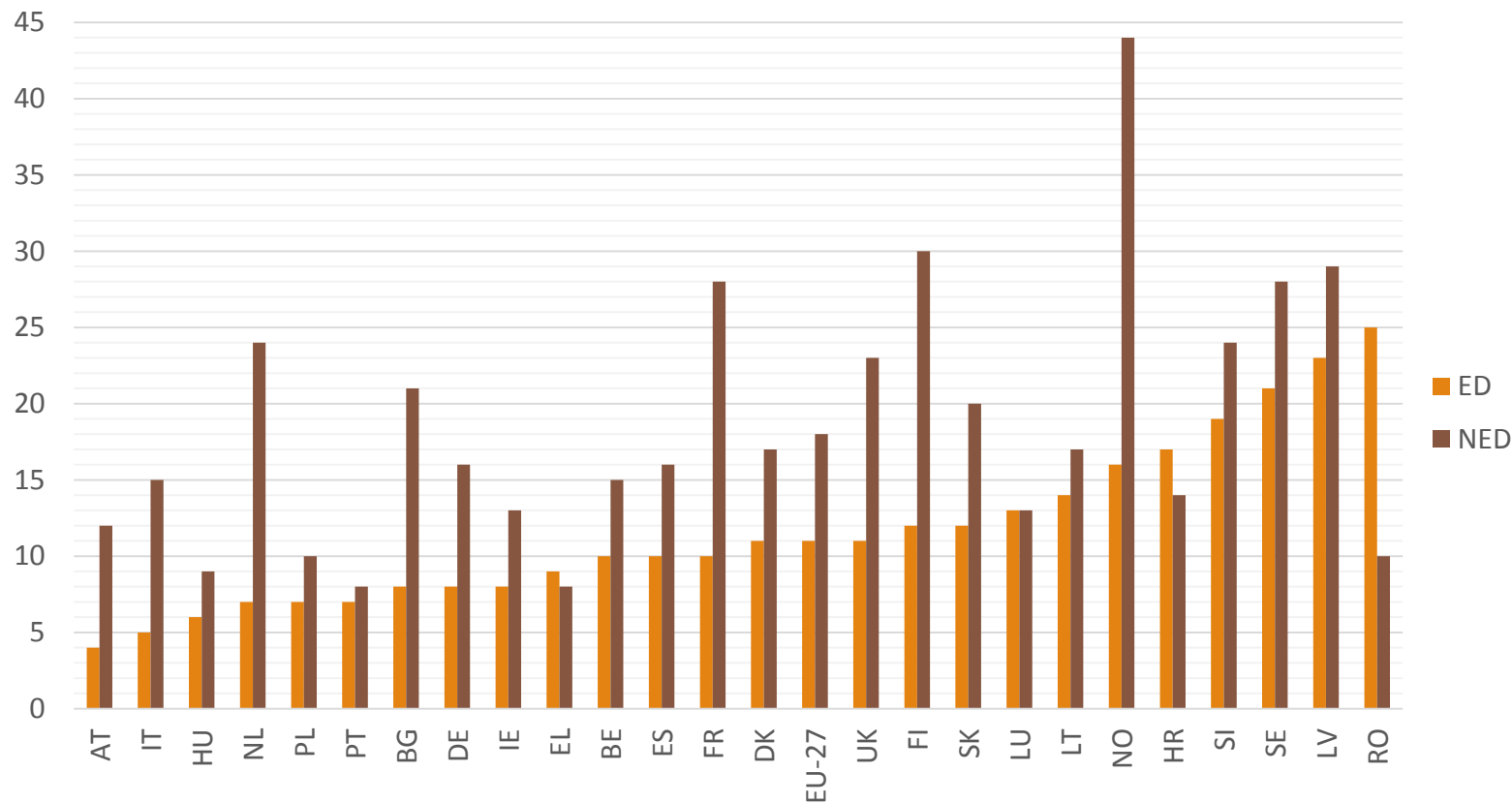


QUOTAS AS A TOOL FOR CAREER ADVANCEMENT OF WOMEN IN CORPORATIONS

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Women's representation on boards in EU-countries and Norway (2013)



Source: EC Database Women & Men in Decision-making, 01/05/2013

Convergence of minds, divergence of approaches

Country	Scope	Law or self-regulation	Sanctions	Executive (%)	Non-Exec. (%)	Total (%)
EU	Listed co's	40% on SB by 2020 (proposal)	Member State law	11	18	17
Norway	State-owned, publ. lim. priv. sector	40% by 2012	Warnings, fines, delisting	16	44	42
Finland	Public, priv. sector	Self-regulation	No	12	30	29
Sweden	Public, priv. sector	Self-regulation	No	21	28	26
France	Priv., state-owned, > 500 empl, > € 50m	20% by 2014, 40% in 2017	Nullity board elections	10	28	27
NL	Larger co's (criteria)	30% on EB and SB by 2013 (- 2016)	Comply or explain	7	24	24
UK	Private sector	Self-regulation	No	11	23	18
Italy	Listed, state-owned	1/3 after 2 nd ren.	Warning, fine, forf.	5	15	13

