

Global Board Index™

European Board Diversity Analysis 2012



Executive Summary

Women joining European boards in greater numbers than ever before

The Egon Zehnder International European Board Diversity Analysis 2012 shows that women are joining the boards of Europe's largest companies in greater numbers than ever before. The share of all board seats held by women has risen by 28% in the past two years to 15.6% (from 12.2% in 2010). This increase is equivalent to half the total advance since this analysis began in 2004, when only 8% of board seats were held by women.

The rapid increase in numbers of European companies with at least one woman on the board is equally impressive, rising to 86% in 2012 – up from 79% in 2010 and 61% in 2004. If this trend continues at its current rate, women will be represented on the boards of all of Europe's largest companies within the next two to four years and account for 25% of all board roles within the next five years.

The change is clearly based on many more women joining boards every year. The absolute number of women joining the boards of the companies surveyed rose by 70% compared to two years ago. The total number of men hired stayed roughly the same.

Although regional differences persist, diversity is bringing Europe together

The overall figures mask significant regional disparity. In five Scandinavian countries there is at least one women director on every board, and the UK is close behind with 95% of leading companies now having at least one woman. However, Greece, Italy and the Netherlands still lag behind, with almost a third of all boards still wholly male, rising to half in Portugal and Luxembourg. Across Europe as a whole, though, women's board representation has risen faster over the past two years than in any other time since the survey began. Best practice governance by the largest companies operating in Europe seems to serve as an example, pulling companies in every country along.

Mixed evidence on the impact of quotas

Europe has been embroiled in public debate over board gender diversity quotas. This year's data suggests that countries which have decided to implement quotas are not materially more diverse than other countries. In 2008 Norway introduced a quota requiring 40% women representation on public company boards by 2010; yet Finland, Sweden and Denmark have achieved similar growing rates of women board representation without imposing such quotas on publicly listed companies. France and Spain, which both signed up to quotas in 2010, have dramatically increased their board gender diversity in the past two years. But as improvement in the United Kingdom suggests, the threat of quotas, along with intense media scrutiny, may be nearly as effective as quotas themselves.

Next challenge: not enough qualified senior women in the pipeline

The challenge of promoting and grooming the next generation of women board leaders through top executive ranks remains critical. With low numbers of women in top executive ranks and boards, the new women appointees are perforce younger, and have less senior experience. One result of this is that, despite women's participation improving on boards as a whole, the leadership roles still remain out of reach for women: just seven of all 415 Chair roles across Europe were held by a woman in 2012, with no progress since 2010. Taking women's board representation to the next level requires greater efforts to bring sufficient numbers of women into senior management roles.

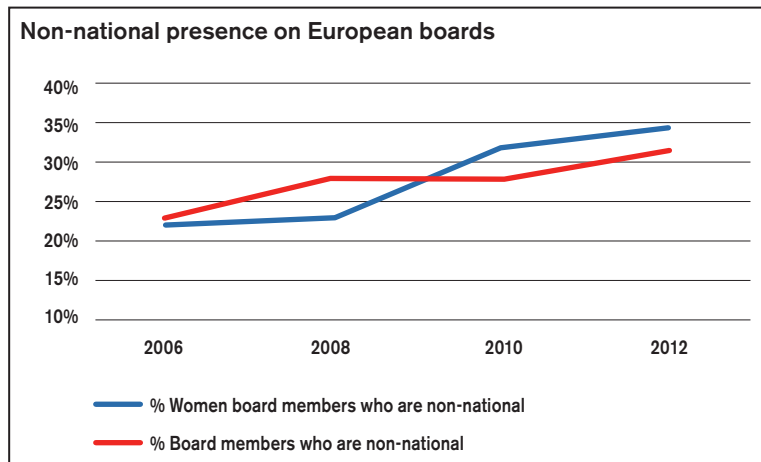
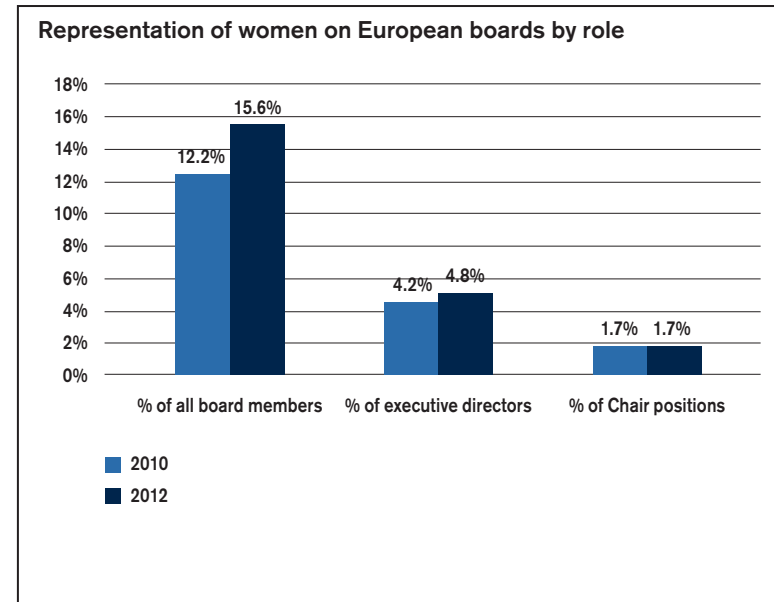
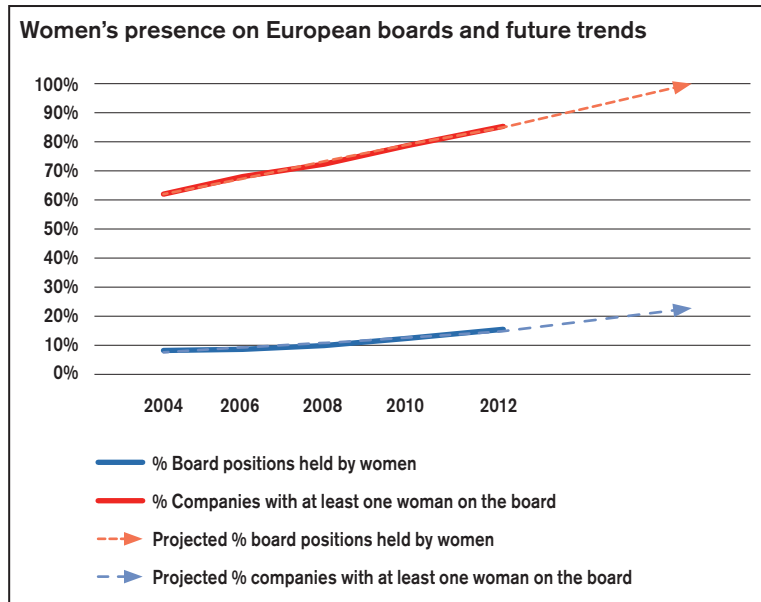
Increasing board diversity on dimensions other than gender

Boards are simultaneously becoming more diverse in other ways too, as is evident in the sharp increase in non-national directors since 2010. In 2012, 32% of the board members of Europe's top companies were non-nationals, against 27.8% in 2010 – reflecting an increasingly international outlook, and awareness that diversity is about experience and perspective as well as gender. Moreover, board turnover has increased, with one in ten board members now being substituted every year – so enabling boards to bring in new blood and new experience more regularly.

