corporate culture**

10. Develop and implement the leadership “pipeline” and provide a female talent pool.
11. Realize that women in decision-making positions is a business case.
12. Develop, communicate, implement and monitor gender equal corporate strategies.



## **Change of perception in society is needed**

13. Recognize and implement equality between women and men as a fundamental right.
14. Encourage and implement gender-sensitive education.
15. Launch public awareness-raising campaigns on gender balanced leadership.



2

INTRODUCTION

The aim of the EWSDGE project has been to progress gender balanced leadership; it has been successful in this regard.<sup>1</sup> It has followed others who came before in progressing the agenda of more women on company Boards further up the political agenda.

## 2.1 BACKGROUND: SOME NATIONAL EXAMPLES

The EWSDGE project was built on successful national examples. For instance, the German project *Aktionärinnen fordern Gleichberechtigung* that lasted five years (2009–2014) other examples are detailed below from France, Denmark, the United Kingdom (UK), Turkey and Spain. All of these led to transformative change, including binding quota laws and change in perception in the companies, introduction of family friendly policies as well as a certain increase in females on Boards. Some of these projects are still running.

“Tout a commencé en **France**”

In 2003 the French Women Lawyers Association A.F.F.J.<sup>2</sup> and the *Cercle Montesquieu*<sup>3</sup> awarded a prize *Génération parité* for companies promoting women in decision making positions. This idea was taken up by the French State Secretariat Equality

between Men and Women creating a label *equality* for companies that were positively engaged with gender equality. 120 listed companies completed a questionnaire concerning their gender equality policies, naming best practices, the percentage of women employed on the different management levels etc. These activities on their own were not sufficiently successful and therefore led to the *Copé-Zimmermann* law<sup>4</sup> that introduced quotas for Boards, alongside sanctions for non-compliance. The statutory provisions were effective with regard to the adoption of diversity policies in French companies.

In **Denmark** *Best.Women*<sup>5</sup> bought stocks in companies with no or very few women on their Boards or Executive Committees from 2008 on. This allowed the Danish activists to participate in the AGMs where they posed critical questions concerning the companies’ policies to promote gender diversity and to improve career opportunities for women. They also took an active part in the Danish debate on gender diversity and women in leadership. In their view, progress is far too slow and therefore they still support gender quotas that are not in place yet and believe that it is

<sup>4</sup> See law n° 2011-103 of 27<sup>th</sup> January 2011 on gender equality within company management and Supervisory boards, [www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000023487662](http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000023487662)

<sup>5</sup> A non-profit, volunteer organisation working to promote women’s representation on the boards and executive committees of the major listed companies in Denmark, activities can be followed on [www.bestwomen.dk/bw\\_wp](http://www.bestwomen.dk/bw_wp)

<sup>1</sup> [www.ewsdge.eu](http://www.ewsdge.eu)

<sup>2</sup> Association française des femmes juristes (A.F.F.J), [www.affj.asso.fr](http://www.affj.asso.fr)

<sup>3</sup> [www.cercle-montesquieu.fr](http://www.cercle-montesquieu.fr)

absolutely essential to continue shareholder activism in order to ensure that the big companies live up to their corporate social responsibilities. *Best. Women's* focus in the coming years is to put pressure on the companies to initiate appropriate policies that help to increase the number of women at Executive Management level. Such policies include mentor programmes for young female leadership candidates, promoting and reporting on equal pay, programmes that support women returning to work from maternity leave, encouraging a culture where internal meetings in the organisation are held before 3 p.m. and so forth.

The blueprint for the EWSDGE project was an action of the German Women Lawyers Association (djB): From 2009 to 2014 the djB conducted the federally funded project *Aktionärinnen fordern Gleichberechtigung/Women Shareholders Demand Gender Equality* in **Germany**. This involved exercising the right according to § 131 of the German Federal Companies Act (Aktiengesetz), at shareholder meetings, for in-depth information going beyond the statistics in public company reports. Several years in a row the 30 DAX corporations and 45 other listed companies were asked to delineate what specific measures they were undertaking to counteract the absence or underrepresentation of women on Supervisory and Managing Boards as well as in other Executive positions at all management levels – and what, if any, progress was being made. Approximately 160 female participants addressed over 400.000 shareholders at

more than 300 AGMs. The project also entailed both extensive public relations activities as well as comprehensive analyses annually. The combined efforts were successful: A German quota law is now in place. Since then, there are similar activities on a voluntary basis.

In the **UK**, several voluntary initiatives have existed for a number of years. One is the *30 per cent Club*<sup>6</sup> (**Ireland** joined in 2015): It was launched in 2010 with a goal of achieving 30 per cent women on FTSE 100 Boards by end 2015. The *30 per cent Club* aims to develop a diverse pool of talent for all businesses through the efforts of its Chair and CEO members who are committed to better gender balance at all levels of their organizations. It does not believe mandatory quotas are the right approach. Instead, it supports a voluntary approach in order to realize meaningful, sustainable change. *30 per cent Club* efforts are complementary to individual company efforts and existing networking groups, adding to these through collaboration and the visible and voluntary commitment of senior business leaders. In addition to the critical recognition that better gender balance leads to better results, five factors created a replicable formula for success:

- a measurable goal with a defined timetable,
- political consensus that the status quo was unacceptable,

<sup>6</sup> [www.30percentclub.org/about/who-we-are](http://www.30percentclub.org/about/who-we-are)

- change driven by those in power,
- openness to collaborate,
- a concerted and consistent series of actions and programmes, from schoolrooms to Boardrooms.

In **Turkey**, the Sabanci University has demanded gender diversity in Turkey's Corporate Boards implementing the *Independent Women Directors* (IWD) project<sup>7</sup>, with the financial endorsement of the General Consulate of Sweden in Turkey and in strategic partnership with *Egon Zehnder International Turkey*<sup>8</sup>, since 2012. The project encourages the implementation of Capital Markets Board's (CMBT) *Comply or Explain* recommendation to set gender diversity targets for corporate Boards, aiming to help companies to give priority to women when nominating independent directors. The IWD project, which is a member of *Global Board Ready Women Initiative*<sup>9</sup>, promotes Turkish women to hold more senior roles in the corporate world and have more influence on setting corporate policies and eventually on the national socio-political roadmap. The IWD project aims to analyse and report the response of listed companies to soft law approach related with gender diversity in corporate Boards, both by taking action or improving the quality of their explanation for non-compliance.

<sup>7</sup> The activities of the project can be followed on [www.iwdturkey.com](http://www.iwdturkey.com)

<sup>8</sup> [www.egonzehnder.com/office/istanbul.html](http://www.egonzehnder.com/office/istanbul.html)

<sup>9</sup> [www.globalboardreadywomen.com](http://www.globalboardreadywomen.com)

In **Spain** the initiative *Paridad en Acción*<sup>10</sup> followed the German approach. Since 2013 women lawyers visited Spanish AGMs of listed companies of IBEX 35 and submitted questions on the percentage of women in decision making positions, on female promotions and female participation in trainings. The increase of the percentage of women on Boards in Spain is an effect of the respective gender equality legislation of 2007 with the flexi-quota without sanctions. The activities of the Spanish project led the adoption of family friendly and gender equal policies for Spanish companies. Personal contacts also helped with achieving the aims of the project. In 2015 the EWSDGE questionnaire was used. Written answers were received from 19 IBEX-companies. The feedback was very positive.

## 2.2 THE EWSDGE PROJECT

The EWSDGE project,<sup>11</sup> mainly funded by the European Commission as well as the BMFSFJ<sup>12</sup>, the Ministry for Justice and Equality of Saxony-Anhalt<sup>13</sup>, the Finnish Chamber of Commerce<sup>14</sup> and the djb,<sup>15</sup> successfully completed its activities between 16<sup>th</sup> May 2014 and 15<sup>th</sup> May 2016.

<sup>10</sup> The activities can be followed on [www.paridad.eu](http://www.paridad.eu)

<sup>11</sup> [www.ewsdge.eu](http://www.ewsdge.eu)

<sup>12</sup> German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ), [www.bmfsfj.bund.de](http://www.bmfsfj.bund.de)

<sup>13</sup> [www.mj.sachsen-anhalt.de](http://www.mj.sachsen-anhalt.de)

<sup>14</sup> [kauppakamari.fi/en/international](http://kauppakamari.fi/en/international)

<sup>15</sup> [www.djb.de](http://www.djb.de)



### How was the EWSDGE project formed?

In 2000<sup>16</sup> EWLA<sup>17</sup> was founded in order to make its voice heard in the institutions of the EU, Council of Europe and beyond. Members are individuals and national women lawyers associations from around Europe. From the beginning EWLA has had activities focussed on women in leadership positions in companies. Since then djbb has worked closely together with EWLA, when djbb decided in 2013 to become the EWSDGE project proposal<sup>18</sup> coordinator, EWLA and other national women lawyers associations were ready to become EWSDGE project partners: EWLA Bulgaria, A.F.F.J.,<sup>19</sup> and the Hungarian Women (Advocate) Lawyers Association<sup>20</sup>. This network served as a pool for the national coordinators – all of them lawyers, namely Myriam VAN VARENBERGH in charge of Belgium, Luxemburg and the Netherlands, Prof. Jackie JONES for Ireland and UK, Kamelia ANGELOVA and Svetlana GANEVA for Bulgaria as well as Nathalie LEROY and Sylvia CLEFF Le DIVELLEC for France. In Germany Birgit KERSTEN was active as national coordinator, in Hungary Dr. Katalin PRANDLER, in Italy Antonia VERNA<sup>21</sup> and in Spain Katharina MILLER. The national

coordinators were the key players in the implementation process of the EWSDGE project.

The Finnish Chamber of Commerce took over the advising tasks; the deputy director Leena LINNAINMAA acted as the Finnish coordinator. The University of West of England<sup>22</sup> served also as advisor.

The University of Applied Sciences Magdeburg-Stendal<sup>23</sup> was in charge of the evaluation of the EWSDGE project and did it on the basis of interviews with the national coordinators and with the EWSDGE project office during the first half of 2015, the attendance of the second project meeting in January 2015 and the participation in the EWLA conference in Lille in March 2015. They produced a EWSDGE Short Film for the public outlining the project aims and achievements.<sup>24</sup>

The Ministry for Justice and Equality of Saxony-Anhalt hosted the project meetings and the EWSDGE final conference.

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<sup>16</sup> With funds from the European Commission (4<sup>th</sup> Action Programme for equal opportunities between women and men 1996–2000) and the German BMFSFJ under the lead of djbb.

<sup>17</sup> [www.ewla.org](http://www.ewla.org)

<sup>18</sup> Under the PROGRESS programme, JUST/2013/PROG/AG/GE.

<sup>19</sup> [www.affj.asso.fr](http://www.affj.asso.fr)

<sup>20</sup> [www.ugyvednok.hu](http://www.ugyvednok.hu)

<sup>21</sup> Temporarily represented by Manuela CAVALLLO.

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<sup>22</sup> [www.uwe.ac.uk](http://www.uwe.ac.uk)

<sup>23</sup> [www.hs-magdeburg.de](http://www.hs-magdeburg.de)

<sup>24</sup> [www.ewsdge.eu](http://www.ewsdge.eu)

## What are our achievements?

The aim of the project was to visit the AGMs of the EURO STOXX 50<sup>25</sup> index companies as well as a selection of the BUX<sup>26</sup>, SOFIX<sup>27</sup> and FTSE 100<sup>28</sup> indices companies during the first half of 2015, submitting a questionnaire to ask the (Supervisory) Boards for detailed information about women's representation in leadership positions of the listed companies (Executive and/or Supervisory Board, but also the lower management positions) as well as about the companies' overall activities to promote women's careers.<sup>29</sup>

In total 105 activists were enlisted and 125 listed companies<sup>30</sup> were engaged Europe wide with the EWSDGE project. The companies' AGMs were visited and/or they were asked orally and/ or in writing to answer the questionnaire between January to September 2015.

The 105 activists<sup>31</sup> completed the following tasks, including:

- creating and maintaining the EWSDGE website,
- establishing contacts with representatives of the companies,
- drafting the national toolkits,
- preparing the AGM visits,
- writing press releases,
- organising preparatory national workshops,
- speaking at AGMs,
- taking minutes at AGMs,
- giving advise,
- creating the EWSDGE Short Film,
- evaluating EWSDGE activities,
- drafting the analysis,
- monitoring the respective legislative procedures on a national level,
- monitoring the respective legislative procedures on a European level,
- holding national meetings,
- organising press conferences,
- implementing national conferences.

<sup>25</sup> [www.stoxx.com](http://www.stoxx.com)

<sup>26</sup> [www.bse.hu/topmenu/marketsandproducts/indices/indices/bux.html](http://www.bse.hu/topmenu/marketsandproducts/indices/indices/bux.html)

<sup>27</sup> [www.bse-sofia.bg](http://www.bse-sofia.bg)

<sup>28</sup> [www.londonstockexchange.com](http://www.londonstockexchange.com)

<sup>29</sup> Role model questionnaire adapted by national coordinators is attached as annex 1.

<sup>30</sup> Listed in annex 2 in alphabetical order.

<sup>31</sup> Listed in annex 3 in alphabetical order.

The outputs would not have been possible without bringing together the stakeholders on a regular basis.

The EWSDGE (national) coordinators and project partners first met informally at the premises of the EWLA congress in November 2013 in Rome after the EWSDGE project proposal had been submitted to the European Commission.

After the green light was given for the EWSDGE project to go ahead, there were two project meetings (14<sup>th</sup> July 2014/20<sup>th</sup> September 2014 in Brussels/Berlin and 16<sup>th</sup>–17<sup>th</sup> January 2015), a debriefing workshop on 3<sup>rd</sup> July 2015 in Brussels, a documentation workshop on 6<sup>th</sup> November 2015 in Cardiff, and several dissemination activities, e.g. EWLA breakfast at the European Parliament in Brussels on 29<sup>th</sup> September 2015, press conferences on 5<sup>th</sup> March in Lille (EWLA conference) and 10<sup>th</sup> July 2015 at the premises of the Bundesrat in Berlin.

Further communication and dissemination activities took place. The project office prepared a PowerPoint presentation outlining the project that was distributed to the national coordinators for dissemination across Europe. The EWSDGE Short film is available with German, French and English subtitles and was often screened for dissemination purposes, especially by the national coordinators. Margarete HOFMANN was invited to Basel on 15<sup>th</sup> January 2015 as representative of the project

coordinator djb to present the planned EWSDGE activities at a conference *fff Frauen für Führungspositionen – high flying high potentials*. Sabine OVERKÄMPING was invited as member of EWLA and djb to a workshop on 12<sup>th</sup> September 2015 in Berlin by the international project *Legal Aspects of Citizens' Oversight* of the EU-Russia Civil Society Forum (CSF)<sup>32</sup> on the topic *Women's rights and gender equality* that was proposed by the Women Lawyers Association of Yekaterinburg. She promoted the EWSDGE project and suggested conducting a workshop *Women Lawyers from Russia and the EU Demand Gender Equality* to discuss the situation of women in leadership positions in the EU and Russia by comparing e.g. different legal mechanisms, such as quotas, voluntary or self binding commitments, corporate social responsibility. The project officials also participated at many events funded by the European Commission, such as the conference *Originality of Women in Management. Wisdom, Effectiveness, Passion* on 9<sup>th</sup> June 2015 in Bled, Slovenia, where Miruna WERKMEISTER project manager made our EWSDGE project known.

These cross-cutting activities were underpinned by tailor-made national activities launched by the national coordinators via workshops, visits of the AGMs of the selected companies and

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<sup>32</sup> Is a permanent common platform for cooperation and coordination of civil society organizations from Russia and the European Union with 147 member organizations from different thematic fields, see: [www.eu-russia-csf.org](http://www.eu-russia-csf.org)



follow-up events in Belgium, Bulgaria, France, Germany, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Spain and UK. Bespoke national toolkits served as an information tool and the national analysis made the outcome accessible and visible. The EWSDGE project office in Berlin supported all national coordinators with this work.

The EWSDGE project activities will culminate in the final conference on 11<sup>th</sup> February 2016 in Brussels. A Forum will discuss the project results, in particular the recommendations. In this way the European Women Shareholders pave the way to gender balanced leadership by making a hole in the glass ceiling.