Source: EC Database on Women and Men in Decision-making, 01/05/2013

Key dates and events EU's approach

- Council Recommendation 96/694/EC (1996) invited Member States to adopt a strategy to promote balanced participation of women and men in decision-making
- March 5, 2010: Adoption of the Women's Charter followed by meetings with business leaders
- March 1, 2011: Call for self-regulation: "Women on the Board Pledge for Europe"
- July 6, 2011 and March 13, 2012: European Parliament calls for legislation
- March – May 2012: public consultations
- November 14, 2012: 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
- Six national parliaments initiated 'yellow card' procedure but were not successful
- June 20, 2013: discussion in Council of Labour Ministers
- July 9, 2013: EP's Committees (EMPL, IMCO, ECON) voted in favour of the proposal
- October 15 2013: EP's Committees (JURI and FEMM) voted in favour of the proposal
- November 20 2013: European Parliament adopted amended version in plenary session
- Final step: adoption by Council of Ministers (qualified majority) on Dec 9-10

The proposal contains specific instructions

“Member States shall ensure that listed companies in whose boards members of the underrepresented sex hold less than **40% of the non-executive director** positions make the appointments to those positions on the basis of ***comparative analysis of the qualifications of each candidate, by applying pre-established, clear, neutrally formulated and unambiguous criteria***, in order to attain the said percentage at the latest by 1 January **2020** or at the latest by 1 January 2018 in case of listed companies which are public undertakings”.

“In order to attain the objective [...] MS shall ensure that, in the selection of non-executive directors, priority shall be given to the candidate of the underrepresented sex ***if that candidate is equally qualified*** as a candidate of the other sex in terms of suitability, competence and professional performance, ***unless an objective assessment*** taking account of all criteria specific to the individual candidates tilts the balance in favour of the candidate of the other sex”.

Key elements of the proposal

- Applicable to non-executive directors in principle, but possibility of “flexi-quota” for executive directors
- Obligation for companies to revise their current selection procedure for board members in order to ensure qualified female candidates are given priority over equally qualified male candidates
- Applicable to publicly listed companies, due to their economic importance and high visibility; small and medium sized co.’s excluded
- Obligation to disclose (criteria, assessment, annual accounts)
- Member States obliged to implement effective, proportionate and dissuasive sanctions for companies that do not comply
- Temporary measure, expiration in 2028

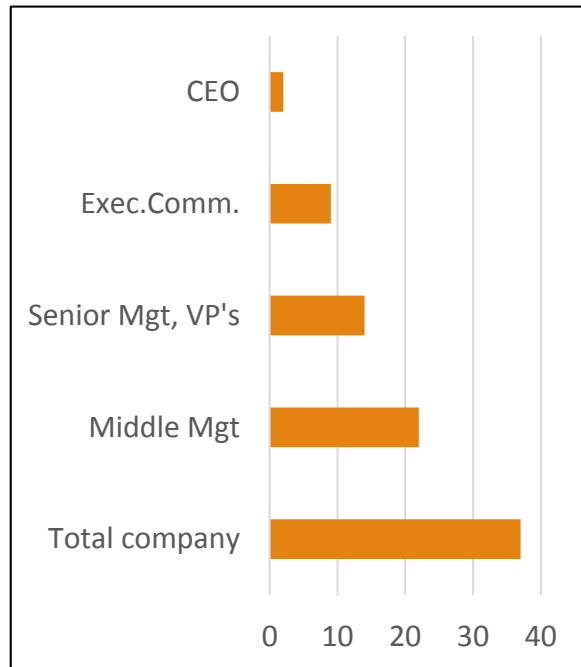
What will be the impact of the proposal on the daily operations of corporations?

- ✓ Data collection
- ✓ Formulate a vision and a policy
- ✓ Review and adapt recruitment and selection procedures
- ✓ Transparency in formulating profiles and criteria
- ✓ Review the infrastructure
- ✓ Design an operational plan
 - ✓ Development of a communication strategy

- ✓ Identification of female talents
- ✓ Regular discussions at board level
 - ✓ Increased visibility of female board members as role models
- ✓ Internal debates on the benefits of gender diversity
- ✓ Resistance from male and female employees
- ✓ Differentiation tool from other companies

Best Practice

Use of targets in corporations



Source: Women matter 2012, McKinsey

- Tool for culture change
- Strategic alignment
- Across the entire talent chain
- Quota's combined with work-life balance measures
- Transparency in HR and recruitment processes
- Driven by top management
- Technology as enabler
- Systematic controlling and monitoring system (KPI's)
- Role of HR and diversity consultants

Best Practice example

Deutsche Telekom's Women's Quota

"The women's quota is an excellent example that shows how we as a company are taking measured steps to shape our **new company**.

Its introduction, our experiences and discussions fuel our **culture change**.

Things we took for granted in the past are being **challenged**.

The quota forces us to **adopt new mindsets**, for example on the issue of individual control over working hours for men as well as for women".

Thomas Sattelberger, Deutsche Telekom

- ✓ Women in management positions rose from 19% (2010) to 22.7% (2011) to 24% (2012)
- ✓ Women in Business Leaders Team rose from 3% to 7.5%
- ✓ 13 women newly appointed to supervisory boards of subsidiaries to 17 in total
- ✓ Proportion of women among newly hired high potential junior staff went from 33% to 51%
- ✓ Proportion women on management development programs went from 18% to 34.6%