Unlocking the value of diversity: the importance of inclusion

If the increasing diversity of European boards is to contribute to innovation and growth, it must be accompanied by a commitment to inclusion – a culture that truly embraces diversity and leverages its advantages. A strong focus is therefore required on integration support to help today's diverse, first-time board members get up to speed quickly. Inclusion needs to be a core competency of board Chairs, who must be adept at drawing in new board members and leveraging their insights. They must be comfortable with managing livelier debate and disagreement – natural consequences of diversity of viewpoint. When appointing Chairs, therefore, boards need to give high priority to competencies that support inclusion, such as facilitation and mentoring.

European Board Diversity Analysis 2012 – Overview



Gender Diversity (chart top left, chart top right)

There has been an accelerating trend of women joining boards since 2004:

- Women's share of all board seats has doubled from 8% to 16% in eight years;
- The proportion of European companies with women on the board has risen from 61% to 86% over the same period.

However, there has been little progress for women in executive director and Chair positions.

International Diversity (chart bottom left)

Across Europe, the proportion of non-national board members has risen from 23% in 2006 to 32% in 2012 – representing an increase of nearly 40%.

Gender Diversity Data for European Boards 2012

The great majority of European boards now include at least one woman board member – yet the overall proportion of women on boards is still small.

	Companies	Companies with women board members	% Boards with women board members	Board positions	Women	Men	% Board positions held by women
Austria	6	5	83.3%	112	9	103	8.0%
Belgium	8	6	75.0%	105	14	91	13.3%
Denmark	8	8	100.0%	106	18	88	17.0%
Finland	8	8	100.0%	70	19	51	27.1%
France	55	55	100.0%	797	163	634	20.5%
Germany	41	36	87.8%	906	116	790	12.8%
Greece	6	4	66.7%	77	8	69	10.4%
Italy	15	10	66.7%	202	17	185	8.4%
Luxembourg	8	4	50.0%	98	6	92	6.1%
Netherlands	25	17	68.0%	272	34	238	12.5%
Norway	7	7	100.0%	66	24	42	36.4%
Portugal	6	3	50.0%	106	5	101	4.7%
Republic of Ireland	12	9	75.0%	140	18	122	12.9%
Spain	15	12	80.0%	212	25	187	11.8%
Sweden	25	25	100.0%	301	74	227	24.6%
Switzerland	34	26	76.5%	352	41	311	11.6%
United Kingdom	74	70	94.6%	829	151	678	18.2%
Europe Overall	353	305	86.4%	4751	742	4009	15.6%
2010 survey	340	268	79.0%	4875	593	4282	12.2%

- The scales have certainly tipped. In July 2012, 86.4% of the largest companies in Europe had at least one woman board member. Five countries (Denmark, Finland, France, Norway and Sweden) had a woman member on every board; the United Kingdom came close, with 94.6% of boards having at least one woman member. However, all-male boards are still common in Luxembourg, Portugal, Greece, Italy and the Netherlands.
- While you are more likely than not to find a woman on a board today, the actual share of women board members is still small, averaging just 15.6% across Europe. In four countries (Italy, Austria, Luxembourg and Portugal) this figure is in single digits, and in only two countries (Finland and Norway) does it top one-quarter.

Trends in Women's Representation on Boards between 2006–2012

Board diversity has improved steadily and unequivocally in almost every country across Europe since the inception of this analysis.

	% Boards with at least one woman				Companies
	2006	2008	2010	2012	
Austria	50.0%	50.0%	71.0%	83.3%	6
Belgium	42.9%	44.0%	70.0%	75.0%	8
Denmark	100.0%	83.0%	71.0%	100.0%	8
Finland	100.0%	100.0%	100.0%	100.0%	8
France	72.3%	73.0%	79.0%	100.0%	55
Germany	72.2%	82.0%	83.0%	87.8%	41
Greece	57.1%	56.0%	50.0%	66.7%	6
Italy	21.7%	30.0%	50.0%	66.7%	15
Luxembourg	0.0%	50.0%	50.0%	50.0%	8
Netherlands	50.0%	79.0%	76.0%	68.0%	25
Norway	100.0%	100.0%	100.0%	100.0%	7
Portugal	0.0%	17.0%	67.0%	50.0%	6
Republic of Ireland	80.0%	83.0%	67.0%	75.0%	12
Spain	47.8%	70.0%	80.0%	86.7%	15
Sweden	100.0%	100.0%	100.0%	100.0%	25
Switzerland	57.9%	57.0%	70.0%	76.5%	34
United Kingdom	85.9%	81.0%	86.0%	94.6%	74
Europe Overall	67.8%	72.0%	79.0%	86.4%	353
Boards without Women	32.2%	28.0%	21.0%	13.6%	48

- The number of all-male boards is less than half of what it was in 2006. Only 13.6% of boards across Europe had no women board members in July 2012.
- The share of boards without women is quickly disappearing; at the current rate of acceleration, it is highly possible that within four years, 100% of boards surveyed will have at least one woman board member. The Nordic nations have maintained their 100% standard, and France has joined them in the past two years after adopting a quota. The United Kingdom has reached almost 100% at a time when quotas were under active discussion.

Trends in Percentage of Board Positions held by Women between 2004–2012

The number of women on European boards has increased every year since 2004 – and this trend is accelerating.