A stylized, light blue map of Europe is visible in the background, showing the outlines of the continents and major countries. It is centered within a large circular frame that has a white border and a blue gradient fill.

3

COUNTRY REPORTS

### 3.0 OVERVIEW

The representation of women and men of large listed companies within the participating Member States varies from 32.8 per cent in France to 11.1 per cent in Hungary and Luxemburg.<sup>1</sup> Accelerated progress is driven by political and regulatory pressure as the example of France demonstrates. However, even there, gender balance has not yet been achieved. The situation remains unacceptable.

Set against this background, the EWSDGE activities spotlight the way in which large companies deal with gender issues: some not at all, others very well. In other words, there is no level playing field or parity across Europe.

In **Germany**, women lawyers visit AGMs asking questions about the situation of women within the company since 2009. Further AGM visits followed from 2010 to 2013 within the djB-project Aktionärinnen fordern Gleichberechtigung funded by the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ). Therefore, 2015 they were already very well known by the companies. In **Spain**, women lawyers started visiting AGMs and asking questions in 2013 and 2014. Companies in those Member States

were already aware and well prepared. This year's activities of the EWSDGE project were generally seen as a legitimate business of the AGM. However, some women lawyers experienced resentment, mainly by the audience and other speakers.

In all other participating Member States, the EWSDGE activities described above were new. In some cases, it was even the first time that gender questions had been raised, for example, **Ireland, Italy, Belgium**, the **Netherlands, Bulgaria** and **Hungary**. The women lawyers experienced a variety of reactions from the Boards. In **Spain** our colleague was called a hero. However, often they received cliché answers that it is skills that count, not gender, for selection (**Hungary**). As the representatives of the companies were not used to answering questions on social and gender policy they were not well prepared even when we sent the questionnaires in advance (**Bulgaria**). Even within a Member State the reactions differed from heated to encouraging (**France**).

While the experiences varied and were not always positive, we grew in strength during the life time of the EWSDGE project. It became evident that the project was having a major impact and therefore it was extremely important to continue (and to continue beyond the lifetime of the project). We are a long way away from reaching gender equal distribution of decision making positions and strongly believe, based on our evidence, that our awareness raising activities and activism will contribute

<sup>1</sup> See fact sheet of the European Commission (October 2015): [www.ec.europa.eu/justice/gender-equality/files/womenonboards/factsheet\\_women\\_on\\_boards\\_web\\_2015-10\\_en.pdf](http://www.ec.europa.eu/justice/gender-equality/files/womenonboards/factsheet_women_on_boards_web_2015-10_en.pdf)

significantly to paving the way to gender balanced leadership in Europe.

The following alphabetical country reports are divided into three parts:

- National legislation
- AGM visits and spin-off activities and
- Case-study

The bespoke national toolkits<sup>2</sup> provide detailed information on the current national legislation, the companies visited and the country-specific questionnaire provided by the national coordinators. On the national sites of the participating countries atmosphere reports, press releases, analyses and other background information are available. The following country reports provide an initial evidence base:



### 3.1 BELGIUM<sup>3</sup>

#### 3.1.1 National legislation

In Belgium the law of 28<sup>th</sup> July 2011 introduced the principle that at least one third of the Board of Directors must be of the under-represented gender in autonomous State companies, companies with shares listed on the regulated Stock Exchange market and in the National Lottery (new Art. 18 §2bis of the law 21<sup>st</sup> of March 1991 regarding the reform of some economic state companies, new Art. 518bis of the Company Code and amended Art. 8 of the law of 19<sup>th</sup> April 2002 regarding the National Lottery). If the required quotas are not met, the relevant provisions foresee sanctions which apply to members of the Board of Directors or the newly appointed members respectively. Moreover, all new directors' appointments will be declared void until the one third requirement is met.

A second element of the law is the amendment of Art. 96 §2 of the Company Code. It provides a description of the information that should be included

<sup>2</sup> See the participating countries section of the EWSDGE website: [www.ewsdge.eu/about-the-project/participating-countries/](http://www.ewsdge.eu/about-the-project/participating-countries/)

<sup>3</sup> For more information on the situation in Belgium see: [www.ewsdge.eu/about-the-project/participating-countries/belgium/](http://www.ewsdge.eu/about-the-project/participating-countries/belgium/)

in the corporate governance statement of the companies with shares listed on the regulated Stock Exchange market. An overview of all efforts made by the company needs to be provided.

The requirement on the minimum quota will enter into force on the 1<sup>st</sup> January 2017 for listed companies with a financial year ending on 31<sup>st</sup> December. For those companies which have a financial year ending on 30 June, the requirement starts on the 1<sup>st</sup> July 2017.

### 3.1.2 AGM visits and spin-off activities

In Belgium the AGM of Anheuser-Busch InBev, a company of the EURO STOXX 50 index was visited in Brussels on 29<sup>th</sup> April 2015.

For Belgium, the Netherlands and Luxemburg (BENELUX) the national coordinator, Myriam VAN VARENBERGH, established a working group of four with herself in charge of Belgium.

To prepare the project in the BENELUX, the group first collected as much information as possible via the Internet about the companies concerned. On the basis of that they drafted an initial analysis about the composition of the Boards and Executive Committees, the general policy on equal opportunities. This was followed by seeking information on how to attend the particular company's AGM.

It proved problematic to obtain all this information because some of the websites were incomplete and even when the procedure to attend an AGM was on the website, in reality, the procedure turned out to be different. This has been identified as a Europe-wide issue and makes access to information rights for shareholders difficult or, in some cases, impossible.

The team made logistical decisions: a list of members working on the project who were shareholders in the companies and, on that basis, who were able to attend the AGM as well as who could partner as note takers.

From the beginning it was clear Belgium was unproblematic. This being said, a lot of effort went into, including by telephone and email, getting in touch with the persons responsible in the requisite companies. The team also held a preparatory meeting with the VP Corporate Governance and Senior Legal Counsel Corporate to explain the aim of the EWSDGE project and to also hand over the questionnaire in advance. The agreement was reached that only questions not answered satisfactorily in advance of the AGM would be asked orally at the AGM. But luckily the replies were received quickly and were complete. This left the team free to present the EWSDGE project and to ask general questions on gender balanced Boards and Executive Committees at the AGMs. The strategy was very well received.

### 3.1.3. Case study

“But it is necessary to raise the question as to whether women are to be found in decision making positions,” asked Myriam VAN VARENBERGH, the BENELUX coordinator of the EWSDGE project. “Gender balanced participation is a fundamental right that has to be implemented. And it’s still astonishing that most of the companies know their obligations and are doing their best to only realize the legal obligations on the very last day, which means 2017 or 2019 in some cases, and are only just now starting to set up some programs or some procedures to fulfil the quotas imposed by European or national legislation.”

Generally, we are satisfied with the EWSDGE project, but we think that it takes a lot of time and there are too many administrative formalities to fulfil. In our view, it’s better to organise a preparatory meeting with the responsible person in each company before attending the AGM.



## 3.2 BULGARIA<sup>4</sup>

### 3.2.1. National legislation

Bulgarian law does not contain quota rules regarding women’s representation on the Boards of listed companies. Currently, no specific discussions on adoption of national quota regulations are taking place.

The existing National Codex for Corporate Governance contains general provisions on corporate governance, but not a single word on the issue of gender equality or female representation on Boards and/or leadership positions in companies. This is unsatisfactory.

### 3.2.2. AGM visits and spin-off activities

All 16 companies of the SOFIX index were on the Bulgarian list. In Bulgaria eight AGMs (Advance Terrafund REIT–Sofia, CB Central Cooperative Bank AD–Sofia, CB First Investment Bank AD–Sofia, Industrial Capital Holding AD–Sofia, Industrial Holding Bulgaria PLC–Sofia, Monbat AD–Sofia, Sopharma AD–Sofia, Stara Planina Hold AD–Sofia) were visited.

<sup>4</sup> For more information on the situation in Bulgaria see: [www.ewsdge.eu/about-the-project/participating-countries/bulgaria/](http://www.ewsdge.eu/about-the-project/participating-countries/bulgaria/)

All of the AGMs took place in Sofia, in June 2015.

In order to prepare and train the speakers and the note taker and provide an appropriate strategy for approaching the Boards at AGMs, a national workshop was held on 18<sup>th</sup> April 2015 in Sofia.

The preparations for the visits of the AGMs were organized in advance by the national coordinators Svetlana GANEVA and Kamelia ANGELOVA. Notifications to the companies' investors' relation officers, in brief presenting the project and the purpose of the visits of shareholders, were sent a week before each AGM. No concrete questions were sent in advance. The questions were addressed orally at the AGMs.

In addition, the project written questionnaire was sent to all SOFIX companies following the visits in order to receive information that was not available to the Boards at the AGMs. Written answers were received by only 7 of 16 companies.

### 3.2.3. Case study

Boards in Bulgaria are not used to answering questions on social and gender policy: at most of the AGMs visited the Board members were not well prepared to answer gender-related questions, which clearly did not seem to be among the companies' priorities. A defensive stance was taken by the majority of Boards' representatives in answering the gender-related questions. Moreover, gender equality and women in leadership positions seems to be an uncomfortable topic to be discussed in front of all attending shareholders in the majority of companies; most of the shareholders were men.

None of the companies visited in Bulgaria applied a process for proposing candidates for Board members which could ensure that suitable women candidates were included in the selection. The standard explanation to this fact was that this is not required by Bulgarian or EU law. It was often pointed out by the Boards that only when the law introduces mandatory quotas, specific rules to enhance female participation will be adopted.

In most of the companies visited, Board members shared the view that actively seeking women for a position on the Board constituted discrimination against men. The

same notion existed with regard to training that was particularly aimed at nurturing female talent. Clearly, awareness raising campaigns are needed in Bulgaria to explain the principle of gender equality and why specific measures to promote women in leadership positions are needed.

A common argument presented at the AGMs visited was that gender issues may well be an important social problem. However, it is considered that companies should not be too involved with gender issues and increasing the number of women in leadership positions, as long as more urgent problems require the attention of the Boards – such as the very serious economic and business problems in the country.



### 3.3 FINLAND<sup>5</sup>

#### 3.3.1. National legislation

There are no quotas in place for private sector companies in Finland. However, in 2004 the government passed a policy ensuring that state-owned companies must have 40 per cent of both genders on their Boards.<sup>6</sup> By spring 2006, the decision was implemented. The Finnish Corporate Governance Code for listed companies<sup>7</sup> contains the recommendation that “both genders shall be represented in the Board of Directors”. If this is not the case, the listed company must give a public explanation.

#### 3.3.2. Activities

In Finland no AGMs were visited. Finland decided to take a different approach. It did, however, fol-

<sup>5</sup> See: [www.ewsdge.eu/about-the-project/participating-countries/finland/](http://www.ewsdge.eu/about-the-project/participating-countries/finland/)

<sup>6</sup> See the Report of the Finnish Chamber of Commerce “Men lead Business operations of listed companies – Women end up in support functions”, (December 2011), p.11-12: [www.kauppakamari.fi/wp-content/uploads/2012/03/FCC-report-Women-executives-2011.pdf](http://www.kauppakamari.fi/wp-content/uploads/2012/03/FCC-report-Women-executives-2011.pdf)

<sup>7</sup> [www.cgfinland.fi/files/2015/10/hallinnointikoodi-2015eng.pdf](http://www.cgfinland.fi/files/2015/10/hallinnointikoodi-2015eng.pdf)



low the same aim of increasing female participation in management positions and on Boards. The Finnish coordinator, Leena LINNAINMAA, deputy chief Executive of the Finland Chamber of Commerce, supported the EWSDGE project activities as an advisor. She organised and led the *train the trainers* workshop for the national coordinators on 8<sup>th</sup>/9<sup>th</sup> October 2014 in Helsinki. Beyond the actual training that the workshop provided, the participants had the opportunity to gain insight into the Finnish experience of women in management positions in the public sector through a Seminar held at the Swedish Business School Hanken in Helsinki: *Wanted: More female business leaders!* In her presentation, Leena LINNAINMAA gave the example of the international attention that the Finnish model of promoting women leadership was attracting. The advice and guidance gained through the workshop in Helsinki was crucial to implementing the tasks of the EWSDGE project further for the visits of the AGMs.

Every year the Finland Chamber of Commerce publishes a women directors and executives study. The Finnish coordinator edited the special report 2014 as the Finnish toolkit and the 2015 special report as background analysis specifically for the EWSDGE project. In addition, the Finland Chamber of Commerce issued the flyer *20 Ways to Promote Women Business Leaders*<sup>8</sup> giving insight into the recommendations in this report.

### 3.3.3. Case study

Preparing the Finnish toolkit containing analysis and statistics on women directors and executives, including their numbers, educational and professional background, age, length of term and their areas of responsibility as well as their company's business sector, has highlighted the issues and factors behind the current small number of women business leaders. International comparisons proved to be difficult or impossible to make beyond large listed companies as only those statistics are available. Small and medium sized enterprises as well as state-owned companies are often ignored. Furthermore, the statistics almost always do not cover the Executive level, not to mention the different aspects covered by the Finnish toolkit (such as age, educational and professional background, business sector) mentioned above. As Boards are just the tip of the iceberg, understanding the situation and seeing the problems requires systematic information on women Executives, as exhibited in the Finnish toolkit<sup>9</sup>. This is currently a gap Europe wide.

<sup>8</sup> See: [www.kauppakamari.fi/wp-content/uploads/2015/06/20-ways-to-promote-women-leaders.pdf](http://www.kauppakamari.fi/wp-content/uploads/2015/06/20-ways-to-promote-women-leaders.pdf)

<sup>9</sup> See: [www.ewsdge.eu/about-the-project/participating-countries/finland](http://www.ewsdge.eu/about-the-project/participating-countries/finland)



### 3.4 FRANCE<sup>10</sup>

#### 3.4.1 National legislation

In 2011, the existing law was amended and a law on gender quotas (*Copé – Zimmermann law*)<sup>11</sup> was passed in order to increase the numbers of women on Supervisory Boards or Boards of Directors of both private and public, listed and unlisted companies.<sup>12</sup> They have made a significant transformative difference to female representation on Boards.

The 2011 law requires that within all listed companies on the Stock Exchange and unlisted companies with turnover in excess of 50 million Euros for three consecutive years and more than 500 employees, the gender balance of the Boards must be at least 40 per cent of each sex. A more recent law on equal opportunities passed on 4<sup>th</sup> August

2014, which will come into force for present purposes in 2020, extended this quota of 40 per cent to medium-sized enterprises with at least 250 employees and an annual turnover of 50 million Euros. It states that if the Supervisory or Board of Directors<sup>13</sup> has eight directors or less, the difference in numbers between the genders cannot exceed two. If these thresholds are not reached, none of the directors will be paid until the nomination is withdrawn and the situation is rectified.

During the transitional period up to 1<sup>st</sup> January 2017, companies listed on the Stock Exchange must fulfil the following duties:

- achieve a 20 per cent quota at the first AGM held after 1<sup>st</sup> January 2014,
- appoint at least one female member at the first AGM held after January 2011,
- appoint a director if one of the two genders is not represented on the Board on the date of the enactment of the law.

The French companies and employers' associations, AFEP and MEDEF, have incorporated these legislative changes since April 2010, updating their joint company governance code, including recommendations for Boards of Directors. Although these recommendations are not obligatory, if they

<sup>10</sup> For more information on the situation in France see: [www.ewsdge.eu/about-the-project/participating-countries/france/](http://www.ewsdge.eu/about-the-project/participating-countries/france/)

<sup>11</sup> Law n° 2014-873 of 4<sup>th</sup> August 2014 on effective gender equality [www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000029330832&categorieLien=id](http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000029330832&categorieLien=id)

<sup>12</sup> See footnote 4, section 1.

<sup>13</sup> Board of Directors corresponds to "Conseil d'administration" or "Conseil de surveillance" and not to the "Comité de Direction", not concerned so far by the quota legislation.

are not observed, this must be mentioned in the company's annual report and therefore follows the *Comply or Explain* model.

### 3.4.2 AGM visits and spin-off activities

19 companies of the EURO STOXX 50 index were on the French list. The project team visited 17 AGMs (AXA, BNP Paribas, Carrefour, Danone, Essilor International, GDF Suez, GRP Société Générale, L'Oréal, LVMH Moët Hennessy – Louis Vuitton, Orange, Saint Gobain, Sanofi, Schneider Electric, TOTAL, Unibail-Rodamco, Vinci, Vivendi). The first AGM took place on 14<sup>th</sup> April 2015 and the last on 11<sup>th</sup> June 2015 in Paris.

