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Gender balance on boards of listed companies: The Swedish Corporate Governance Board assesses the situation ahead of this year's AGMs

Swedish Corporate Governance Board today presents statistics on gender balance on the boards of stock exchange listed companies. The statistics have been produced on the Board's behalf by SIS Ownership Service.

On 2 January 2015, the proportion of elected members in all Swedish listed company boards who were women was 25.6 per cent. The EU does not count the more than 60 small and medium-sized companies and CEOs elected by shareholders' meetings, but it does include employee representatives. According to this method of calculation, women's share of board positions is 28.7 per cent.

Since its introduction, the Swedish Corporate Governance Code has stipulated that listed companies should strive to achieve gender balance on their boards. The Corporate Governance Board would like to see owners increase the pace of change and move towards the total share of the least represented gender boards of listed companies reaching around 40 per cent by 2020. Already by 2017, major companies should have reached an average of 35 per cent and smaller companies should be approaching 30 per cent.

The Corporate Governance Board asked SIS Ownership Service to produce basic statistics and these are available on the Board's website, www.bolagsstyrning.se. The statistics are available to all and can be used to give a true and fair basis for assessing the gender balance in Swedish listed companies. The Corporate Governance Board has produced a follow-up of its goals and complemented these with an analysis based on the European Commission model to facilitate comparison across the EU.

The Corporate governance board intends to carry out an assessment of gender balance on the boards of listed companies twice a year – at the beginning of January, ahead of the GM season, and in July, when the AGM season is over.

The Corporate Governance Board

The Corporate Governance Board's figures only cover Swedish public limited companies whose shares are traded on a Swedish regulated market, (Nasdaq Stockholm and NGM Equity), as it is these companies that must comply with Swedish company law.

Follow-up of the Corporate Governance Board's goals:

1. *At least 40 per cent representation for each gender following the 2020 AGMs.* This includes all board members elected by shareholders' meetings, (i.e. it includes CEOs who are elected to the board, but excludes employee representatives), in all Swedish listed companies. On 2 January 2015, the proportion of women amounted to **25.6 percent**.
2. *At least 35 per cent representation for each gender in larger companies following the 2017 AGMs.* This includes all board members elected by shareholders' meetings of Swedish Large Cap companies. On 2 January 2015, the proportion of women amounted to **29.5 percent**.
3. *At least 30 per cent representation for each gender in smaller companies following the 2017 AGMs.* This includes all board members elected by shareholders' meetings of Swedish Mid and Small Cap

companies and Swedish companies listed on NGM Equity. On 2 January 2015, the proportion of women amounted to **23.9 per cent**.

The European Commission

On 14 November 2012, the European Commission published a draft directive on gender composition on boards of listed companies (COM (2012) 614 final), and this statistical model is used throughout Europe. The proposal covers the following:

- All Swedish companies whose shares are traded on a regulated market are covered, with the exception of SMEs (small and medium-sized enterprises), i.e. groups of companies with a maximum of 250 employees and an annual turnover of less than € 50 million, or a balance sheet total of less than € 43 million, (of which only one of the financial thresholds needs to be applied). On 2 January 2015, 67 Swedish listed companies were classed as SMEs.
- The figures include all board members who are not also members of the executive management, (i.e. non-executives), and therefore excludes CEOs who are also elected to the board of directors of a listed company.
- Employee representatives on company boards are explicitly covered by the proposed directive.

On 2 January 2015, gender balance according to the European Commission's method of calculation was as follows:

- The proportion of women on the boards of Swedish listed company amounted to **28.7 per cent**.
- The proportion of women on the boards of Swedish Large Cap companies amounted to **30.9 per cent**.

Employee representatives

- Trade unions appoint the employee representatives. On 2 January 2015, the proportion of female employee representatives on the boards of Swedish listed companies amounted to **29.6 per cent**.

For further information, please contact Bjorn Kristiansson at bjorn.kristiansson@bolagsstyrningskollegiet.se or on +46 (0)760 000 078

THE SWEDISH CORPORATE GOVERNANCE BOARD

Hans Dalborg
Chair of the Board

Björn Kristiansson
Executive Director