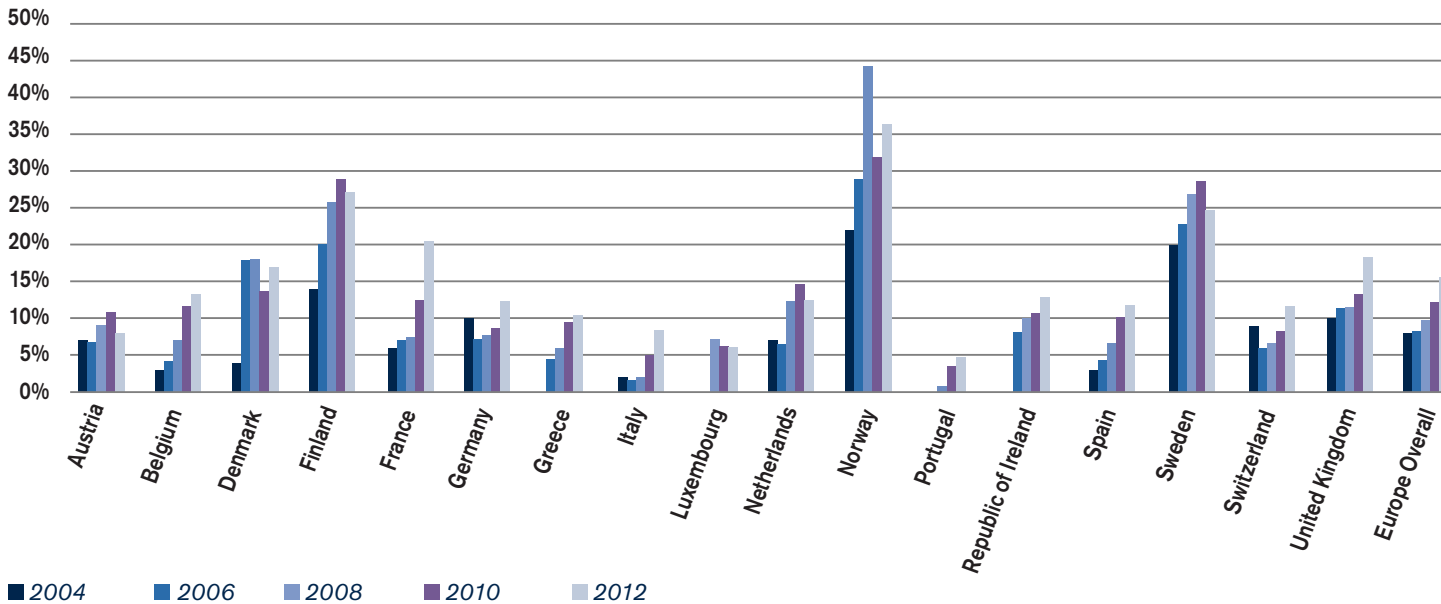
	% Board positions held by women				
	2004	2006	2008	2010	2012
Austria	7.0%	6.8%	9.2%	10.8%	8.0%
Belgium	3.0%	4.2%	7.0%	11.6%	13.3%
Denmark	4.0%	17.9%	18.1%	13.7%	17.0%
Finland	14.0%	20.0%	25.7%	28.8%	27.1%
France	6.0%	7.0%	7.6%	12.4%	20.5%
Germany	10.0%	7.2%	7.8%	8.7%	12.8%
Greece	n/a	4.4%	6.0%	9.5%	10.4%
Italy	2.0%	1.6%	2.1%	5.0%	8.4%
Luxembourg	n/a	0.0%	7.2%	6.2%	6.1%
Netherlands	7.0%	6.5%	12.3%	14.6%	12.5%
Norway	22.0%	28.8%	44.2%	31.9%	36.4%
Portugal	n/a	0.0%	0.8%	3.5%	4.7%
Republic of Ireland	n/a	8.1%	10.1%	10.7%	12.9%
Spain	3.0%	4.3%	6.6%	10.3%	11.8%
Sweden	20.0%	22.8%	26.9%	28.7%	24.6%
Switzerland	9.0%	5.9%	6.6%	8.3%	11.6%
United Kingdom	10.0%	11.4%	11.5%	13.3%	18.2%
Europe Overall	8.0%	8.3%	9.7%	12.2%	15.6%

- Almost half of the total progress of 7.6% made since 2004 (the baseline set by this analysis) was achieved in the last two years.

Trends in Women's Share of all Board Positions, 2004–2012

The percentage of women board members overall has steadily increased across nearly all countries in Europe.

Percentage of board positions held by women between 2004–2012

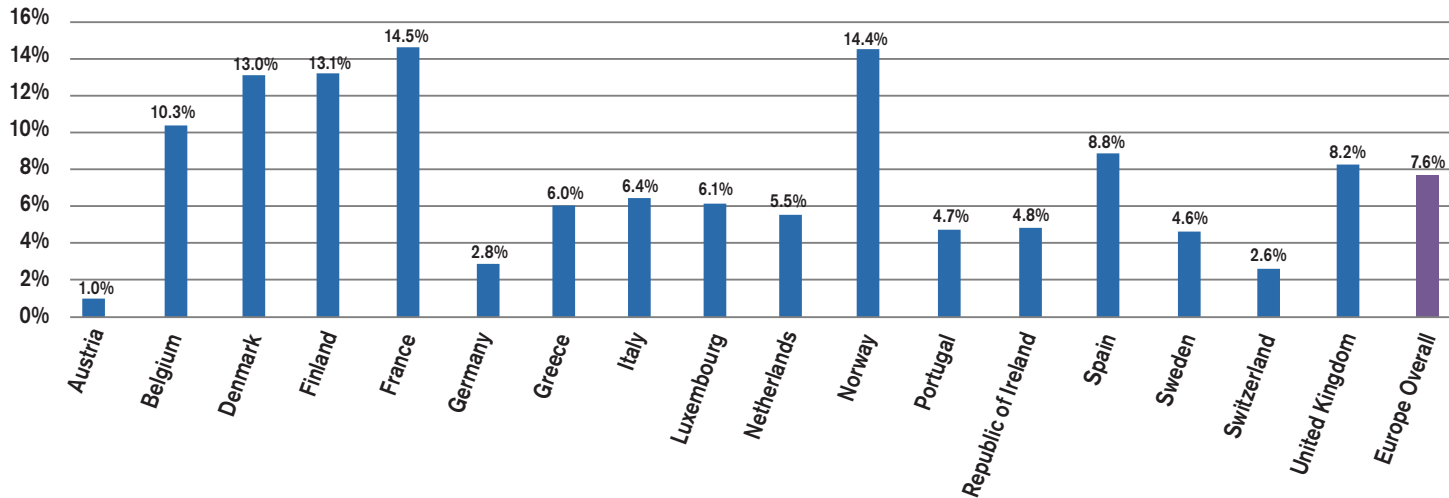


- At 15.6%, the proportion of board seats held by women in 2012 is a full 3.4 percentage points higher than it was in 2010, the date of our last survey. In fact, data over the past eight years indicates an accelerating upward trend.