In France, the national coordinators, Nathalie LEROY and Sylvia CLEFF Le DIVELLEC, established a group of 13 women lawyers (lecturers, barristers, students, PhD students, company lawyers, etc.)<sup>14</sup>, as well as women students from the ESSEC Graduate Business School under the supervision of Viviane de BEAUFORT<sup>15</sup>. Three note takers<sup>16</sup> worked in turn with the lawyers in the AGM and analysed the documents, prepared the presentations and observed the reactions within the AGM.

Three working meetings took place in 2014 (11<sup>th</sup> October and 18<sup>th</sup> November) and 2015 (15<sup>th</sup> January) in order to present the project, to identify women who were interested in participating, to adapt the questions and to establish the strategy to be adopted for the AGMs.

A workshop was organised with a professional coach and a journalist in Paris<sup>17</sup> on 21<sup>st</sup> March 2015 to help the speakers make their intervention in a professional and less stressful way. The theme was mastering public speaking within a hostile environment. 12 women participated. This workshop helped to bring the group closer together and was deemed a useful and rewarding preparation for the participants. Women lawyers are accustomed to communicate within a structured professional context with strict codes but may not be familiar with a setting where there is a lack of interest or is even hostile and which has conventions with which they may not be familiar.

The 19 French EUROSTOXX 50 companies were divided between the lawyers and note takers according to their availability, whether or not they were shareholders in the company and their interest in the company. The size of the AGM ranged between 50 and 7,000 shareholders with an average of 2,000 shareholders.

<sup>14</sup> Agnes MARAUX BENOIT, Caroline BOMMART FORSTER, Dorothee BRUMTER, Marie Jeanne CAMPANA, Mary-Daphné FISHELSON, Ninon FORSTER, Ulrike KLOPPSTECH, Brigitte LONGUET, Joëlle MONLOUIS, Caroline NEWMAN, Carol XUEREF.

<sup>15</sup> [www.essec.edu/en/staff/faculty/viviane-de-beaufort](http://www.essec.edu/en/staff/faculty/viviane-de-beaufort)

<sup>16</sup> Julie HOSTEING, Fanny COHEN and Manuela SCHAUER-HAMMER.

<sup>17</sup> Gaëlle COPIENNE

11 oral questions/interventions were put forward by our lawyers during the Q&A session which on average lasted a total of only 60 minutes.

All but one company addressed and/or presented on the issue of gender balance as a result of the activities of the EWSDGE project (sending of the written questionnaire and/or the oral question). 16 companies sent answers back or put their responses to the written questions on their websites. For four companies, the lawyers were not able to take the floor due to lack of time or opportunity and for three companies, the oral answers given were sufficiently comprehensive and satisfactory.

Considering the specific situation in France where the legislation already requires companies to observe a certain number of obligations, in particular relating to reporting and gender parity, a decision was made at the outset to single out the questionnaire for companies and to adapt it making it relevant to the French context.

As shareholders have the option of submitting written questions before the AGM, it seemed appropriate to look jointly at these written questions alongside the questions asked during the AGM. This approach involved obtaining a detailed written response which could not be provided at the AGM, mainly because questions needed to be short and there was no guarantee of actually speaking at the meeting.

As a result, it was decided to send a more detailed questionnaire to the companies before the AGM to be included as written questions, as the companies were then legally obliged to reply during the AGM and to keep just one oral question to be asked by the A.F.F.J. lawyer during the AGM itself.

Although a single question was prepared for the AGMs, the lawyers were free to adapt this question depending on the atmosphere and the particular context of each AGM.

The questions served two purposes: firstly, for the written questions it provided a response in the form of a document and secondly, the oral questions raised awareness amongst shareholders and directors of the issue and the project.

A debriefing workshop took place in Paris on 18<sup>th</sup> September 2015. Sabine OVERKÄMPING, EWSDGE research director, was invited, gave a speech and distributed certificates to all French speakers and note takers thanking them for the great work done.

### 3.4.3 Case study

As the AGMs took place, we adapted the way we communicated as we wanted to appear positive and not aggressive. Some of the chairs were very open and interested in the subject, others less so.

We noticed quite often that the majority of shareholders were not interested in this subject and that in certain cases the shareholders showed signs of being irritated by our interventions.

It should be noted that the majority of the shareholders attending were men over the age of 65 alongside some business people and representatives of financial brokers, as the AGMs took place during the week and during the working day.

Nevertheless, some shareholders came to congratulate/support the speakers (VINCI, CARREFOUR, ESSILOR, ENGIE).

At the VIVENDI AGM, in light of the hostility in the meeting room after the Secretary General responded to the written question submitted by the A.F.F.J., the lawyer took the initiative to use an unexpected means of communication and sang her question addressing the members of the

Board of Directors: *Where are all the women?* at the concert hall of l'Olympia. The question was welcomed by the management and the meeting participants in general who laughed and applauded. Nonetheless, a woman shareholder took the floor later and stated that there was no place for token women on the Board, implying that women on the Board of Directors were only there as tokens. She was applauded by some of the participants at the meeting.

At the VINCI AGM, the public applauded the speaker and the responses that were given.

The reactions were therefore very varied from one AGM to the next ranging from heated to encouraging. The attitude of the person chairing the session was often a decisive factor in determining whether the participants perceived our intervention in a negative or positive light. At the CARREFOUR AGM, our speaker's intervention attracted the attention of the group's diversity management team represented at the meeting. Contact was made after the meeting and a worthwhile collaboration was established for the future.



### 3.5. GERMANY<sup>18</sup>

#### 3.5.1. National Legislation

The so-called *quota law*<sup>19</sup> came into force on 1<sup>st</sup> May 2015. Since 1<sup>st</sup> January 2016, a gender quota of 30% has been in place for the Supervisory Boards of businesses that are listed and are subject to parity-based co-determination. These regulations apply, as matters stand, to some 100 businesses in Germany that will be obliged to fulfil the quota successively from now on when filling posts on their Supervisory Board. Elections that are contrary to the quota regulation will be null and void. In principle, this minimum ratio applies to the entire Supervisory Board as a collective (collective responsibility; with the objection of one party: individual responsibility).

Businesses that are either listed, or are subject to co-determination, were obliged to establish targets for increasing the proportion of women on their supervisory board, management board and the two most senior levels of management by 30<sup>th</sup> September 2015. They are also bound to report publicly on the targets and how far these have been achieved. This period, which is yet to be specified, may not exceed 30<sup>th</sup> June 2017, and the following periods no longer than five years. This will affect at least 3,500 enterprises. If the 30 per cent quota has not yet been reached, businesses may not fall behind the current status. Progress must be published regularly. The law does not plan sanctions for the failure to reach targets.

#### German Corporate Governance Code

In September 2001, the Federal Ministry of Justice introduced the Commission German Corporate Governance Kodex. It consists of representatives of listed companies. 2002, the Commission presented the German Corporate Governance Kodex (DCGK)<sup>20</sup>, which consists of legal regulations for management and supervision of German listed companies, as well as international and national acknowledged standards for good and responsible corporate governance, including diversity. Through the declaration of conformity pursuant to §161 Aktiengesetz, the Code has a legal basis.

<sup>18</sup> For more information on the situation in Germany see: [www.ewsdge.eu/about-the-project/participating-countries/germany/](http://www.ewsdge.eu/about-the-project/participating-countries/germany/)

<sup>19</sup> Act on the equal participation of women and men in management positions in the private sector and in public services of 24<sup>th</sup> April 2015: [www.ewsdge.eu/wp-content/uploads/2014/10/Act-on-the-Equal-Participation-of-Women-and-Men\\_EN.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/10/Act-on-the-Equal-Participation-of-Women-and-Men_EN.pdf)

<sup>20</sup> [www.dcgk.de/de](http://www.dcgk.de/de)

### Voluntary targets

The so-called *voluntary targets* established at the summit of the 30 DAX businesses on 17<sup>th</sup> October 2010 includes one for women in management positions below Executive Committee and Supervisory Board level. Evidence of attainment of the targets is in an annual status report.<sup>21</sup>

### 3.5.2 AGM visits and spin-off activities

In Germany all 14 AGMs of the EURO STOXX companies were visited.

The first AGM was visited on 27<sup>th</sup> January 2015 and the last on 27<sup>th</sup> May 2015. Four AGMs were held in Munich (Allianz, BMW, Münchener Rück, Siemens), two respectively in Cologne (Bayer, Telekom), Essen (E.ON, RWE), Frankfurt/Main (Deutsche Bank, Deutsche Post) and Mannheim (SAP), one in Berlin (Daimler Benz), one in Hannover (Volkswagen Pref).

As national coordinator, Birgit KERSTEN was responsible for the implementation of the project in Germany. The coordinator ensured that shareholder passes were provided to the participants. Participants received extensive information relevant to the companies from the coordinator, such as the agenda of the general meeting, the names of the Supervisory Board members and Executive Committee members, the members of the committees,

women as a topic in the annual report and the financial report, voluntary commitment and status report etc. The questionnaire was adapted to the company and was made available to the participants. The questions were sent to the companies in advance with the request to answer the questions in writing. Only one company complied with this request (Volkswagen). This is justified in §131 of the German Stock Corporation Act, according to which information on the company's affairs, which is necessary for the appropriate evaluation of the agenda, is to be given to each shareholder only at the general meeting. The questions were asked at the general meeting and answered there.

In Germany, 14 press releases were sent in tandem with the general meetings. An interview was given for the magazine *Paris/Berlin*.<sup>22</sup>

The German coordinator gave lectures on the project to a Lions club, two regional groups of the djb and at a conference of the German Female Engineers Federation<sup>23</sup> (dib e.V.) and participated at an information stand at the FidAR Forum VIII<sup>24</sup>.

On 22<sup>th</sup> April 2014, the djb organized an expert discussion on the German Quota Law in the BMFSFJ with the participation of Ramona PISAL,

<sup>21</sup> [www.arbeitgeber.de/www/arbeitgeber.nsf/res/Dax-30\\_Frauen\\_inper cent20Fuehrungspositionen.pdf/\\$file/Dax-30\\_Frauen\\_inper cent20Fuehrungspositionen.pdf](http://www.arbeitgeber.de/www/arbeitgeber.nsf/res/Dax-30_Frauen_inper%20Fuehrungspositionen.pdf/$file/Dax-30_Frauen_inper%20Fuehrungspositionen.pdf)

<sup>22</sup> [www.parisberlinmag.com/wirtschaft/-mehr-tempo-meine-herm-\\_a-142-3604.html](http://www.parisberlinmag.com/wirtschaft/-mehr-tempo-meine-herm-_a-142-3604.html)

<sup>23</sup> [www.dibev.de](http://www.dibev.de)

<sup>24</sup> [www.fidar.de/fidar-forum/programm.html](http://www.fidar.de/fidar-forum/programm.html)

djb President, and Manuela SCHWESIG, Federal Minister.

### 3.5.3 Case study

Acceptance of the djb was already thoroughly positive from the outset because of the working relationship built up over several years' previous attendance, to the extent that some companies actively sought contact with djb before the annual general meeting. The positioning of the questions at the meeting was mainly good.

There was a varied picture in the annual general meetings. Predominantly friendly reactions came from the podium. The questions were answered in a detailed manner in most cases, even if they were not always completely answered. A personal discussion was offered by one Executive Committee (Telekom).

Disturbing reactions came from the shareholders: unrest, people leaving the hall, boos and whistles as well as the attempt to induce the speaker to give up the speech by chatting. Admonishments came from the podium to let the speaker continue her speech.

There were also positive reactions both from shareholders as well as from co-workers

of the companies, people from the Works Council, from the German Association for the Protection of Securities Ownership etc.

Half of the companies took the opportunity to point out that qualification alone is decisive. This usually led to applause in the audience. A further frequent statement was: "We will fulfil the legal requirements" ('...however we will not go beyond that.' The coordinator added this as a conclusion to the experiences).



## 3.6. HUNGARY<sup>25</sup>

### 3.6.1. National legislation

In Hungary there are no quotas in place, nor are there other national measures in place. Hungarian law does not contain quota rules regarding women's participation in the Boards of listed com-

<sup>25</sup> For more information on the situation in Hungary see: [www.ewsdge.eu/about-the-project/participating-countries/hungary/](http://www.ewsdge.eu/about-the-project/participating-countries/hungary/)



panies. Currently, no specific discussions on adoption of national quota regulations are taking place.

The Hungarian Civil Code, the Chapter on Corporate Governance adopted in 2013, contains general provisions on corporate governance. Female participation on Boards and/or leadership positions in companies is not regulated.

### 3.6.2. AGM visits and spin-off activities

Thirteen of the fourteen companies of the BUX index were on the Hungarian list. In Hungary twelve AGMs (ANY, Appeninn, Business Telecom, CIG Pannónia, Danubius, FHB, Magyar Telekom, MOL, OTP Bank, Pannergy, Richter Gedeon, Synergon) were visited.

All of the AGMs visits took place in Budapest between April and May 2015.

In order to recruit, prepare and train the speakers and note takers to the EWSDGE project the national coordinator, Dr. Katalin PRANDLER, undertook the following preparatory work.

The introduction and the aim of the EWSDGE project was presented as an article<sup>26</sup> in the official monthly journal Pesti Ügyvéd of the Budapest Bar, calling lawyers to participation in the project.

The EWSDGE project was presented during the meeting on 19<sup>th</sup> February 2015 of the Board of the Hungarian Women (Advocate) Lawyers Association, where a decision was taken, to participate in the EWSDGE project in the name of the Association.

A conference was held at the Budapest Bar on 13<sup>th</sup> February 2015 for a broader audience of lawyers interested in the project with the participation of Katharina MILLER, representing the djb as speaker and as national coordinator from Spain.

Two workshops on 2<sup>nd</sup> October 2014 and on 6<sup>th</sup> November 2014 were held for those who had volunteered to participate in the EWSDGE project.

The shares of the prime category BUX listed companies had been purchased by the national coordinator Dr. Katalin PRANDLER for each company visited (shares of Tisza Chemical Group were not available). An organizational workshop was held on 7<sup>th</sup> April 2015. After purchasing the shares, the powers of attorney were distributed in order to facilitate attendance at the AGMs. The volunteers were mainly the members of the Hungarian Women Advocate's Association, although some were acting as individual volunteers.

Notifications to the company's investors' relation officers, in brief presenting the project and the visits of shareholders, were sent two weeks before

<sup>26</sup> [www.ewsdge.eu/figyelo-online-akadalyfutas](http://www.ewsdge.eu/figyelo-online-akadalyfutas)

each AGM. All concrete questions were sent in advance in writing.

The majority – 11 out of 13 – of the listed companies provided written answers to the questions including Raba, a company whose AGM was not visited.

A debriefing workshop took place in Budapest on 18<sup>th</sup> September 2015. Birgit KERSTEN, national coordinator from Germany and active in the German project since the beginning, was invited, made a speech and distributed certificates to all Hungarian speakers and note takers thanking them for the great work done.

### 3.6.3. Case study

The reception at most of the AGMs was not neutral. In some companies our volunteers and note takers were received with special attention and courtesy and in some, on the other hand, where the Board was looking for technical obstacles in order to prevent participation.

In all of the AGMs the length allocated to speak was cut; as a result, the speakers had to select from the most relevant questions which related to the given company. In most cases the Boards at the AGMs answered the

questions raised – in a general way, but were not prepared to answer the questions specifically and found some kind of objections as to why in practice the representation of women on Boards was not met.

Some of the Boards felt that the topic raised on equal representation of women on Boards was an invitation to criticize their work; they appeared to take it personally.

Many Board members answered with a clichéd answer that it is the skills and not the gender that matters in the selection procedure.

In the majority of the cases the shareholders participating in the AGMs did not react directly to the topic.

It should be noted that at the AGMs the major shareholders with controlling votes participate and it is not common practice for individuals who hold a small number of shares to attend.

It is imperative to facilitate transnational proxies.



### 3.7 IRELAND<sup>27</sup>

#### 3.7.1. National legislation

Ireland has no quota laws or Davies Review. However, traditionally UK company laws influence Ireland. That changed in 2014 when Ireland passed a new Company Law Act. It restructures, consolidates and simplifies company law and for the first time the Irish company law code can be found in one single text. The AGM visited by the project coordinator Prof. Jackie JONES therefore had most of its business around the changes effected by the new Act.

Ireland is one of the worst performers in terms of gender balance on corporate Boards, second only to Portugal in Europe. There are no proposals yet to introduce quotas. However, the 30 per cent Club Ireland officially launched in January 2015. The initiative has over 100 chair supporters, including Nicky HARTERY, Chair of Cement Roadstone Holding (CRH), the company visited by the project.

“The aim is to build on the positive experience of business-led change in the UK and the collaborative approach of men and women working together to effect change. The intention is to globalise a number of existing 30 per cent Club initiatives (...) and to develop new specific efforts relevant to the local market.”

According to the Club, Ireland’s statistics currently stand at 10.3 per cent. There is a very long way to go and Ireland appears to only now have started to address this issue seriously.

In March 2015, the National Women’s Council of Ireland published a Handbook entitled *Better Boards, Better Business, Better Society*, in order to provide practical information on how to increase female representation on Irish Boards<sup>28</sup>.

The Handbook does not call for quotas, rather recommends that both the government and the leadership in companies, inter alia:

- Create a leadership pipeline from the workplace to the Boardroom;
- Self-regulate on Board Diversity – set gender goals, strengthen governance, seek out women, and invest in directors and potential directors;
- Monitor Boardroom practices;
- Standard set and create a model for gender parity.

<sup>27</sup> For more information on the situation in Ireland see: [www.ewsdge.eu/about-the-project/participating-countries/ireland/](http://www.ewsdge.eu/about-the-project/participating-countries/ireland/)

<sup>28</sup> [www.nwci.ie/images/uploads/Better\\_Boards\\_PDF.pdf](http://www.nwci.ie/images/uploads/Better_Boards_PDF.pdf)

### 3.7.2. AGM visits and spin-off activities

In Ireland the national coordinator, Prof. Jackie JONES, visited the AGM of CRH of the EURO STOXX 50 index on 7<sup>th</sup> May 2015.

The coordinator rang the company secretary before the meeting and was welcomed in Dublin at the AGM by him, the Chair and the CEO. The questions, which had been sent in prior to the AGM, were answered very well and the coordinator talked to non-Executive directors and the CEO following the meeting with very positive feedback. Several shareholders also asked about the EWSDGE project and were in favour of more female representation on the Board. There were approximately 200 people at the meeting, which lasted around two hours. Palestinian protesters were present and this took up a significant amount of time.

### 3.7.3. Case study

After the AGM closed, the Chair spoke to the coordinator, very happy with the project, asked questions and had his picture taken with her. The Chief Executive was very pleased that he was able to answer the project's queries and had a nod of approval from his wife in the audience. One former Non-Executive (female) and one current Non-Executive Director (male) spoke to the coordinator jointly about the position of women on Boards and both wanted more

females but acknowledged that it takes time. The company was happy to be contacted with further questions at a later date.



## 3.8 ITALY<sup>29</sup>

### 3.8.1. National Legislation

A very important procedural step on the gender diversity awareness in the Italian legal system was taken with the enactment of Law of 12<sup>th</sup> July 2011, No. 120 (the Law)<sup>30</sup>. With reference to companies listed on regulated markets and companies subject to public scrutiny, the Law provides the following new rules:

- the under-represented gender should get at least one fifth of the seats on the Boards of Directors and

<sup>29</sup> For more information on the situation in Italy see: [www.ewsdge.eu/about-the-project/participating-countries/italy/](http://www.ewsdge.eu/about-the-project/participating-countries/italy/)

<sup>30</sup> [www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:2011;120](http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:2011;120)

the Boards of statutory auditors for the first term and one third of the seats for the following terms;

- the criteria of apportionment shall apply for three consecutive terms after enactment of the Law (total of nine years);
- the provisions of the Law apply with reference to the first renewal of the Board of Directors and the Board of statutory auditors following 12<sup>th</sup> August 2011.
- A specific regulation was adopted in November 2012, by Presidential Decree, to extend the Law, concerning companies listed on the stock exchange, to state-owned companies<sup>31</sup>. This regulation is effective since 12<sup>th</sup> February 2013.
- In case of breach of the Law, Consob (*Commissione Nazionale per le Società e la Borsa*), the Italian financial securities regulator, will intervene in the first instance by requiring adjustments to the Law within a maximum period of four months. If the company in breach does not comply in due time, Consob will impose a fine and will require compliance with the Law within the following three months. Should the company continue to be in breach, the Board of Directors or the Board of statutory auditors (as the case may be) will be replaced. The Law has high political buy-in: the Prime Minister and the Minister for Equal Opportunities oversee public companies' compliance with the Law.

### 3.8.2. AGM visits and spin-off activities

Five companies of the EURO STOXX 50 index were on the Italian list. Only the AGM of one of such companies (ENEL) was visited on 28<sup>th</sup> May 2015 in Rome.

We submitted written questions on gender equality to the AGM of Enel before the date of the meeting, in line with the Italian regulation on listed companies. No oral questions were raised by the EWSDGE representative during the AGM due to the overall very short timescale available for reading and answering questions.

With reference to the other four companies (Assicurazioni Generali, ENI, Intesa Saopaulo, UniCredit), we submitted the written questionnaire to the shareholders before the date of each meeting.

All five companies involved answered the written questionnaire in a satisfactory way.

An EWSDGE dissemination event is planned in Italy before the end of February 2016.

<sup>31</sup> [www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:2012-11-30;2511vig=](http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.del.presidente.della.repubblica:2012-11-30;2511vig=)

### 3.8.3. Case-study

A common understanding of the management of the Italian companies involved in the EWSDGE project is that significant activities to promote gender equality policies have been carried out. In all these companies, the sponsor for the strategies on *Diversity and Inclusion* is the Human Resources (HR) Office, which promotes the increase of number of women with managerial roles at two different levels: (i) the procedure of external recruiting and (ii) the internal professional growth. In particular, the HR Office arranges succession plans for the top managers, monitors the succession of women in the managerial roles, organizes training and mobility schemes and even the participation of women in leadership development programmes (i.e., Unifuture, SVP, Leadership program, Inclusion@work, Global Mobility, etc.) in order to support their professional growth up to senior management positions.

Based on the minutes of the AGMs, it is worth noting that Manuela Cavallo was the only shareholder to submit gender-related questions during the meetings, while all the other questions basically concerned the business or the management activity of the companies.

Generally speaking, direct interventions to the shareholders' meetings are discouraged, in consideration of the high number of attendees and the numerous business-related topics on the agenda that request long term of discussion. Indeed, during the sole meeting we attended (i.e. ENEL), the President suggested us not to orally introduce the questions, since we had only seven/eight minutes to raise questions and the answers would have lasted only two minutes.



## 3.9 LUXEMBURG<sup>32</sup>

### 3.9.1. National legislation

In Luxembourg no quota law is in place.

The Luxembourg government has been undertaking extensive gender equality reviews since 2013, including the adoption by the Luxembourg govern-

<sup>32</sup> For more information on the situation in Luxembourg see: [www.ewsdge.eu/about-the-project/participating-countries/luxembourg/](http://www.ewsdge.eu/about-the-project/participating-countries/luxembourg/)

ment in autumn 2014 of a *programme of positive actions* for obtaining an improved male-female mix in the decision making organs of Luxembourg companies, to which companies may adhere on a voluntary basis.

A draft law was introduced in September 2013 proposing amendments to Luxembourg employment law ("*Code du travail*") to codify the equality between men and women.<sup>33</sup> A follow-up draft law was introduced on 14<sup>th</sup> October 2015 regarding the government's Equality Action Plan 2015–2018, which follows from a consultation in which each Ministry had been asked to identify several specific measures to be realised in this area over the coming years.<sup>34</sup>

Beyond the legal texts quoted above, the *Equality Action Plan 2015-2018* also includes further strategies in respect of gender diversity measures, such as ensuring balanced representation of both sexes on Boards of public institutions and in those entities in which the State is a shareholder. The government has also put in place a monitoring

system to review progress regarding the balance of representation on company Boards.

### 3.9.2. AGM visits and spin-off activities

For BENELUX the national coordinator Myriam VAN VARENBERGH established a working group of four with Virginie ISSUMO in charge for Luxembourg. The common approach for BENELUX is described in the Belgium section (3.1.2).

In Luxembourg the AGM of ArcelorMittal of the EURO STOXX 50 index was visited on 5<sup>th</sup> May 2015. From the beginning it was clear that Luxembourg would give no problems.

In Luxembourg there was no preparatory meeting. Katharina MILLER, national coordinator for Spain and with experience of the company to be visited, had extensive exchanges before the ArcelorMittal AGM with several representatives of the company, as well as a conference call. This allowed the company to prepare the answers to our questionnaire, which was submitted in advance of the meeting to the Board of Directors.

### 3.1.3. Case study

In Luxembourg gender equality is quite well established and scrutinized by public authorities and civil society. The nomination of a female Board member of ArcelorMittal is in line with this mind set.

<sup>33</sup> Projet de loi no. 6611 regarding the equality of salaries between men and women.

<sup>34</sup> Projet de loi no. 6892 – Projet de loi ayant pour objet la mise en œuvre de certaines dispositions du Plan d'égalité des femmes et des hommes 2015-2018 et portant  
1. modification du Code du travail  
2. modification de l'article 2 de la loi modifiée du 21 décembre 2007 portant réglementation du financement des partis politiques



### 3.10 THE NETHERLANDS<sup>35</sup>

#### 3.10.1. National legislation

In 2013, the relevant rules concerning gender diversity on Boards were adopted by means of a law amending the Dutch Civil Code. In Art. 2:166 and article 2:276 large public and private companies (net turnover of more than EUR 35,000,000 and more than 250 employees) should strive to have at least 30 per cent of the seats in their Executive Boards and in their Supervisory Boards held by women, and at least 30 per cent of these seats held by men.<sup>36</sup> This however is a non-binding measure without sanctions.

The quota is not obligatory: a “Comply or Explain” model. The measure has a temporary character and expires on 1<sup>st</sup> January 2016. No new legislation is yet in place.

<sup>35</sup> For more information on the situation in the Netherlands see: [www.ewsdge.eu/about-the-project/participating-countries/netherlands/](http://www.ewsdge.eu/about-the-project/participating-countries/netherlands/)

<sup>36</sup> Article/ Market Integrity Insights/ Views on the integrity of global markets/ Women on Corporate Boards: Global Trends for Promoting Diversity by Matt Orsagh, CFA, CIPM/ 24 September 2014.

There is also self-regulation: diversity clauses in the Dutch Corporate Governance Code of 2009, applicable to both Executives and Non-Executives; as well as a voluntary Charter with targets for more women in management.

#### 3.10.2 AGM visits and spin-off activities

Four companies of the EURO STOXX 50 index were on the Dutch list. In the Netherlands three AGMs were visited.

The visited AGMs took place in Amsterdam (Philips), Rotterdam (Unilever) and Eindhoven (ASML) in May and June 2015.

The national coordinator, Myriam VAN VARENBERGH, set up a working group of four with Marianne EISMA and Henriette VAN EYL in charge for the Netherlands. The common approach for BEN-ELUX is described in the Belgium section (3.1.2).

In the Netherlands it was quite easy to approach the responsible Board secretary and (General) Legal counsel who were preparing the AGMs. They were very cooperative and helpful before the AGMs took place and afterwards in answering the EWSDGE questionnaire quite extensively in writing.

In the Netherlands unfortunately ING bank was not even willing to accept the EWSDGE project team into the AGM, even when the whole procedure to attend the AGM was followed and the



proxy was sent in time. Very tardily, Philips sent the written answers to the EWSDGE questionnaire. In these circumstances it was not detrimental that the EWSDGE project team dealing with this company did not ask all the questions during the AGM.

### 3.10.3. Case study

The project was – to our knowledge – **the first time that shareholders asked questions at Dutch AGMs** about the representation of women on Boards and in senior positions. Most of them were surprised about our initiative. We had to point out that in the Netherlands there is a long tradition where Non-Governmental Organizations (NGOs) ask questions about environmental impact and working conditions during AGMs. This meant that the EWSDGE questions did receive a lot of interest from the companies concerned and from other shareholders.



## 3.11 SPAIN<sup>37</sup>

### 3.11.1. National legislation<sup>38</sup>

Spanish law already contains (flexi) quota<sup>39</sup> rules regarding women's participation on the Boards of listed companies. These are contained in Art. 75 of the Spanish Equality Law (LEY ORGÁNICA 3/2007, de 22 de marzo, para la igualdad efectiva de mujeres y hombres).<sup>40</sup> This law established a deadline of end of 2015 for compliance.

In the new Corporate Governance Codex, there is a recommendation in number (14) for a quota: it promotes an objective for selection policy that by 2020 the number of female directors should represent at least 30 per cent of Board members.

<sup>37</sup> For more information on the situation in Spain see: [www.ewsdge.eu/about-the-project/participating-countries/spain/](http://www.ewsdge.eu/about-the-project/participating-countries/spain/)

<sup>38</sup> For more information see the Spanish Toolkit, from p.17: [www.ewsdge.eu/spain/](http://www.ewsdge.eu/spain/)

<sup>39</sup> For a very good summary about the discussion whether Art. 75 is a binding quota or only a recommendation please consult: Pérez Trova, Adoración: La incorporación de la perspectiva de género en el Derecho Mercantil, in: Revista de Derecho Mercantil 288, Abril-Junio 2013, p. 53-54

<sup>40</sup> [www.boe.es/boe/dias/2007/03/23/pdfs/A12611-12645.pdf](http://www.boe.es/boe/dias/2007/03/23/pdfs/A12611-12645.pdf)

### 3.11.2. AGM visits and spin-off activities

Six companies of the EURO STOXX 50 index were on the Spanish list. In Spain, all six AGMs were visited in Madrid (Repsol, Telefonica), Bilbao (Iberdrola, Banco Bilbao Vizcaya Argentaria), Santander (Banco Santander) and Arteixo (INDITEX).

The first AGM took place on 13<sup>th</sup> March 2015 and the last on 14<sup>th</sup> July 2015.

Both speakers and note takers were trained in a workshop. The workshop was conducted on 27<sup>th</sup> February 2015 at a Madrid Business School. The findings and further information will be exchanged in a presentation in February 2016.

The implementation of the EWSDGE project in Spain was possible without problems because *Paridad en Acción* had already smoothed the way in the previous two years. The adjustment of the questionnaire to the monistic system in Spain represented an initial challenge because the Spanish legislation only provides for one administrative organ for Spanish joint-stock companies and for Spanish quoted businesses, and that is the Board of Directors. On the next level there is the so-called *comité de (Alta) dirección*, where a company which was involved in the EWSDGE project abolished this committee from June 2015.

EWSDGE managed to get participants quickly from *Paridad en Acción* activists. However, the Spanish

coordinator Katharina MILLER wanted to get even more women to participate. Therefore, there were high expectations for the workshop, which the Spaniards organised at the end of February 2015. The workshop was promoted as a public speaking workshop, among other things, and it attracted many participants. A djb member and a member of *Paridad en Acción*, Julia SUDEROW, presented the lecture on the legal aspects of a general meeting. A coach, Isabel PÉREZ PORRAS, conducted the public speaking course. From this course, three further women could be recruited to participate in the EWSDGE project.

All companies were put on notice that there would be a EWSDGE presence, in line with the *Paridad en Acción* project. As in previous years, the questionnaire was sent to the companies by email. In the email, it was also pointed out that active participation in the AGM and the opportunity to ask questions were planned. The companies are legally obliged to answer the questions on the day before the general meeting in writing.

All companies answered all questions, however most questions were answered in a rather summarised way and not in detail. One company refused to provide information on the composition of the *comité de empresa*. The reason they gave was that they only had a *comité de ALTA dirección*.

### 3.11.3. Case study

Most businesses wanted to see the text for the general meeting first, which posed a problem. As the Spanish coordinator had already stated earlier, the companies used the EWSDGE questions for their own marketing purposes during the general meeting. That was not supposed to be the intention and purpose of the questions posed in the AGM. Therefore, the coordinator changed her tactics and waited for the submission of the written answers. However, this mainly took place the evening before the general meeting, which is why the questions had to be changed again at the last minute. For „experienced“ AGM speakers, already active in the Spanish *Paridad en Acción* project, this flexibility did not represent a problem; the Spanish coordinator did not demand these short-term changes of the new EWSDGE speakers. All speakers were accordingly prepared in advance with information about the companies and tips on how they should speak; and they were taught about greeting the members of the Board of Directors and female employees of the companies.