Change in Women's Share of all Board Positions over Eight Years

Over the past eight years, the ratio of women board members has increased in every country in Europe.

Eight-year change in % of all board positions held by women, 2004 vs. 2012



- Countries which have at least one woman on every board (Denmark, Finland, Norway and Sweden) have still continued to increase the percentage of women board members overall. This tells us that the question has changed from “Should we have a woman on the board?” to “How many women should we have on the board?”

Average Board Size

The number of women per board has actually shown a small decline across Europe, but this is in the context of shrinking board sizes across the continent. Nevertheless, in ten countries there are more women at the boardroom table today than four years ago.

	2008		2010		2012		Change between 2008–2012	
	Avg board size	Women per board	Avg board size	Women per board	Avg board size	Women per board	Avg board size	Women per board
Austria	17.0	1.5	19.9	2.1	18.6	2.4	9.4%	60.0%
Belgium	18.7	1.1	14.7	1.7	13.1	1.5	-29.8%	39.6%
Denmark	74.5	2.5	14.6	2.0	13.3	1.5	-82.2%	-41.2%
Finland	15.2	3.3	10.4	3.0	8.8	2.5	-42.4%	-25.2%
France	16.6	1.2	15.2	1.9	14.5	1.4	-12.7%	13.9%
Germany	24.3	1.8	23.1	2.0	22.1	1.5	-9.1%	-19.0%
Greece	13.4	0.8	12.3	1.2	12.8	1.2	-4.2%	53.8%
Italy	19.1	1.5	15.7	0.8	13.5	0.9	-29.5%	-41.9%
Luxembourg	13.0	7.0	10.8	0.7	12.3	0.7	-5.8%	-90.1%
Netherlands	13.5	0.2	11.1	1.6	10.9	0.8	-19.4%	316.0%
Norway	26.6	1.3	12.0	3.8	9.4	6.9	-64.6%	427.5%
Portugal	21.8	0.2	19.0	0.7	17.7	2.5	-19.0%	1150.0%
Republic of Ireland	13.8	1.3	11.4	1.2	11.7	3.6	-15.5%	176.9%
Spain	16.2	1.0	15.2	1.6	14.1	1.5	-12.8%	47.1%
Sweden	12.7	3.3	13.3	3.8	12.0	1.9	-5.2%	-42.9%
Switzerland	16.4	1.0	12.4	1.0	10.4	0.9	-36.9%	-8.6%
United Kingdom	12.5	1.4	11.2	1.5	11.2	1.5	-10.4%	4.5%
Europe Overall	17.5	1.5	14.3	1.7	13.5	1.4	-23.1%	-5.2%

- Board size has dropped significantly – by 23.1% over the past four years, with only Austria gaining board members over the 2008-12 period.
- The number of women per board has consequently declined too – but on average by only 5%, and in some countries it has dramatically increased.

New Board Hires

To sustain progress in strengthening board diversity, women must make up a large portion of new hires. This is indeed the case, but it is not clear whether this momentum can be maintained in every country.

	Companies	Board positions	New hires	% New hires	Men	Women	Women % of new hires
Austria	6	112	8	7.1%	7	1	12.5%
Belgium	8	105	5	4.8%	4	1	20.0%
Denmark	8	106	8	7.5%	4	4	50.0%
Finland	8	70	13	18.6%	10	3	23.1%
France	55	797	74	9.3%	35	39	52.7%
Germany	41	906	81	8.9%	48	33	40.7%
Greece	6	77	5	6.5%	4	1	20.0%
Italy	15	202	30	14.9%	23	7	23.3%
Luxembourg	8	98	11	11.2%	10	1	9.1%
Netherlands	25	272	45	16.5%	33	12	26.7%
Norway	7	66	14	21.2%	11	3	21.4%
Portugal	6	106	9	8.5%	7	2	22.2%
Republic of Ireland	12	140	18	12.9%	12	6	33.3%
Spain	15	212	22	10.4%	17	5	22.7%
Sweden	25	301	31	10.3%	26	5	16.1%
Switzerland	34	352	61	17.3%	51	10	16.4%
United Kingdom	74	829	117	14.1%	80	37	31.6%
Europe Overall	353	4751	552	11.6%	382	170	30.8%
2010 Survey	340	4875	500	10.3%	398	102	20.4%

- A total of 552 new board placements were made in the 12 months between May 2011 and 2012, slightly over 11% of board positions overall. Of these, 170 new hires (or 30.8%) were women – 10 percentage points higher than in 2010. However, low board member turnover can slow board diversification, which may be delaying progress in countries such as Austria, Belgium or Greece, where years may pass when no new board members are appointed. Appointment contracts in some countries may make it difficult to get board members to leave their posts to make room for new, more diverse leaders.

Average Age of Board Members

Women board members are still on average younger than their male counterparts, but the age gap is slowly decreasing.

	Average age of board members			Difference (M-W)
	Women	Men	Overall	
Austria	45.4	56.7	55.9	11.4
Belgium	56.9	59.0	58.7	2.1
Denmark	53.9	55.7	55.4	1.8
Finland	55.3	56.4	56.1	1.1
France	54.7	59.5	58.6	4.9
Germany	52.3	57.3	56.7	5.0
Greece	46.3	56.8	55.9	10.5
Italy	54.6	61.0	60.4	6.3
Luxembourg	47.5	62.5	61.6	15.0
Netherlands	56.8	59.9	59.5	3.1
Norway	55.6	58.0	57.1	2.4
Portugal	49.0	57.3	57.0	8.3
Republic of Ireland	59.3	61.0	60.8	1.7
Spain	52.5	62.4	61.4	9.9
Sweden	53.6	57.5	56.5	3.8
Switzerland	55.8	61.4	60.8	5.6
United Kingdom	55.2	58.3	57.7	3.1
Europe Overall	54.4	59.0	58.2	4.6
2010 Survey	53.5	58.6	58.0	5.1

	Men – Women age difference		Change 2010–2012
	2010	2012	
Austria	8.8	11.4	2.6
Belgium	4.6	2.1	-2.5
Denmark	3.7	1.8	-1.9
Finland	0.7	1.1	0.4
France	5.7	4.9	-0.9
Germany	5.0	5.0	0.0
Greece	9.0	10.5	1.4
Italy	10.5	6.3	-4.2
Luxembourg	16.1	15.0	-1.1
Netherlands	4.6	3.1	-1.5
Norway	4.6	2.4	-2.2
Portugal	3.6	8.3	4.7
Republic of Ireland	2.9	1.7	-1.3
Spain	10.6	9.9	-0.6
Sweden	4.7	3.8	-0.9
Switzerland	4.2	5.6	1.4
United Kingdom	2.1	3.1	0.9
Europe Overall	5.1	4.6	-0.5

- The average age of board members in Europe is 58.2 years, with significant difference across countries – from 55.4 years in Denmark to just over 61 years in Luxembourg and Spain.
- Women board members are younger than their male counterparts in all 17 countries. Across Europe, the average age of women board members is 54.4 years. However, despite many new women joining boards in the past two years, the average age for women on boards has risen by one year since 2010. Therefore, the experience of new women board members, measured by years on the job, must be increasing as well.