One speaker from *Paridad en Acción* had to cancel her participation in an AGM at short notice because the company belonged to her clientele; she assumed the company would not have been pleased about her appearance at the general meeting.

All the speakers and note takers were treated courteously; however, there was water for the speaker at only one company. In one company, the microphone echoed so strongly that the speaker had to hear her own voice during the lecture, which is very irritating.

No other (female) shareholder participating in the general meeting asked similar questions to the EWSDGE speakers. It was a very interesting experience for all the speakers to participate in an AGM and to be able to ask questions.

A female member of a Board of Directors revealed to the coordinator that she was their hero and that further questions should also be asked. This speaks for the success of EWSDGE in Spain.



### 3.12 UNITED KINGDOM<sup>41</sup>

#### 3.12.1. National legislation

There is no quota legislation in UK.

In 2011 Lord DAVIES of ABERSOCH was commissioned by the UK government to review the position of women on listed company Boards and to ascertain the reasons why the percentage is so low. The question was asked of these companies as to whether there should be quotas for females on Boards. The responses were mixed, with some suggesting that it would be the only way to effect transformative change, others seeing it as simply tokenism. The end result was that no recommendation to use quotas was made. However, the Review recommended a target be set for all FTSE 350 companies to henceforth appoint females in a ratio that would see a female representation rate of 25 per cent by 2015. The ratio would have to be

disclosed every year in order to monitor progress; additionally, the UK Corporate Governance Code should be amended to require listed companies to establish a policy concerning Boardroom diversity, including measurable objectives for implementing the policy, and disclose annually a summary of the policy and the progress made in achieving the objectives. It should include a separate section of the annual report that describes the work of the nomination committee, including the process it has used in relation to Board appointments (e.g. recruitment firms used etc.).

From 2011 to 2015, Lord DAVIES published an annual review monitoring progress towards the 25 per cent target. The fourth review in 2015 revealed that the FTSE 100 companies have achieved a 23.5 per cent target (starting from 12.5 per cent in 2011), with 8.6 per cent female Executive Directors (24 out of 255) and 28.5 per cent Non-Executive Directors (239 out of 601) and no company with an all-male Board. This falls short of the 25 per cent recommended in 2011. In the FTSE 250 the percentage in 2015 is 18. The Review therefore concluded that voluntary targets work, as the rate of change in four years was very high. It was confident that the 25 per cent target would be met by the end of 2015<sup>42</sup> with several new Board appointments in the pipeline. There

<sup>41</sup> For more information on the situation in UK see: [www.ewsdge.eu/about-the-project/participating-countries/united-kingdom/](http://www.ewsdge.eu/about-the-project/participating-countries/united-kingdom/)

<sup>42</sup> Improving the Gender Balance on British Boards, October 2015, see: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482059/BIS-15-585-women-on-boards-davies-review-5-year-summary-october-2015.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482059/BIS-15-585-women-on-boards-davies-review-5-year-summary-october-2015.pdf)

are no recommendations to introduce any type of legislation. This is borne out by the 30 per cent club latest figures which state that 26 per cent has been reached.<sup>43</sup>

The UK Government is setting up a new Review mechanism with a Steering Group that will carry on the work started by the Davies Review. It will be business-led and will look at, inter alia, women on Executive Committees and senior-most leadership positions, including whether targets will be set.

### 3.12.2. AGM visits and spin-off activities

In the UK ten FTSE 100 companies were visited between May to September 2015.

The AGMs were held in a variety of places, including: London (Johnson Matthey, Vodafone Group plc, Babcock International Group plc, Ashtead Group plc, Sports Direct International plc, Dixons Carphone plc), Zurich (Coca-Cola HBC AG), Birmingham (Severn Trent), Edinburgh (Lloyds).

The UK EWSDGE project team established by the national coordinator, Prof. Jackie JONES, comprised six people, with three at the start undertaking initial research, then leaving, and two others attending one AGM in the summer. The team found difficulties throughout the year trying to obtain information as to the dates of the AGMs, this

information seemingly being withheld or made very difficult to find on websites and hidden in financial calendars, or added at a late date. AGMs ranged in size from 400 (Lloyds Bank) to 20 (Coca Cola), with Board sizes ranging from 6 to 20 members, with the average AGM meeting lasting approximately 1 to 2 hours. Most AGM questions and their answers were tape recorded openly by the coordinator.

A follow-on questionnaire was sent to each of the companies with only one responding. This is disappointing but indicates the importance of attending the AGMs in person. This is further borne out by the fact that one company, Ashtead, requested a follow-on one-to-one meeting with the national coordinator in order to discuss transformative change in the entire company with regard to increasing women at all levels, not just the Boardroom. The meeting was held and the national coordinator is working with the company to effect change.

### 3.12.3. Case study

Lloyds: (...) The last questioner, in his speech, applauded our project and asked to be kept informed from Lloyds as to the progress being made.

Several members at the AGM around me talked to me about the plans they have for their daughters: that they agree with what we are doing. However, I got a feeling that

<sup>43</sup> [www.30percentclub.org](http://www.30percentclub.org)

this is for the next generation, not them. They also wanted better choices for their daughters.

The EWSDGE team were generally well received, with no hindrances as to asking questions, whether or not the Board had received or acknowledged questions emailed before the AGM meeting. There were no barriers to asking questions or follow-on queries. In all instances a request to record the answers was met with a positive response.

There was only one company (British Land) that was openly hostile to the project coordinator Prof. Jackie JONES, calling her a 'nag' for asking questions on female representation and wasting time on this when the representation rate was fine. All other Chairs or CEOs of the AGMs visited made a special effort to talk to the team after the meeting or even greeting them at the door beforehand. Many Non-Executive Directors, especially if female, made an effort to talk privately with the team in order to provide insight into recruitment practices. These conversations revealed that the official answers were for recording purposes and 'PR', whereas many companies still 'tapped people on the shoulder'. This was not the case for many others,

for instance Severn Trent has a female CEO, actively seeking to eliminate unconscious bias in recruitment, increasing female-centred selection, etc.

The overall picture painted by companies is that merit and expertise outweigh considerations of diversity. What merit looks like is one of the questions asked in the AGMs that was met with a simple response of 'business skills'. It revealed a lack of understanding how women in particular gain experience/skills while outside the labour market (e.g., time management, organisational skills in managing a busy household and potentially working part time) and how this translates directly into a business setting. There is therefore an under-utilisation of talent pool in the UK.

In several AGMs, other shareholders also asked questions on female representation, spurred on by the EWSDGE project. In one, Share action, a major lobby group, asked to be involved in any further action and to meet to discuss progress, having their own females on Boards objectives. In others, shareholders held conversations at the lunches with the EWSDGE UK project team in order to gain further information.



# 4

## EUROPEAN LEGISLATION



When we look at what has been achieved in the past decades in the field of gender equality, some significant positive steps have been taken. In many cases, without common European actions and frameworks, progress on gender equality would have come later or not at all. That having been said, there is still a lot to be done, especially as in some areas progress has halted or has even been reversed.

It is of particular importance for the EWSDGE project to support and comment on the on-going European legislation (4.1) and on the transposition of European legislation (4.2) with regard to women in decision making positions to ensure and indeed achieve effective measures in relation to gender balanced leadership.

#### 4.1 THE WOMEN ON BOARD DIRECTIVE

During the life time of the EWSDGE project it has been important to support the efforts of the European Commission and the European Parliament to reach adequate female representation in decision-making positions in the private sector. The European Commission has adopted the Women on Board Directive proposal<sup>1</sup> that has the goal of

reaching a 40 per cent threshold of women among Non-Executive Directors/ Supervisory Board members by 2020 for private listed companies. It calls for companies quoted on the Stock Exchange to introduce transparent recruitment procedures by 2020, in an effort to guarantee more females on Board who are equally meritorious, given the fact women are underrepresented.

The state of play of the draft Women on Board Directive has been a focus for the EWSDGE project. Djb closely monitored the work in the Council of the European Union and the European Parliament and adopted two opinions, the first on the Commission proposal and the first reading of the European Parliament<sup>2</sup> and the second on the compromise proposal of the Italian Presidency and reported regularly to the EWSDGE project. We discussed how the Commission proposal could be strengthened and whether the Council compromise proposals that watered down the initial proposal were still acceptable. We concluded from the evidence that a strong political signal of support for gender equality is needed.

In the end the Luxembourg Council Presidency failed to reach a conclusion on a general approach in December 2015 for the draft Women on Board

<sup>1</sup> Proposal for a Directive of the European Parliament and of the Council on improving the gender balance among Non-Executive Directors of companies listed on stock exchanges and related measures, hereinafter: Gender balance on corporate boards Directive (Women on Board Directive), [www.ec.europa.eu/justice/gender-equality/files/womenon-boards/directive\\_quotas\\_de.pdf](http://www.ec.europa.eu/justice/gender-equality/files/womenon-boards/directive_quotas_de.pdf)

<sup>2</sup> See also the djb Advisory Opinion dated 19/05/2014: [www.djb.de/Kom/fK/K5a/st14-08](http://www.djb.de/Kom/fK/K5a/st14-08) (in English: <https://www.djb.de/Kom/fK/K5a/st14-08e>) and the djb Advisory Opinion regarding the compromise proposal of the Italian President of the Council (Council document 16300/14) dated 17/09/2015: [www.djb.de/Kom/K6/st15-11](http://www.djb.de/Kom/K6/st15-11)

Directive in the Council of the European Union in 2015. In the Bulletin Quotidien Europe<sup>3</sup> entitled *Gender Equality: No agreement on directive on quotas for women* detailed on what happened as follows:

“The fact that the Ministers for Employment and Gender Equality attended the Council of the European on 7<sup>th</sup> December 2015 did not change things at all: the Member States still did not manage to reach a general approach on the draft directive on women on Boards of major enterprises. (...) The Luxembourg compromise on the table of the Council introduces more flexibility. (...) This version received the backing of the European Commission.

During the discussion, (...) a sufficient number of states to constitute a minority blockage – spoke against the draft compromise prepared by the Luxembourg presidency<sup>4</sup>. These countries argued for proportionality and subsidiarity to justify their rejection. Spain expressed misgivings about scrutinising the text due to the forthcoming elections. Portugal

and the Czech Republic finally gave their support to the text. (...)”

The upcoming Council Presidencies of the Netherlands and Slovakia are against the Women on Board Directive proposal. In light of this we do not expect further development in 2016. However, the incoming Council Presidency in the first half of 2017, Malta, spoke not against the Luxembourg compromise. It is then that we are looking for a new round of negotiations.

After the completion of the EWSDGE project, djB and EWLA will continue to support and comment on the ongoing European legislation.

## 4.2 TRANSPOSITION OF THE CSR DIRECTIVE

The EWSDGE project has also monitored the transposition of Directive 2014/95/EU<sup>5</sup> of the European Parliament and of the Council of 22<sup>nd</sup> October 2014 amending Directive 2013/34/EU<sup>6</sup> as regards disclosure of non-financial and diversity

<sup>3</sup> Bulletin Quotidien Europe No 11447

<sup>4</sup> See Council Document 14343/15 dated 10/11/2015: data.consilium.europa.eu/doc/document/ST-14343-2015-INIT/en/pdf: “Many delegations (BE,BG,IE, EL, FR, IT, CY, LV, LT, LU, MT, AT, RO, SI, FI) support the Directive as currently drafted. CZ, DE,ES, PT and PL have maintained scrutiny reservations on the current text. DK, CZ, FR, PL and UK have maintained parliamentary scrutiny reservations. DK, EE, HR, HU, SK, NL,SE and UK have maintained reservations on the Commission’s proposal.”

<sup>5</sup> Directive 2014/95/EU (CSR Directive), [www.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095&from=](http://www.eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0095&from=)

<sup>6</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26<sup>th</sup> of June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC( Accounting Directive), [www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013L0034-20141211](http://www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013L0034-20141211)

information by large undertakings and groups (CSR Directive) in the participating Member States. The national coordinators focused on the content of the gender-specific passages of the CSR Directive.

Within the framework of the legislation regarding the CSR Directive, the EU has imposed comprehensive reporting requirements on certain large undertakings. The obligation relates solely to large undertakings which are public-interest entities with an average number of 500 employees. Small and medium-sized undertakings are explicitly excluded.<sup>7</sup>

The CSR Directive supplements the Accounting Directive mainly on the annual financial statements with details regarding non-financial and diversity-related information. From 2017 onwards the annual reporting has to include a non-financial statement<sup>8</sup> also regarding social and employee-related aspects and respect for human rights<sup>9</sup>, taking into account current good practice, international developments and related EU initiatives.

In providing this information, undertakings which are subject to this Directive may rely on national frameworks, Union-based frameworks such as the Eco-Management and Audit Scheme (EMAS), or international frameworks such as the UN Glo-

bal Compact, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the International Organisation for Standardisation's ISO 26000, the International Labour Organisation's Tripartite Declaration of principles concerning multinational enterprises and social policy, the Global Reporting Initiative, or other recognised international frameworks.<sup>10</sup>

Based on their duty of due care, the CSR Directive requires the targeted undertakings to also include a description of their diversity policy as applied to the administrative, management and Supervisory bodies. The content should, in addition to the various objectives of the diversity policy, include aspects such as age, gender, educational and professional backgrounds in how the policy has been implemented, and the results in the reporting period should be disclosed.<sup>11</sup> The diversity policy information therefore has to include gender-specific information.<sup>12</sup> This does not entail an obligation to introduce a diversity policy. However, companies that do not pursue a diversity policy should provide reasons as to why this is the case Comply or Explain.

<sup>7</sup> Art. 1 No. 2 (c) and (d) of the CSR Directive, Art. 20 para. 4 and para. 5 of the Accounting Directive.

<sup>8</sup> Art. 1 No. 1 of the CSR Directive, Art. 19 a of the Accounting Directive.

<sup>9</sup> Recital 7 of the CSR Directive

<sup>10</sup> Recital 9 of the CSR Directive

<sup>11</sup> Art. 1 No. 2 (a) of the CSR Directive, Art. 20 para. 1 (g) of the Accounting Directive.

<sup>12</sup> Recital 19 of the CSR Directive.

No review of the gender-specific statements is foreseen by the legislation. The audit is merely limited to checking whether the above information has been provided at all.<sup>13</sup> The right to stipulate sanctions, in the event of infringements of reporting requirements, continues to be reserved for the Member States as before.<sup>14</sup>

The deadline to transpose the CSR Directive into the national laws of the Member States is 6<sup>th</sup> December 2016.<sup>15</sup> The transposition provisions should become effective for the first time in financial years starting on or after 1<sup>st</sup> January 2017.<sup>16</sup>

The CSR Directive does not make provision for active requirements to take appropriate account of women in Executive bodies. Such regulation should follow separately on the basis of the Women on Board Directive.<sup>17</sup>

The national transposition was discussed at the documentation workshop on 6<sup>th</sup> November 2015 in Cardiff. The national coordinators are of the opinion that the transposition of the CSR Directive will significantly improve the transparency of EU's largest companies. A well-done and ambitious transposition of the CSR Directive into national law is impor-

tant and would contribute the overall objective of the EWSDGE project. More transparency and more information on the gender issue combined with a good practice as well as a gender sensitive corporate culture within the companies are an important contribution to pave the way for more women in leadership positions.

Please find below a summary of the contributions of the national coordinators:

<sup>13</sup> Art. 1 No. 2 (b) of the CSR Directive, Art. 20 (3) of the Accounting Directive.

<sup>14</sup> According to Art. 51 of the Accounting Directive.

<sup>15</sup> Art. 4 No. 1 paragraph 1 sentence 1 of the CSR Directive.

<sup>16</sup> Art. 4 No. 1 paragraph 2 sentence 1 of the CSR Directive.

<sup>17</sup> See section 4.1



#### 4.2.1 Belgium<sup>18</sup>

Belgium has not yet implemented the CSR Directive. It can be expected that at least the Company Code and possibly other legislative texts will have to be amended in order to make Belgian law comply with the European requirements. Consultations from the national ministries will be launched in Belgium.

In a broader framework on the aspect of gender equality, Belgium already made some efforts and introduced several kinds of obligations for government and companies in order to respect gender equality. It imposes affirmative action measures for the members of the Board of Directors of certain companies.



#### 4.2.2 Bulgaria<sup>19</sup>

The Bulgarian government has already taken certain steps for transposition. The transposition of the CSR Directive is contemplated as part of a bigger process of drafting of a completely new Accountancy Act. The Bulgarian Ministry of Finance has prepared a bill which was published for public consultation in the summer of 2015.

Taking into account that the bill is a new piece of legislation governing procedures and standards for accountancy in the country, no particular attention has been paid by the general public to the manner of proposed implementation of the non-financial reporting requirements. Thus, no serious discussion on the issue of CSR Directive implementation in the consultation process has taken place.

Currently, the bill has been passed at first reading by the Bulgarian Parliament. According to the Bulgarian legislative process at first reading a proposed bill is voted en bloc. Before its second reading and voting text by text by the Parliament, the bill may be subject to revisions and supplements by Parliamentary Commissions.

<sup>18</sup> For the state of play of transposition and gender equality legislation see: [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_Belgium\\_EN.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_Belgium_EN.pdf)

<sup>19</sup> For the complete Bulgarian opinion see: [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_Bulgaria\\_EN.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_Bulgaria_EN.pdf)

The proposed new Accountancy Bill contains a short section aiming to implement the Non-Financial Reporting obligations under the CSR Directive. The text for implementation of Art. 1 No. 1 of the CSR Directive, Art. 19a para. 1 of the Accounting Directive (Non-financial statement) is more or less a direct transposition of the CSR Directive provision.

At the same time, there is an important deviation from the meaning of the provision of section of Art. 19a para. 1 of the Accounting Directive: “Where the undertaking does not pursue policies in relation to one or more of those matters, the non-financial statement shall provide a clear and reasoned explanation for not doing so.”

The Bulgarian implementation proposal reads “Where the undertaking does not follow the adopted policies in relation to one or more of those matters, the non-financial statement shall provide a clear and reasoned explanation for not doing so.” Thus, the proposed transposition provision contradicts the idea behind the above quoted part of the CSR Directive. It practically limits the application of the Comply or Explain principle to cases where there is undisputed violation of adopted corporate policies, but does not require companies to explain why no corporate policies are in place at all. The clear option for all companies is to choose not to adopt any policies, so that there will be no chance of their infringement, and therefore never an obligation to explain.

Therefore, in order to achieve full compliance with the CSR Directive and in order to introduce in a meaningful way the Comply or Explain principle, changes in the drafting of the particular provision of the bill are needed.

There are no provisions in the proposed new legislation introducing the requirement of Art. 1 No. 2 (a) of the CSR Directive, Art. 20 para. 1 (g) of the Accounting Directive relating to diversity policy. No provisions are contained in the Accountancy Bill to mention in any way diversity policies in relation to the management and Supervisory bodies with regard to any aspect, including gender. Therefore, at this stage no transposition of the amendments to Art. 20 of the Accounting Directive – description of the diversity policy – is envisaged.

The CSR Directive and its correct transposition require the affected undertakings to disclose information about non-financial and diversity-related aspects of their workforce and/or the composition of their managing bodies in their non-financial corporate statement. This obligation is clearly supported by recitals 7 and 19 of the CSR Directive. In order to achieve compliance with the diversity and gender aspects of CSR Directive requirements separate provisions introducing this obligations for the specified in the CSR Directive companies have to be included. As long as all other reporting requirements are part of the Accountancy Bill, the new provisions on diversity policy logically should be part of the same act.

In view of the foregoing, firstly, the obligation for disclosing of information about non-financial and diversity-related aspects of workforce and managing bodies need to be introduced in the new accountancy and reporting legislation.

Secondly, it is advisable more detailed specifications on the manner of reporting to be stipulated in the law. For example, in the non-financial statement a section regarding the current status in terms of gender equality and any measures taken to ensure gender equality could be incorporated including:

- statistics and the numbers of representation of both genders on different managerial levels;
- specific programs and measures in place to promote the under-represented sex.

More detailed instructions on the preparation of the non-financial statement are implicitly required by the CSR Directive. Although the CSR Directive itself does not explicitly define the non-financial performance indicators on which reporting is needed, it clearly states in Recital 6 that the non-financial statement should also contain information regarding environmental, social and employee matters. Further, Recital 7 relates to information on measures taken to ensure gender equality.



#### 4.2.3 Finland

The CSR Directive has not yet been transposed in law in Finland. The legislative process has not yet started. According to the current schedule, the preparation of the law proposal will start during spring 2016. However, the requirement for Board diversity reporting has been implemented in the new Finnish Corporate Governance Code issued in October 2015. The ministry in charge of the transposition of the directive was consulted during the Code preparation process and it seems unlikely that the transposition of the directive to the Finnish law will go beyond the Code which actually goes beyond the scope of the directive. The new recommendation 9 states the following:

‘The company shall establish principles concerning the diversity of the Board of Directors.’

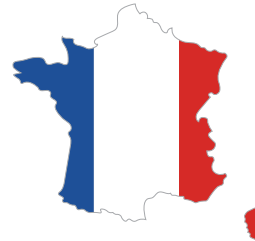
According to the Code, factors to be taken into account when establishing the principles on diversity may include, for example, age and gender as well as occupational, educational, and international background. The company shall decide the matters to be incorporated into its diversity principles

and the objectives included therein on the basis of its own circumstances.

The company can decide the extent in which the principles concerning diversity are disclosed. However, the information disclosed shall always include at least the objectives relating to both genders being represented in the company's Board of Directors, the means to achieve the objectives, and an account of the progress in achieving the objectives.

The Corporate Governance Code actually goes further than the directive. The directive excludes small companies from application whereas the recommendation in the Code applies to all Finnish listed companies, even the smallest listed ones.

Listed companies have to establish these principles during 2016 and disclose them as described above in the corporate governance statement to be issued in spring 2017. The recommendation is on Comply or Explain principle (the common practice for Corporate Governance Codes). This means that in case of non-compliance, the listed company must give a public explanation why it has not prepared the diversity principles for the Board.



#### 4.2.4 France<sup>20</sup>

No further transposition is needed. The reporting obligations of large undertakings in France were the role model for the CSR Directive.

In France there is already an obligation in place to publish the required data. If there is no negotiation of a gender equality agreement or action plan on gender in progress or adopted, companies with more than 50 employees are excluded from public procurement. In addition, if there is no gender agreement, one per cent of the overall salaries have to be paid as a "penalty". Sanctions are manifold and important for progress.

However, the French example shows that comprehensive reporting requirements are indeed worthwhile. They create transparency and increase competition. The management report (rapport de gestion) compiled by the management Board/ Supervisory Board is approved and audited by an external auditor. It contains detailed informa-

<sup>20</sup> For the already transposed provisions see: [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_France\\_FR.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_France_FR.pdf)



tion regarding the situation faced by women in the respective undertakings and is available to anyone and everyone upon request.

In France, the combination of reporting requirements and quota obligations with sanctions has meant that French undertakings have assumed a leading role in relation to gender equality, as demonstrated at the managerial level.

In order to increase even more transparency and competition and show good practices, oral reporting in the AGM could include some other aspects than only the quota in the Director's Board and the number of women and men working in the company. Information and action is missing with regard to gender in talent pools, number of women in the middle and higher management below the top management and equality programs.

In order to progress, objective evaluation on clear indicators are necessary. France, the role model of the first generation CSR transposition in the EU, should now go further and detail gender indicators.



#### 4.2.5 Germany<sup>21</sup>

On 27<sup>th</sup> April 2015 the German Federal Ministry of Justice and for Consumer Protection launched a consultation on a concept regarding the transposition of the CSR Directive – Reform of the Management report. Djb, the EWSDGE project coordinator, participated in this process with an advisory opinion adopted on 20<sup>th</sup> October 2015.

The djb recommends that particular attention is paid, within the framework of transposing the CSR Directive, to the objective of gender equality laid down in the CSR Directive itself, but also in the legislative proposal of the BMFSFJ regarding equal pay or in the coalition agreement.

**Specification of non-financial key performance indicators in the management report (Art. 1 No. 1 of the CSR Directive, Art. 19a para. 1 (e) of the Accounting Directive)**

§ 289 para. 3 HGB (German Commercial Code), which includes information regarding non-financial key performance indicators for large stock under-

<sup>21</sup> For the complete opinion see: [www.ewsdge.eu/wp-content/uploads/2014/10/CSR\\_transposition\\_Germany\\_EN.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/10/CSR_transposition_Germany_EN.pdf)

takings, is considered as the place for transposing this information stipulated by the CSR Directive.

### Affected undertakings

To date, information regarding non-financial key performance indicators, in accordance with § 289 para. 3 HGB (German Commercial Code), must be provided by large stock undertakings, i.e. companies that meet two of the criteria stipulated in § 267 para. 2 HGB (German Commercial Code) (EUR 19,250,000 total assets, EUR 38,500,000 sales revenue, 250 employees on average during the course of the year). The CSR Directive also stipulates that this relates to undertakings of public interest and have more than 500 employees. What concerns information on gender equality, employee matters, as well as human rights, djb recommends retaining the key criterion of § 267 para. 3 HGB (German Commercial Code) and the criterion of 250 employees on average.

### Non-financial information

djb recommends that the non-financial information in the management report also contains information regarding the current status in terms of gender equality and any measures taken to ensure gender equality, whereby the following information must in any case be incorporated into the management report:

- The existing gender relations with regard to the employees within an undertaking, as well as with regard to the various managerial levels within the

undertaking (to be laid down, where applicable, in § 285 clause 7 HGB (German Commercial Code));

- The existing gender-specific pay situation in relation to the same or similar jobs, and strategies to help achieve equal pay;
- The specific programs in place to promote the under-represented sex with regard to:
  - *Work/life balance;*
  - *The development and promotion of management;*
  - *The recruitment and promotion towards future careers, and information regarding how employees can be made aware of such programs;*
  - *Content and the nature of communications, with regard to positions in senior managerial levels that need to be filled.*

The reasons for this proposal can be summarised as follows: The CSR Directive itself does not define the non-financial performance to be notified in Art. 19a para. 1 (e) of the Accounting Directive; however, it makes provision for the fact that the most important non-financial key performance indicators must be specified, which are of importance to the business activity in question. According to recital six, the non-financial statement should also contain information regarding environmental, social and employee matters. Recital seven, stated in the introduction, specifies this and relates to information on measures taken to ensure gender equality. The specific information in the management report,

regarding gender equality as illustrated above, is therefore necessary against this backdrop.

In detail:

In addition to disclosing the status quo of existing gender relations, the disclosure of programs promoting the under-represented sex, which are only ever partially applied in the private sector, appear to be especially important.

Especially important appears to be disclosure of programs with regard to work/life balance, the development and promotion of management and the recruitment and promotion towards future careers. This is necessary in order to achieve the long-term commitment of the under-represented sex too, and to develop and promote their potential in the best possible way.

Reference could therefore be made to the following programs and circumstances in the rationale behind the new legislative provisions:

- Programs that offer flexible working time models, either by way of part-time working, also for management, teleworking, home offices, job sharing, long-term accounts, as well as the granting of childcare subsidies (day-care centres and local care services including emergency care for children, elderly services, family recreational facilities, holiday camps). The specific parental leave support also includes programs via which male and female employees can maintain contact with the undertaking during parental leave.

- Specific support programs for management are also required to increase the under-represented sex (proportion of women) in leadership positions (e.g.: LEAP- or the SAP Leadership Excellence Acceleration Program: LEAP is an 18-month long program targeting talented women, who either have the potential to undertake leadership duties or already carry out leadership duties but who want to achieve more. The program aims to maximise the individual abilities of the program participants and impart the necessary skills and knowledge. The training sessions include the following: Self Assessment and reflection, career planning and development, mentoring and sponsorship, networking and branding and displaying leadership qualities.)
- Mentoring programs are an effective tool to help further the careers of women.
- General programs offering long-term career assistance, which take into account the various life phases as well as programs that promote future careers, can help to increase the proportion of the under-represented sex.
- Programs regarding training and courses on diversity-aware leadership so as to change the general corporate culture with regard to diversity appear to be advisable too.

It is also necessary that undertakings structure their staff recruitment in a transparent manner, particularly at senior managerial levels.

Furthermore, the disclosure of the remuneration of women and men, who carry out the same or similar activities within the undertaking, plays an important role. The existing differences in pay between men and women in Germany, who have the same formal qualifications and the same personal characteristics, offer a continued indication of the hidden discrimination suffered by women in the labour market. The disclosure of remuneration structures should ensure greater transparency

#### Diversity policy (Art. 1 No. 2 of the CSR Directive, Art. 20 para. 1 (g) of the Accounting Directive)

In order to transpose the gender-specific requirements of the CSR Directive, it is important to expand the reporting requirements in § 289a para. 2 HGB (German Commercial Code), since the reporting requirements regarding diversity relate to the corporate governance statement. § 289a HGB (German Commercial Code) must be expanded with regard to the scope of statements, so as to regulate the disclosure and reporting requirements in a uniform manner. This can be best achieved by inserting a number 6 in § 289a para. 2 HGB (German Commercial Code).

An appropriate revision must especially contain the following:

- Information about the administrative, management and Supervisory bodies which are to be reported on (Executive Board, Supervisory Board and/or administrative Board);

- A list of content-based minimum requirements, which must at least be reported on, including the description of the diversity strategy, the disclosure of the objectives of this diversity strategy, an illustration of how the diversity policy is implemented and information in terms of what results have been achieved during the reporting period;
- A list of so-called diversity dimensions, which can lie at the base of the diversity policy within the undertaking. These include the dimensions of age, gender, educational and professional backgrounds of the Board members, as already specified in the CSR Directive. This might involve supplementing these criteria to include, for example, the language and origin and/or internationality of Board members; and
- The duty to provide an explanation, if the undertaking does not pursue a diversity strategy (Comply or Explain).

Djb demands the inclusion of the two managerial levels below the Executive Board.

Particular value is placed on the disclosure of the selection and recruitment processes, as it is often the case that the under-represented sex struggles to gain access to such positions, which are often publicised via networks as opposed to transparent announcements. Even communicating the job profile makes it easier for the under-represented sex to apply. There should also be a disclosure of programs for more flexible, family-friendly working time

structures in the Supervisory Board and Executive Board, either by allowing so-called *part-time Supervisory Boards* or dividing up mandates.



#### 4.2.6 Hungary

Hungary has not yet transposed the CSR Directive. There are no proposals out yet. No serious discussion has taken place so far on the issue of transposing the CSR Directive.

There are currently no reporting obligations and no *Comply or Explain* obligation regarding a diversity strategy.

It is necessary that the non-financial information in the management report also contains information regarding the current status in terms of gender equality and any measures taken to ensure gender equality. It should be compulsory to inform on the existing gender relations with regard to the employees within a company, as well as with regard to the various managerial levels. Sufficient information on effective *Comply or Explain* disclosures to ensure that the degree of compliance can be adequately monitored should be also compulsory.



#### 4.2.7 Ireland

There are no proposals out yet for transposing the CSR Directive.

There are voluntary schemes and individual companies that report on diversity in their Annual Reports, in line with the UK Corporate Governance Code. But this is voluntary. It is important therefore to have compulsory reporting that is consistent and transparent across the EU, as outlined in the UK section (see section 4.1.12).



#### 4.2.8 Italy<sup>22</sup>

The Italian analysis<sup>23</sup> provides an overview of the existing gender-equality legislation and policies in Italy, focusing on their recent developments and presenting the most relevant milestones in gender-equality achievements in Italy in the last years. According to the new EU strategy on gender equality, gender equality in employment, reconciliation of work and family life, presence of women in decision-making positions, and recent measures to fight violence against women represent important issues to be handled. In many fields Italy is still far from reaching satisfactory results, in terms of income, employment for highly educated women and social infrastructure, so it would be necessary re-thinking the Italian model of gender equality. Below are some suggestions for the transposition of CSR Directive 2014/95.