Building Board Portfolios

Women's board experience is growing: for the first time, women are more likely to hold multiple board memberships than men.

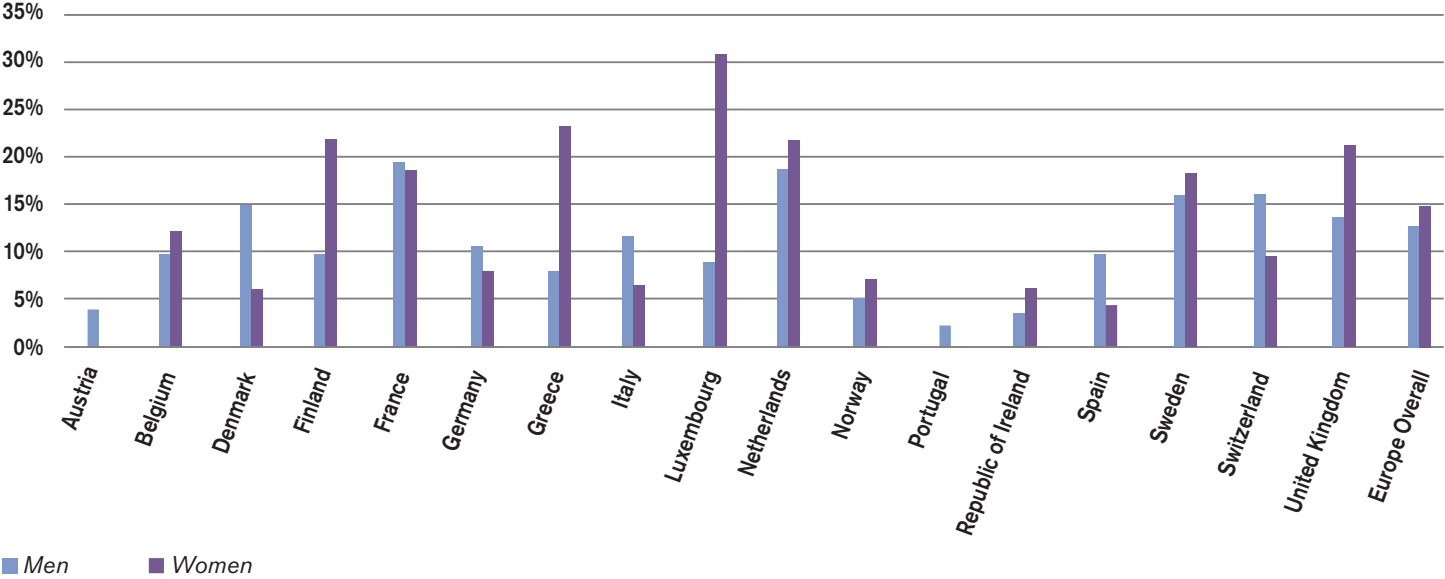
	Total board positions		% Board members with multiple board seats			
	Men	Women	All	Men	Women	
Austria	112	9	3.5%	3.8%	0.0%	
Belgium	105	14	10.0%	9.7%	12.0%	
Denmark	106	18	13.1%	14.8%	5.9%	
Finland	70	19	12.7%	9.6%	21.7%	
France	797	163	19.1%	19.3%	18.6%	
Germany	906	116	10.1%	10.5%	7.4%	
Greece	77	8	9.2%	7.8%	23.1%	
Italy	202	17	11.0%	11.5%	6.3%	
Luxembourg	98	6	9.8%	8.7%	30.8%	
Netherlands	272	34	18.9%	18.5%	21.7%	
Norway	66	24	5.7%	5.0%	7.0%	
Portugal	106	5	1.9%	2.0%	0.0%	
Republic of Ireland	140	18	3.7%	3.4%	5.9%	
Spain	212	25	8.9%	9.6%	4.2%	
Sweden	301	74	16.3%	15.8%	18.1%	
Switzerland	352	41	15.2%	16.0%	9.2%	
United Kingdom	829	151	14.7%	13.4%	21.2%	
Europe Overall	4751	742	12.9%	12.6%	14.5%	
2010 Survey	4875	593	13.7%	--	13.4%	

- On average, 12.9% of board members across Europe hold multiple roles. Of women directors, 14.5% sit on more than one board, compared to only 12.6% of men.
- There is, however, a real “pipeline” concern: progress in the board arena may have drawbacks for women in the executive suite. As more women see a portfolio of board work as an alternative to executive careers at an earlier point in their careers, as suggested by the age profile of new joiners, they may move out of the executive ranks early – leaving a gap without role models to mentor the next generation of senior executive women, or indeed to prepare the next generation of women board members.

Building Board Portfolios

In most European countries, the percentage of women holding multiple board memberships is higher than that of men, but not enough to suggest the emergence of “golden skirts”. Rather, it is a natural side effect of recent attention on board gender diversity.

Percentage of board members with multiple board positions



Board Portfolios of New Women Board Members

There is a strong group of women newcomers onto boards, showing that concerns about a lack of women board talent to improve board diversity in Europe have thus far been largely misplaced.

	Total new hires	Women new hires	New hires with multiple positions	Women new hires with multiple positions	New hires with multiple board positions as percentage of new hires	Women new hires with multiple positions as percentage of women new hires
Austria	8	1	0	0	0.0%	0.0%
Belgium	5	1	0	0	0.0%	0.0%
Denmark	8	4	3	1	37.5%	25.0%
Finland	13	3	4	1	30.8%	33.3%
France	74	39	21	11	28.4%	28.2%
Germany	81	33	10	6	12.3%	18.2%
Greece	5	1	2	1	40.0%	100.0%
Italy	30	7	6	2	20.0%	28.6%
Luxembourg	11	1	3	1	27.3%	100.0%
Netherlands	45	12	12	2	26.7%	16.7%
Norway	14	3	1	1	7.1%	33.3%
Portugal	9	2	0	0	0.0%	0.0%
Republic of Ireland	18	6	2	2	11.1%	33.3%
Spain	22	5	0	0	0.0%	0.0%
Sweden	31	5	8	1	25.8%	20.0%
Switzerland	61	10	24	2	39.3%	20.0%
United Kingdom	117	37	32	11	27.4%	29.7%
Europe Overall	552	170	128	42	23.2%	24.7%

- On average, 24.7% of new women joining as board members in the past 12 months across Europe hold multiple roles, marginally higher than the respective percentage for new male members. Women board members are building board portfolios across multiple companies, as men have done in the past.

Executive vs. Non-Executive Roles

Across Europe, women's representation among executive board members has not matched the progress made in non-executive roles.

	Board member positions	Executive Directors (EDs)				Non-Executive Directors (NEDs)			
		Women EDs	Men EDs	Total EDs	% Women	Women NEDs	Men NEDs	Total NEDs	% Women
Austria	112	1	35	36	2.8%	8	68	76	10.5%
Belgium	105	0	12	12	0.0%	14	79	93	15.1%
Denmark	106	1	13	14	7.1%	17	75	92	18.5%
Finland	70	0	4	4	0.0%	19	47	66	28.8%
France	797	2	95	97	2.1%	161	539	700	23.0%
Germany	906	11	233	244	4.5%	105	557	662	15.9%
Greece	77	3	14	17	17.6%	5	55	60	8.3%
Italy	202	0	31	31	0.0%	17	154	171	9.9%
Luxembourg	98	1	8	9	11.1%	5	84	89	5.6%
Netherlands	272	2	58	60	3.3%	32	180	212	15.1%
Norway	66	0	1	1	0.0%	24	41	65	36.9%
Portugal	106	1	31	32	3.1%	4	70	74	5.4%
Republic of Ireland	140	1	21	22	4.5%	17	101	118	14.4%
Spain	212	1	33	34	2.9%	24	154	178	13.5%
Sweden	301	1	19	20	5.0%	73	208	281	26.0%
Switzerland	352	1	33	34	2.9%	40	278	318	12.6%
United Kingdom	829	17	208	225	7.6%	134	470	604	22.2%
Europe Overall	4751	43	849	892	4.8%	699	3160	3859	18.1%
2010 Survey	4875	43	974	1017	4.2%	550	3308	3858	14.3%

- Most boards include some executive directors. A total of 18.1% of all board positions at the largest European companies are executive roles.
- Board diversity among executive directors is significantly lower than that among non-executive directors: women hold less than 1 in 20 executive roles (4.8%), while their proportion of non-executive roles is almost four times greater (18.1%).

The Role of the Chair

Of 415 Chair roles in Europe's largest companies¹, only seven were held by women in 2012.

	Non-Executive Chair positions			Executive Chair positions		
	Total	Men	Women	Total	Men	Women
Austria	5	5	0	4	4	0
Belgium	6	6	0	1	1	0
Denmark	7	7	0	1	1	0
Finland	8	7	1	0	0	0
France	24	23	1	45	45	0
Germany	40	39	1	33	33	0
Greece	4	4	0	2	2	0
Italy	10	10	0	6	6	0
Luxembourg	6	6	0	2	2	0
Netherlands	19	19	0	14	13	1
Norway	7	6	1	0	0	0
Portugal	5	5	0	2	2	0
Republic of Ireland	7	7	0	5	5	0
Spain	2	2	0	13	13	0
Sweden	25	25	0	0	0	0
Switzerland	25	24	1	10	10	0
United Kingdom	70	69	1	7	7	0
Europe Overall	270	264	6	145	144	1
2010 Survey	260	255	5	141	139	2

- Only seven of the 353 largest European companies had a women Chair (2%). There has been no progress in this regard since 2010.
- The low gender diversity among Chair positions reflects the general problem of finding experienced women board members. As a result there are still very few women role models in leadership roles and board leadership style is still likely to be “male”.

¹ Companies may have more than one Chair, particularly in Germany where both Chief Executive Officers and Independent Chair positions carry the title of “Chair” in BoardEx data.

Involvement in Committee Activities

While there has been little progress for women in claiming more Chair positions, women are making headway in board leadership through committees.

	Committee positions				Committee Chair positions		
	Companies	Total	Held by women	% Women	Total	Held by women	% Women
Austria	6	121	11	9.1%	16	5	31.3%
Belgium	8	113	11	9.7%	24	4	16.7%
Denmark	8	49	6	12.2%	14	0	0.0%
Finland	8	66	18	27.3%	17	2	11.8%
France	53	726	133	18.3%	163	25	15.3%
Germany	39	770	72	9.4%	161	5	3.1%
Greece	6	72	8	11.1%	17	1	5.9%
Italy	15	205	16	7.8%	40	0	0.0%
Luxembourg	8	69	6	8.7%	18	1	5.6%
Netherlands	24	291	36	12.4%	81	1	1.2%
Norway	7	58	21	36.2%	16	5	31.3%
Portugal	6	61	3	4.9%	14	1	7.1%
Republic of Ireland	12	192	27	14.1%	44	5	11.4%
Spain	15	321	30	9.3%	53	4	7.5%
Sweden	25	200	41	20.5%	59	9	15.3%
Switzerland	34	450	44	9.8%	109	8	7.3%
United Kingdom	74	1517	297	19.6%	291	36	12.4%
Europe Overall	348³	5281	780	14.8%	1137	112	9.9%
2010 Survey	335	5054	581	11.5%	1128	85	7.5%