The legal provisions on gender equality for listed companies will be extended to include other companies mentioned Art. 1 No. 1 of the CSR Direc-

tive, Art. 19a para 1 of the Accounting Directive; in addition, specific measures should be imposed to all existing companies to support the implementation of gender policies with respect to any employees' level and role (not only for the members of the Board of Directors and Statutory Auditors), such as (by way of example) the adoption of specific internal policies promoting gender diversity.

Concerning internal policies promoting gender diversity, the following proposals should be taken into account:

- innovation of the recruiting process: (i) imposition of a minimum number of female employees at any internal level and role; (ii) identification of clear criteria of selecting new personnel which shall be publicly made available; (iii) detailed description of each job position and related goals;
- internal career paths: (i) specific training programs aimed at exploiting new different job positions; (ii) identification of specific and clear goals to be pursued by employees at any level of their career, having regard also to the age of employees and their considerations (in order to overcome the gender pay gap); (iii) provision of proper midterm assessments aimed at checking the results achieved by each employees and the level of their satisfaction;
- job flexibility, by improving part-time opportunities of work and by providing the companies with the proper equipment allowing the employees to work outside of their offices.

<sup>22</sup> [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_Italy\\_EN.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_Italy_EN.pdf)

<sup>23</sup> See section 3.8.1

Strict penalties (not only in terms of monetary sanctions but also in terms of – by way of example – prohibition to access public calls for tender on specific public projects) will be provided in case of non-compliance with the above mentioned rules on gender equality, as well as financial aids/fiscal benefits will be granted for employing unemployed persons who are part of the under-represented sex in professional roles and offices usually held by men.



#### 4.2.9 Luxembourg<sup>24</sup>

A draft law was published on 8<sup>th</sup> September 2015<sup>25</sup> concerning the transposition of the CSR Directive into the law of Luxembourg. The draft law was sent back to the Legal Commission on 9<sup>th</sup> October 2015, which is a normal part of a draft bill's passage through Parliament as the Commission will analyse the draft law and propose amendments. Once the Commission has finished its work, the draft law will be re-presented and discussed. Prior

to the final vote, there must also be an opinion of the *Conseil d'Etat* (State Council).

Luxemburg law has historically not imposed a framework for non-financial reporting obligations, although a few laws already impose a limited amount of non-financial reporting for large companies. As a result, the approach taken in this first official draft of the draft law is to retain the flexibility options offered in the CSR Directive, such as leaving companies a choice in terms of reporting format (for example the government refers to the UN Global Compact, OECD Principles, ISO 26000 or GRI or other national or international frameworks), inclusion in the management report or published separately, and whether or not the company must engage an independent assurance services provider. The proposed thresholds for falling within the large Public Interest Entities (PIE) are, however, slightly lower than those in the CSR Directive (turnover above EUR 35,000,000 or a balance sheet over EUR 17,500,000).

As the draft law aims to remain simple and non-intrusive, it is very closely aligned to the actual text of the CSR Directive, which itself is quite brief and generic. This results in no further detail being provided on how these obligations should be applied in practice. The draft law should be amended in this respect to expand in detail each obligation to give more guidance on minimum requirements.

<sup>24</sup> For the state of play of transposition and gender equality legislation see: [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_Luxemburg\\_EN.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_Luxemburg_EN.pdf)

<sup>25</sup> Projet de loi no. 6868, see: <http://www.csl.lu/component/rubberdoc/doc/2801/raw>

Only through having more detail it will be possible to have effective *Comply or Explain* disclosures to ensure that the degree of compliance can be adequately monitored. As a result, a certain detail regarding types of non-financial information to be reported on should be added to the draft law, along with requirements to publish statistics regarding proportions of each gender at Board and senior management levels and on the types of measures in place to promote the under-represented sex should also be included.

Since current *Comply or Explain* reporting by those few listed companies subject to the Stock Exchange governance code are generally not particularly detailed, there is also the risk that the quality of the information provided, and of the explanations given in the case of non compliance, might not be meaningful. In this respect it would be beneficial for the audit to be expanded to comment not only whether explanations were provided, but also to opine on the sufficiency and quality of those explanations.

Although no serious discussion has taken place so far on the issue of transposing the CSR Directive, this may increase as comments on the draft law are lodged with the government.



#### 4.2.10 The Netherlands<sup>26</sup>

At present there is no obligation under Dutch law for companies to report on measures taken to ensure equality between men and women, as long as it is not an Executive or Supervisory Director.

Most of the Diversity reporting principles and best practise provisions are already covered by the Dutch Corporate Governance Code.<sup>27</sup>

The Dutch Government has already discussed a legislative proposal for transposition of the CSR Directive. On 11<sup>th</sup> December 2015 the Dutch government announced a public consultation and submitted a corresponding legislative proposal. Until 18<sup>th</sup> January 2016 the companies that already work with diversity reporting on the basis of the Dutch Corporate Governance Codex in practice were consulted.<sup>28</sup>

<sup>26</sup> For the state of play of transposition and gender equality legislation see: [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_Netherlands\\_NL.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_Netherlands_NL.pdf)

<sup>27</sup> See [www.commissiecorporategovernance.nl](http://www.commissiecorporategovernance.nl)

<sup>28</sup> See [https://www.internetconsultatie.nl/bekendmaking\\_diversiteitsbeleid](https://www.internetconsultatie.nl/bekendmaking_diversiteitsbeleid)



It is necessary that the non-financial information in the management report also contains information regarding the current status in terms of gender equality and any measures taken to ensure gender equality. It should be compulsory to inform on the existing gender relations with regard to the employees within a company, as well as with regard to the various managerial levels. Sufficient information on effective *Comply or Explain* disclosures to ensure that the degree of compliance can be adequately monitored should be also compulsory.



#### 4.2.11 Spain<sup>29</sup>

For Spain no proposal for the transposition of the CSR Directive has been tabled so far. The Ministry in charge announced that a proposal will be drafted in April 2016.

#### Equality Plan

The Spanish Ministry of Health and Equality<sup>30</sup> has developed a so-called entrepreneurial *Equality*

*Plan* 2007 pursuant to Art. 46 of the Equality Act between Women and Men<sup>31</sup>. Companies with more than 250 employees are required by law to develop and introduce such plan in their companies. This plan requires a clear commitment of the Board. This is followed by an auditing of the entire company in the following areas:

- Access to employment
- Working hours for work-life balance
- Occupational classification, promotion and career development
- Education
- Remuneration
- Sexual harassment
- Non-sexist language and communication
- Health at work.

Since all companies that are affected by the CSR reporting requirements are also required to prepare an *Equality Plan*, it seems logical to take the self-imposed obligations by the company under the *Equality Plan* in the reporting obligations.

#### Extension of the reporting obligation

Furthermore, the above-mentioned extension of the reporting obligation with respect to the cate-

<sup>29</sup> [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_Spain\\_DE.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_Spain_DE.pdf)

<sup>30</sup> [www.msssi.gob.es/ssi/gualdadOportunidades/Empleo/planIgualdad.htm](http://www.msssi.gob.es/ssi/gualdadOportunidades/Empleo/planIgualdad.htm)

<sup>31</sup> Ley Orgánica 3/2007 see: [www.boe.es/buscar/doc.php?id=BOE-A-2007-6115](http://www.boe.es/buscar/doc.php?id=BOE-A-2007-6115)

gories of the *Equality Plan* should be extended to companies that have 250 employees.

### Sanctions

In Spain for some years there have already been detailed reporting requirements, see above, which, however, has not meant that the proportion of women had risen in leadership positions. For this reason, sanctions should (not only fines, but also, for example, prohibition on participating in public tenders for certain public projects) to be introduced in the event of non-compliance with the above reporting requirements.

### Deductions/bonifications

On the other hand, companies that hire unemployed women in management positions, which are usually occupied by men should get tax concessions or reductions in social security contributions.



#### 4.2.12 United Kingdom<sup>32</sup>

Consultations from the national ministry will be launched in the UK in early 2016. There are currently no proposals out yet. However, the Corporate Governance Code of 2011 (as amended) governs diversity reporting. This is a *Comply or Explain* model.

In light of this, recommendations are set out below to strengthen the situation for the UK and some other Member States further:

In the CSR Directive, Art. 1 'In requiring the disclosure of the information referred to in the first subparagraph, Member States shall provide that undertakings may rely on national, Union-based or international frameworks, and if they do so, undertakings shall specify which frameworks they have relied upon.'

<sup>32</sup> [www.ewsdge.eu/wp-content/uploads/2014/11/CSR\\_transposition\\_UK\\_EN.pdf](http://www.ewsdge.eu/wp-content/uploads/2014/11/CSR_transposition_UK_EN.pdf)

This requirement should be made compulsory, rather than optional.

Art. 20 (g) of the Accounting Directive states: 'a description of the diversity policy applied in relation to the undertaking's administrative, management and Supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds, the objectives of that diversity policy, how it has been implemented and the results in the reporting period. If no such policy is applied, the statement shall contain an explanation as to why this is the case.'.

The EWSDGE team experience in the UK is that there have to be sanctions if they do not fulfil the obligations. Voluntary schemes are hard or impossible to monitor and have no teeth.

The UK evidence (from scrutinising the Annual Reports of companies) clearly demonstrates that there are gaps in reporting as well as inconsistencies. In order to ensure consistency and transparency across all companies, compulsory reporting should be imposed.

# 5

## NEXT STEPS AND RECOMMENDATIONS

## 5.1 NEXT STEPS

We will continue the EWSDGE activities at national levels:

- **Spain** will continue with *Paridad en Acción*.
- **France** will copy the EWSDGE blueprint and possibly enlarge the activities with a future cooperation with new partners. Cooperation with *Grandes Ecoles* such as HEC<sup>1</sup> and ESSEC<sup>2</sup> as well as other Women associations such as FFA<sup>3</sup> (Fédération des Femmes Administrateurs) or the AAA<sup>4</sup> (Association pour la promotion des femmes avocats ou juristes comme administrateurs) will strengthen and widen the presence in French AGMs in 2016. This will oblige French Companies to focus on measurable progress in their gender balanced management and therefore defend their role model position in the EU.
- In **Germany** the questionnaire and guidelines will be updated annually and put online available for djb members willing to visit AGMs on a voluntary basis. Workshops may be organized as side events at djb conferences.
- **UK** intends to continue.

It is desirable that the EWSDGE activities will be developed by increasing the number of selected companies and making face-to-face contacts with selected women employees from those companies. It is important that companies are obliged to provide easily accessible and timely information regarding the dates and times of AGMs, information rights for shareholders and facilitate transnational proxies. It should be normal that speakers advocating gender equality are treated with respect. Companies should be obliged to provide publicly available, timely, full written answers to submitted written questions with regard to gender and CSR issues.

During the EWSDGE project life time we have grown together. The network of the national coordinators composed by EWLA members will continue to work together e.g. by exchanging on national activities and on the development at European level. They will meet at a side events during EWLA congresses with separate agenda. Their work can also lead to concrete actions of EWLA, such as lobbying for binding gender quota legislation.

## 5.2 RECOMMENDATIONS

The recommendations of the EWSDGE project are based on the experiences and findings gained during the EWSDGE project life time, especially during the preparation and the visits of the AGMs in 11 Member States. They are based on direct

<sup>1</sup> [www.hec.edu](http://www.hec.edu)

<sup>2</sup> [www.essec.edu/en](http://www.essec.edu/en)

<sup>3</sup> [www.federation-femmes-administrateurs.com](http://www.federation-femmes-administrateurs.com)

<sup>4</sup> [www.femmes-avocats-administrateurs.com](http://www.femmes-avocats-administrateurs.com)

evidence gathered at the AGMs as well as through questionnaires of over 100 companies across Europe. Changing the status quo requires ambitious legislation and policies and new attitudes among employers and women as well as men. Gender equality is advantageous for both women and men and therefore for the whole society. It is a smart thing to do. As we are (women) lawyers, a focus is on ambitious legislation and policies at European and national level (recommendation 1 to 9). However, companies also have to effect transformative change (recommendation 10 and 12). Crucial is the need for change in the perception in society (recommendation 13 to 15).

### **Ambitious legislation and policies at European and national level are necessary**

It is obvious that (women) lawyers are convinced that legislation is necessary to achieve sustainable results. But also policies can and do shape gender balanced leadership.

Adopt binding gender quota legislation.

Quota legislation is vitally important in helping progress gender balanced leadership.

This is evidenced at national level: the example of France clearly demonstrates that quota legislation accelerated the increase of the representation of

women among Non-Executive Directors (see section 3.4.1).

The evidence demonstrates that quota rules for Supervisory Boards are not sufficient in themselves in order to get gender balanced leadership in companies.

Quota legislation on the European level is advisable and necessary. This would provide a minimum standard for all 28 Member States. That is the reason why we need the Women on Board Directive (see section 4.1).

The focus should be on regulations for more women on Boards and in decision making positions.

It is crucial that the rules are binding.

Governments to make a political decision to require 40 per cent representation of both genders on Boards of state-owned companies.

If national Parliaments are not willing to adopt binding gender quota rules governments can make political decisions regarding state-owned companies. The example of Finland demonstrates that the requirement of 40 per cent representation of both genders on Boards of state-owned companies has been achieved and is therefore achievable and beneficial to the country (see section 3.3.1).

Increase transparency concerning female representation in corporate structures.

Transparency concerning female representation in corporate structure is essential. The example of France demonstrates that this transparency can be achieved by reporting. For the EWSDGE project, the transposition of the CSR Directive was of particular importance, with the national coordinators contributing ideas for the transposition of the CSR Directive in their respective Member States (see section 4.2).

Prepare studies and statistics on women in leadership positions.

The issue of women in leadership positions should be targeted by studies and statistics. Women Executives in listed companies but also women in small and medium sized enterprises as well as state-owned companies should be included.

As non-legislative tools, studies and statistics can serve to increase transparency and to provide sound evidence and data for political decision making. Looking at the overall situation – women from the beginning of their career up to the top positions – it becomes obvious where action is needed. This is also in line with the EWSDGE

approach to gender balanced leadership not only focusing on Boards of large listed companies, but equally looking at smaller enterprises.

As a preliminary stage to the transposition of the CSR Directive or as monitoring and evaluation instrument, studies and statistics on women Executives in listed companies can contribute to finding out where reporting has to be accomplished and where the gaps are. Studies and statistics will also detect weaknesses where changes or support are needed. These studies and statistics should include information of the numbers of women Executives in listed companies, their educational backgrounds, age, length of terms in office, areas of responsibility as well as differences among different sizes and sectors of companies regarding the representation of both genders.

The example of Finland demonstrates that even without quota legislation the use of these tools can form an essential component on the way to gender balanced leadership and be effective (see section 3.3.2).

Positively develop the equal pay provisions in line with transformative equality.

The gender pay gap reaches into Supervisory Boards. Non-legislative measurements such as equal pay days throughout Europe did not lead to a significant reduction in the gap. The breach

of this fundamental right requires further legislative interventions on the national level but also on the European level e.g. revision of Art. 4 and 23 of Directive 2006/54<sup>5</sup>.

Strengthen the link between gender equality principles and public procurement.

The EWSDGE project considers it necessary to strengthen the link between gender and public procurement. The new European public procurement rules foresee such a strengthened link.

Art. 18 para. 2 of the Public Procurement Directive 2014/24/EU<sup>6</sup> requires that Member States must take appropriate measures to ensure that in the performance of public contracts economic operators comply with applicable obligations in the fields of environmental, social and labor law established by EU law, national law, collective agreements or by the international environmental, social and labor law provisions listed in Annex X. In the annex the relevant gender conventions are ILO Con-

vention 111 on Discrimination<sup>7</sup> (Employment and Occupation) and ILO Convention 100<sup>8</sup> on Equal Remuneration.

Art. 70 of the Public Procurement Directive 2014/24/EU describes the conditions for performance of contracts. Contracting authorities may lay down special conditions relating to the performance of a contract, provided that they are linked to the subject matter of the contract and indicated in the call for competition or in the procurement documents. Those conditions may include social or employment-related considerations.

Art. 90 para. 1 of the Public Procurement Directive 2014/24/EU states that Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with the Public Procurement Directive by 18<sup>th</sup> April 2016.

The strengthened link between gender and public procurement has to be implemented and used by the contracting authorities.