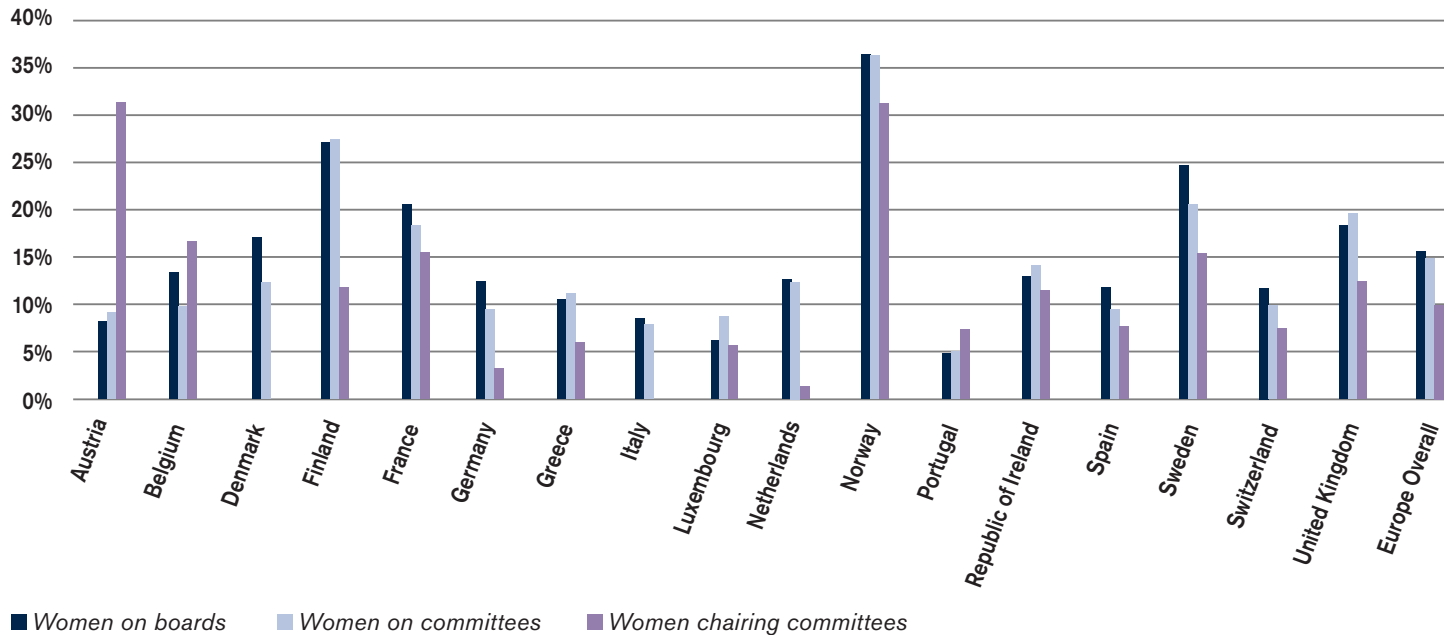
- The proportion of committee roles held by women has increased markedly since 2010, as has the ratio of women committee Chairs. In 2012, 14.8% of board committee positions were held by women, as opposed to 11.5% in 2010. This ratio is slightly smaller than women's overall share of board positions (15.6%) – meaning that women are slightly less likely than men to have additional committee roles beyond their position on the main board.

³ Not every company has board committees, which is why of 353 companies in this report, only 348 are referenced here.

Representation of Women in Board Committees

Women make up almost 15% of board committee members across Europe – close to the overall percentage of women board members. However, women have a much smaller share of committee Chair positions – just 9.9%. This is nevertheless a notable increase of 2.4 percentage points since 2010.

Representation of women by type of board position, 2012



Non-National Directors

European boards are becoming diverse in other ways than gender – one in three board members across Europe is non-national. And this group is still growing.

	Non-national % of all board members				Non-national % of all women board members			
	2006	2008	2010	2012	2006	2008	2010	2012
Austria	8.6%	36.7%	14.3%	15.1%	20.0%	0.0%	33.3%	50.0%
Belgium	28.2%	38.0%	33.3%	33.7%	20.0%	20.0%	23.5%	28.6%
Denmark	8.9%	15.7%	17.6%	29.3%	0.0%	6.7%	7.1%	30.8%
Finland	32.1%	28.7%	22.5%	30.9%	41.7%	34.6%	33.3%	41.2%
France	18.7%	20.5%	20.4%	21.6%	11.5%	16.9%	23.1%	27.8%
Germany	12.3%	15.3%	17.1%	18.0%	0.0%	5.0%	20.0%	19.6%
Greece	14.9%	35.3%	25.0%	23.4%	0.0%	0.0%	0.0%	12.5%
Italy	12.4%	11.5%	13.1%	11.1%	16.7%	12.5%	7.1%	18.8%
Luxembourg	27.3%	76.8%	78.5%	89.7%	0.0%	60.0%	100.0%	100.0%
Netherlands	46.2%	52.9%	50.2%	57.8%	71.4%	57.1%	58.8%	58.6%
Norway	17.0%	8.4%	12.5%	20.0%	13.3%	2.4%	13.0%	22.7%
Portugal	11.4%	52.5%	18.8%	24.1%	0.0%	0.0%	25.0%	0.0%
Republic of Ireland	25.4%	50.6%	58.8%	82.4%	40.0%	12.5%	63.6%	100.0%
Spain	10.4%	10.6%	9.9%	15.3%	7.7%	0.0%	3.7%	15.0%
Sweden	16.9%	40.1%	24.5%	26.4%	20.0%	24.5%	31.6%	23.6%
Switzerland	54.8%	51.7%	59.8%	67.4%	41.2%	45.5%	64.5%	80.8%
United Kingdom	30.8%	37.1%	36.5%	38.3%	34.4%	43.8%	45.0%	45.5%
Europe Overall	22.7%	27.9%	27.8%	31.5%	21.8%	22.8%	32.1%	34.4%

- The increasingly international make-up of European boards dovetails with the rise in gender diversity; it suggests that companies across Europe are becoming more aware of the value of diversity as a broader concept than gender alone. As board sizes shrink and companies become more international, individual board members must bring a wider range of skills and experiences to the table.
- Women board members are even more likely than men to be non-nationals. Of women directors across Europe, 34.4% are non-nationals (as opposed to 31.5% across both genders), and in some countries (such as Luxembourg and Ireland) all women directors are also non-national directors.

Non-National Directors amongst New Women Joining Boards

The international profile of the many new women joining European boards underlines the fact that the talent market of the largest European companies is today no longer limited to national borders.

	Total new	New non-national board members	% Non-national directors of all new directors	Women new	New non-national women board members	% Non-national women directors of all new women directors
Austria	8	2	25.0%	1	0	0.0%
Belgium	5	2	40.0%	1	1	100.0%
Denmark	8	4	50.0%	4	2	50.0%
Finland	13	6	46.2%	3	1	33.3%
France	74	27	36.5%	39	17	43.6%
Germany	81	23	28.4%	33	9	27.3%
Greece	5	3	60.0%	1	1	100.0%
Italy	30	4	13.3%	7	3	42.9%
Luxembourg	11	11	100.0%	1	1	100.0%
Netherlands	45	19	42.2%	12	7	58.3%
Norway	14	4	28.6%	3	2	66.7%
Portugal	9	2	22.2%	2	0	0.0%
Republic of Ireland	18	9	50.0%	6	3	50.0%
Spain	22	2	9.1%	5	0	0.0%
Sweden	31	11	35.5%	5	2	40.0%
Switzerland	61	24	39.3%	10	3	30.0%
United Kingdom	117	31	26.5%	37	10	27.0%
Europe Overall	552	184	33.3%	170	62	36.5%

- In total, 36.5% of women joining European boards in the past year have a non-national background. In some markets, including France, the Netherlands and Denmark, every second woman board member brings a different cultural perspective.

Companies with International Experience on their Boards

Unsurprisingly, Europe's top companies are likely to have at least some international members on their boards. These non-nationals bring the international insight needed to oversee operations reaching far beyond the headquarters.

	% Boards with non-national board members		
	2008	2010	2012
Austria	50.0%	85.7%	66.7%
Belgium	77.8%	80.0%	87.5%
Denmark	66.7%	100.0%	87.5%
Finland	100.0%	85.7%	100.0%
France	82.1%	87.7%	92.7%
Germany	84.1%	97.2%	92.7%
Greece	11.1%	83.3%	83.3%
Italy	56.5%	66.7%	60.0%
Luxembourg	100.0%	100.0%	100.0%
Netherlands	94.7%	85.7%	96.0%
Norway	83.3%	83.3%	85.7%
Portugal	100.0%	83.3%	83.3%
Republic of Ireland	100.0%	100.0%	91.7%
Spain	51.9%	61.9%	66.7%
Sweden	87.5%	85.0%	80.0%
Switzerland	100.0%	100.0%	94.1%
United Kingdom	91.4%	93.2%	87.8%
Europe Overall	80.9%	88.2%	87.8%
Boards with no non-national board members	19.1%	11.8%	12.2%

- Having an international member on the board is now almost standard: just 12.2% of the companies in Europe in this survey had no non-national members on the board in 2012. Although growth has stalled a bit over the past two years, this could be due to boards becoming smaller.

Sectors Leading Women Diversity on Boards – Ranked by Percentage of Board Members who are Women

Services and retail industries tend to have the most diverse boards measured by gender diversity. In contrast, science- and engineering-related fields dominate the bottom half of the ranking.

Sector name	Companies	Board positions	Men	Women	% Board positions held by women
Household Products	1	12	8	4	33.3%
Tobacco	3	34	25	9	26.5%
Leisure & Hotels	7	81	62	19	23.5%
General Retailers	7	85	66	19	22.4%
Containers & Packaging	1	9	7	2	22.2%
Forestry & Paper	2	18	14	4	22.2%
Media & Entertainment	11	152	121	31	20.4%
Clothing, Leisure & Personal Products	14	190	152	38	20.0%
Telecommunication Services	18	241	195	46	19.1%
Real Estate	5	64	52	12	18.8%
Banks	32	548	446	102	18.6%
Food Producers & Processors	7	82	67	15	18.3%
Wholesale Trade	1	11	9	2	18.2%
Software & Computer Services	7	90	74	16	17.8%
Food & Drug Retailers	8	86	71	15	17.4%
Oil & Gas	19	240	201	39	16.3%
Information Technology Hardware	6	80	67	13	16.3%
Speciality & Other Finance	6	90	76	14	15.6%
Life Assurance	7	98	83	15	15.3%
Business Services	9	92	78	14	15.2%
Beverages	8	108	92	16	14.8%
Pharmaceuticals & Biotechnology	14	193	165	28	14.5%
Construction & Building Materials	13	200	171	29	14.5%
Insurance	15	229	196	33	14.4%

Table continues on the next page.

*The sector ranking must be viewed in the context of the amount of available data. Fields where more companies were surveyed, and where the companies surveyed represented a number of different countries and markets, may be more readily regarded as representative of the industry overall.

Sectors Leading Women Diversity on Boards – Ranked by Percentage of Board Members who are Women

Sector name	Companies	Board positions	Men	Women	% Board positions held by women
Chemicals	16	217	187	30	13.8%
Aerospace & Defence	6	76	66	10	13.2%
Electronic & Electrical Equipment	9	122	106	16	13.1%
Health	9	92	80	12	13.0%
Diversified Industrials	24	281	245	36	12.8%
Electricity	10	137	120	17	12.4%
Engineering & Machinery	10	105	92	13	12.4%
Utilities – Other	10	162	142	20	12.3%
Automobiles & Parts	9	170	152	18	10.6%
Mining	8	86	77	9	10.5%
Transport	13	184	165	19	10.3%
Renewable Energy	1	10	9	1	10.0%
Steel & Other Metals	7	76	70	6	7.9%
All Sectors	353	4751	4009	742	15.6%

Survey Design

- Egon Zehnder International has been tracking the board diversity of the largest quoted companies in Europe since 2004 through five biannual reports. This report looked at the boards of 353 of the largest companies across 17 European countries between May and June 2012. The analysis aims to contrast and compare the progress made by European companies in diversifying their boards. Data was gathered to measure how many women are engaged as board members in Europe, what is the nature of their engagement – executive roles vs. non-executive roles, leadership roles on the board or within committees – and whether women’s participation on boards has increased or decreased over time. The research also looked briefly at wider definitions of diversity such as non-national board memberships.
- In order to be included in this analysis, companies needed a market capitalization in excess of EUR 4 billion. Where fewer than six companies from a single country met this criterion, however, additional companies (the next largest) were added to bring the sample up to six companies so as to prevent volatility of summary data when comparing trends between different periods. The 2012 report ended up looking at 4,751 board positions and 5,281 committee positions.
- All data was supplied by BoardEx. BoardEx’s definition of board positions is in some cases wider than is normally applied in specific countries:
 - The German dataset includes both the supervisory board and executive board members.
 - In Finland, where in addition to governance boards so called legacy boards composed of employee representatives still existed at the time of our previous reports but no longer do so in 2012, both are included.
 - The Norwegian dataset also includes deputy boards that are not covered by the 40% quota legislated by the government.
- For the sake of consistency with past reports, and given the importance of following trends rather than looking at statistics at a specific point in time, the decision was made once again to follow BoardEx’s rules for board inclusion.
- The tables and charts included show the board diversity statistics by country and across all 17 countries. Both current (2012) and past data (2010, 2008, 2006 and 2004) are shown wherever possible, to shed light on the changes that have been taking place in board diversity profiles.

The study was conducted by the Global Diversity and Inclusion Council at Egon Zehnder International.

If you would like to discuss any of the issues raised in this article, please contact Laurence Monnery, co-head of the Global Diversity and Inclusion Council, in our London office at +44 20 7493 3882.

For more information visit www.egonzehnder.com/diversity

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