ISO 26000<sup>9</sup> provides guidance on how businesses and organizations can operate in a socially responsible way and incorporate legal obligations

<sup>5</sup> [www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:204:0023:0036:en:PDF](http://www.eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:204:0023:0036:en:PDF)

<sup>6</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, [www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2014.094.01.0065.01.ENG](http://www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.094.01.0065.01.ENG)

<sup>7</sup> [www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_INSTRUMENT\\_ID,P12100\\_LANG\\_CODE:312256,en](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID,P12100_LANG_CODE:312256,en)

<sup>8</sup> [www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100\\_INSTRUMENT\\_ID:312245](http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312245)

<sup>9</sup> [www.iso.org/iso/home/standards/iso26000.htm](http://www.iso.org/iso/home/standards/iso26000.htm)



concretely. This means acting in an ethical and transparent way that contributes to the health and welfare of society.

Develop benefits for companies implementing sound, evidenced gender equality policies.

It can be extremely helpful to provide (financial) incentives for companies, e.g. tax credits. However, those incentives should be sustainable. If there are no binding provisions forthcoming, then tax incentives are a good alternative.

Benchmarking on gender indicators can be strong to encourage companies to become more active. An European Observatory could evaluate annually the results on a number of indicators and contribute to competition, transparency and progress.<sup>10</sup> In this context the report *Gender Equality in Power and Decision Making* of the European Institute for Gender Equality (EIGE) is to highlight.<sup>11</sup> It looks at how men and women are represented in power and decision making positions inter alia in the

economic sector in all 28 Member States between 2003 and 2014.

Develop effective and smart sanctions for non-compliant companies.

It can also be helpful to impose sanctions. However, this area is sensitive. Punishment by law is to be avoided. Effective and smart sanctions can include, e.g. managers do not get bonuses if they fail to reach a set gender target.

Complement the Europe 2020 strategy with transformative gender equality measures.

Europe 2020 is a 10-year strategy proposed by the European Commission on 3<sup>rd</sup> March 2010 for the advancement of the economy of the European Union. It aims at *smart, sustainable, inclusive growth* with greater coordination of national and European policy. The gender aspect is (still) missing. EWLA adopted an opinion in this regard.<sup>12</sup> There is no gender equal growth (fourth priority). A gender (sixth) target – at least 40 per cent of each sex in Parliaments and at all levels in decision-making positions – is missing. An eighth flagship initiative –

<sup>10</sup> In France, several actors publish every year a classification on gender advancement among the Société des Bourses Françaises 120 index (SBF 120): [http://issuu.com/ministere-solidarite/docs/palmar\\_\\_s\\_de\\_f\\_\\_minisisation\\_des\\_inst/1?e=2487920/30594181](http://issuu.com/ministere-solidarite/docs/palmar__s_de_f__minisisation_des_inst/1?e=2487920/30594181)

<sup>11</sup> Adopted on 4th December 2015, see: [eige.europa.eu/rdc/eige-publication/gender-equality-power-and-decision-making-report](http://eige.europa.eu/rdc/eige-publication/gender-equality-power-and-decision-making-report)

<sup>12</sup> [www.ewla.org/news/27032015/ewlapercentE2percent80percent99s-contribution-european-commission-new-strategy-gender-equality-2016-2020](http://www.ewla.org/news/27032015/ewlapercentE2percent80percent99s-contribution-european-commission-new-strategy-gender-equality-2016-2020)

implementation of the fundamental right of equality between women and men, underpinned by a proposal for a directive on the gender pay gap – should be added.

To promote women's participation in the labor market affordable and flexible day care for children has to be provided. The costs of family leave should not be laid solely on companies where the women are employed.

**Companies need to act and change their corporate culture**

Companies have to take responsibilities as well.

Develop the leadership “pipeline” and provide a female talent pool.

A very strong instrument for realizing a gender balanced leadership is the so called “pipeline”.

The company should make a decision at leadership level to promote women's advancement in the career pipeline and follow the progress of the situation. The results could be used as a criterion in the Executive remuneration schemes. A leadership level representative should be assigned responsibility of the issue.

Companies should be aware of women's often cautious reaction to taking up new challenges and

encourage women to advance in their career. It is important that women are fully considered in the talent management process. A female talent pool could be set up.

Companies should provide mentoring for women in their career path.

Realize that women in decision-making positions is a business case.

Promoting women in leadership positions benefits everybody. It is a smart decision. Companies need the best leaders and this is not fulfilled if the recruitment pool excludes women. Statistics show that women have not yet reached their full potential in the corporate leadership positions. The evidence also suggests that it makes sound financial sense.

Develop, communicate, implement and monitor gender equal corporate strategies.

We consider gender equal corporate strategies as necessary.

There are different activities that can be taken up, e.g. increase the transparency of (management) selection procedures, including launching vacancy notices publicly, in all manner of media. When

using recruitment consultants, they should be required to propose both women and men on long and short lists.

It is also important to promote a gender sensitive corporate culture, such as flexible working schemes and equal pay. Even Executives do not need to be available 24/7. It should be enough that they are reached when needed. Companies should also provide appropriate induction for employees returning to work following parental leave. It is important to take diverse private life circumstances into account by allowing flexibility in working time and methods, as well as giving up the 24/7 working culture.

It is worthwhile to promote and support (female) networks and training. In order to advance in their career, women need experience of business operations leadership and line management. This means that it is necessary to diversify women's skills. Training opportunities should be foreseen. Also, training opportunities should be offered to women and men equally.

Equality planning is to highlight in this regard. Companies should issue meaningful equality plans. An analysis of the company's equality status should be used as a basis for equality planning. The analysis should include statistics of men's and women's positions and pay in the company, as well as an assessment of the existence of any possible internal glass ceilings. It should also identify the point where women start to drop out of the path to the

top Executive roles. Employee surveys should be used to detect inequalities. Equality planning should involve setting concrete goals and measures as well as the follow-up on their success. A leadership level representative should be assigned responsibility of equality in the workplace.

### Change of perception in society is needed

Recognize and implement equality between women and men is a fundamental right.

Gender equality including equal pay is a fundamental right established on international<sup>13</sup>, European<sup>14</sup> and national levels. This has not been realized – far from it. This requires immediate action on the parts of all governments and at EU level.

Encourage and implement gender-sensitive education.

A gender-sensitive education from kindergarten to university is needed. Bringing new attitudes and role models into primary and secondary education should be normal. Girls should be incentivized to

<sup>13</sup> E.g. in the UN covenants on human rights, in the ILO conventions 100 and 111.

<sup>14</sup> Art. 23 Charta of Fundamental Rights of the European Union, Art. 157 TFEU

study mathematics and sciences at school. Women should be encouraged to choose engineering and economics in the vocational and professional studies. In general stereotypes and role behavior have to be tackled.

Launch public awareness-raising campaigns on gender balanced leadership.

Public awareness-raising campaigns may help to change the traditional perspective. To make role models known more prizes on gender balanced leadership in companies could be awarded.

A common European label or certification on gender equality in companies can create a common culture on gender equality, raise awareness among employees and demonstrate progress. Such a label offers companies international recognition for promoting professional equality and encourages them to implement controls and management tools to monitor equality in the workplace. Benefits from certification include improved corporate image and better motivated employees. It contributes to a company's overall policy of sustainable development and Corporate Social Responsibility<sup>15</sup>.

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<sup>15</sup> For example "GGES", Gender Equality European Standard (GEES) Certification, see: <http://www.arborus.info/en/label-gees-eng/creation>



# ANNEXES

## MODEL QUESTIONNAIRE

**1. (Supervisory) Board members (to adapt for each Member State)**

## a) Selection process

- reference to Women on Board Directive Proposal
- reference to Art. 20 directive 2014/95/EU

## Option 1: Election

- How did the process for proposing today's candidates for (Supervisory) Board membership ensure that suitable women candidates were included at all of its stages?
- Is a publicly accessible requirements profile for the composition of the (Supervisory) Board available?

## Option 2: No election

- Will the process for proposing candidates for (Supervisory) Board membership in the future actively ensure that suitable women candidates are included at all of its stages?
- Is a publicly accessible requirements profile for the composition of the (Supervisory) Board available?

## b) Strategy for increasing women Executives

- What is the company's ambition as to the share of female representation on the Executive Committee/ Executive Management team within the next three to five years? (Adapt terminology to each Member State)

- Which concrete measures does the company intend to adopt, to achieve or to exceed this ambition?
- Is a publicly accessible requirements profile for the composition of the Executive Committee available?

In the event that a man has been appointed to fill a position:

- What is the process for proposing candidates for the Executive Committee/Management team, in particular how does that process ensure that suitable women candidates are included at all of its stages?

**2. Other Executive Positions – The Talent Pipeline (to adapt for each Member State)**

## a) Overall female employee share

- reference to Art. 19a directive 2013/95/EU
- May I ask today how many women are currently employees of your company? Please provide us with absolute figures and the respective percentage of the current female employee share.

## b) Female employee share at the two management levels below the Executive Committee? (structures are different in the participating Member States)



- How many women are employed by the company on the two management levels below the Executive Committee in (Member State)? Please provide us with the absolute figures and the respective percentages for each individual level.

- How many women do you have in mid-management positions?

c) Promotion of women to the 1<sup>st</sup> and 2<sup>nd</sup> management levels immediately below Executive Committee level

- How many women and how many men were promoted to the 1<sup>st</sup> and 2<sup>nd</sup> management level immediately below the Executive Committee last year? Please provide us with absolute figures and the respective percentages.

d) Relevant national legal situation: national quota rules, self-regulatory commitment etc.

- What self-regulatory commitments aimed at increasing women's share of executive positions has the company made?

### 3. Corporate Strategy (to adapt for each Member State)

a) Identification and nurture of female talent

- Does the company actively identify female talent within the company, and does it actively nurture it on identification, e.g. via training and development programmes or other support mechanisms aimed at women with the aim of their promotion to

leadership or executive positions? Can you please share the company's actions and their evaluation with us (e.g. number of women year on year that enter senior leadership and management positions through the company's support activities aimed specifically at women)?

- What measurable objectives (outcomes) have you set in order to ensure that (talented) women reach their full potential within your company?

Additional question:

- Who is the named individual accountable at executive level for the success of the company's strategy to nurture female progression?

b) Follow up (to be kept for the written questionnaire)

- Which concrete measures do you use to raise awareness of the issue "more women in executive positions" among the staff and management?

- Do you see female representation in leadership positions as a good business sense?



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# LISTED COMPANIES WERE ENGAGED IN THE EWS DGE ACTIVITIES.

| ANNEX 2

## COMPANIES

Abengoa CL.B, Abertis, Acerinox, ACS, Advance Terrafund REIT-Sofia, AENA, Airbus Group NV, Albenas AD-Albenas, Allianz, Amadeus, Anheuser-Busch InBev, ANY, Appeninn, ArcelorMittal, Ashtead Group plc, ASML Holding NV, Assicurazioni Generali, AXA, Babcock International Group plc, Banco Bilbao Vizcaya Argentaria, Banco Santander, Bankia, Bankinter, BASF, Bayer, Beiersdorf AG, Bilfinger, BMW, BNP Paribas, British Land, Bulgarian Real Estate Fund REIT-Sofia, Business Telecom, CAIXABANK, Carrefour, CB Central Cooperative Bank AD-Sofia, CB First Investment Bank AD-Sofia, Cement Roadstone Holding CRH, Chimimport AD-Sofia, CIG Pannónia, Coca-Cola HBC AG, Daimler, Danone, Danubius, Deutsche Bank, Deutsche Post, Deutsche Telekom, DIA, Dixons Carphone plc, ENAGAS, Enel, ENDESA, ENI, Essilor International, E.ON, Eurohold Bulgaria AD-Sofia, FCC, FERROVIAL, FHB, Fresenius Medical Care, Fresenius SE, GAMESA, GAS NATURAL, GDF Suez, GRIFOLS, GRP Société Générale, Heidelberger Cement, Holding Varna AD-Varna, IAG (IBERIA), Iberdrola, INDRA, Industria de Diseño Textil (INDITEX), Industrial Capital Holding AD-Sofia, Industrial Holding Bulgaria PLC-Sofia, ING Group, Intesa Saopaulo, K+S AG, JAZZTEL, Johnson Matthey, Lloyds, L'Oréal, Lufthansa AG, LVMH Moët Hennessy – Louis Vuitton, M+S Hydraulic AD-Kazanlak, Magyar Telekom, MAPFRE, MEDIASET, Merck, MOL, Monbat AD-Sofia, Münchener Rück, Neochim AD-Dimitrovgrad, OHL, Orange, OTP Bank, Pannergy, Philips, POPULAR, Rába, REE, Repsol, Richter Gedeon, RWE, SABADELL, SACYR, Saint Gobain, Sanofi, SAP, Schneider Electric, Severn Trent, Siemens, Sopharma AD-Sofia, Sports Direct International plc, Stara Planina Hold AD-Sofia, Synergon, TECNICAS REUNIDAS, Telefonica, TOTAL, Unibail-Rodamco, UniCredit, Unilever NV, Vinci, Vivendi, Vodafone Group plc, Volkswagen Pref, Zarneni Hrani Bulgaria AD-Sofia

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| ANNEX 3

## NEWSEDGE ACTIVISTS WERE INVOLVED.

### ACTIVISTS

Rabea AICHELIN, Noemí AGULO GARZARO, Asunción ALONSO, Kamelia ANGELOVA, Dilyana ANGELOVA, Ana ARMESTO, Katharina BAKE, Viviane DE BEAUFORT, Dr. Borbás BEATRIX, Uta BEHRENS, Agnes Maraux BENOIT, Dr. Zolna BERKI, Caroline BOMMART, Dorothée BRUMTER, Manuela CAVALLLO, Ingrid CLAAS, Sylvia CLEFF LE DIVELLE, Fanny COHEN, Marianna CONCORDIA, Gaëlle COPIENNE, Cornelia DAHLITZ, Jade DESTRO, Mechtild DÜSING, Dr. Henriette VAN EIJL, Marianne EISMA, Mary-Daphné FISHIELSON, Ninon FOSTER, Dr. Henrike FRANZ, Svetlana GANEVA, Anke GIMBAL, Sué GONZÁLEZ-HAUCK, Isabelle HINDENBERG, Margarete HOFMANN, Angela HORNBERG, Alexandra HORNUNG, Julie HOSTEING, Virginie ISSUMO, Prof. Jackie JONES, Gerda JOSWIG, Dr. Anna KATKÓ, Birgit KERSTEN, Juliane KIRCHHOF, Ulrike KLOPPSTECH, Prof. Dr. Angela KOLB-JANSSEN, Dr. Románne Klára KOLOZSI, Oliver KÖRTING, Mariya KRASTEVA, Ruth KROHN, Kristina KURAZOVA, Birgit LEMME, Nathalie LEROY, Daniela LEUKERT-FISCHER, Leena LINNAINMAA, Brigitte LONGUET, Sabine LUTZENBERGER, Anne Charlotte MACK, Roxane MANSON, Sigrun MAST, Dr. Annette MATTHIAS, Ursula MATTHIESSEN-KREUDER, Daria MATVIENKO, Katharina MILLER, Joëlle MONLOUIS, Cathrin MUGAJ, Dr. Magdolna NAGY, Marie NEHRENBURG, Anke ORTMANN, Katrin OSSIG, Sabine OVERKÄMPING, Corinna PÄFFGEN, Elsa PAPADOPOULOU, Nico PFEIL, Ramona PISAL, Jenna PITKÄNEN, Marie-Theres PLUDRA, Dr. Anna-Dorothea POLZER, Dr. Katalin PRANDLER, Bárbara ROMÁN, Dr. Mária SÁNDOR, Manuela SCHAUERHAMMER, Prof. Dr. Renatus SCHENKEL, Lisa SCHMERER, Manuela SCHWESIG, Eva SCHÜBEL, Sarah SCHÜLER, Kivi SIMSEK, Magda SKORDAKI, Elke SLOAN, Dr. Katalin SPITZER, Dagmar STEFFENS, Iliana STOYCHEVA, Pura STRONG, Julia SUDEROW, Dr. Andrea SZÉKELY, Genoveva TISHEVA, Antti TURUNEN, Dr. Szilvia VAJDA, Myriam VAN VARENBERGH, Dr. Mária VANOSA, Antonia VERNA, Linda WALCZAK, Miruna WERKMEISTER, Friederike WIEMANN, Vanessa ZIEFLE, Dr. Zita ZOMBORI

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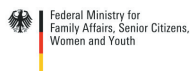
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