

Women in business elite in Estonia

Make the Profitable Investment!
Closing gender gap
in economic decision-making in Lithuania
Anu Laas, OÜ Laas ja Laas
Vilnius, 2 July 2015

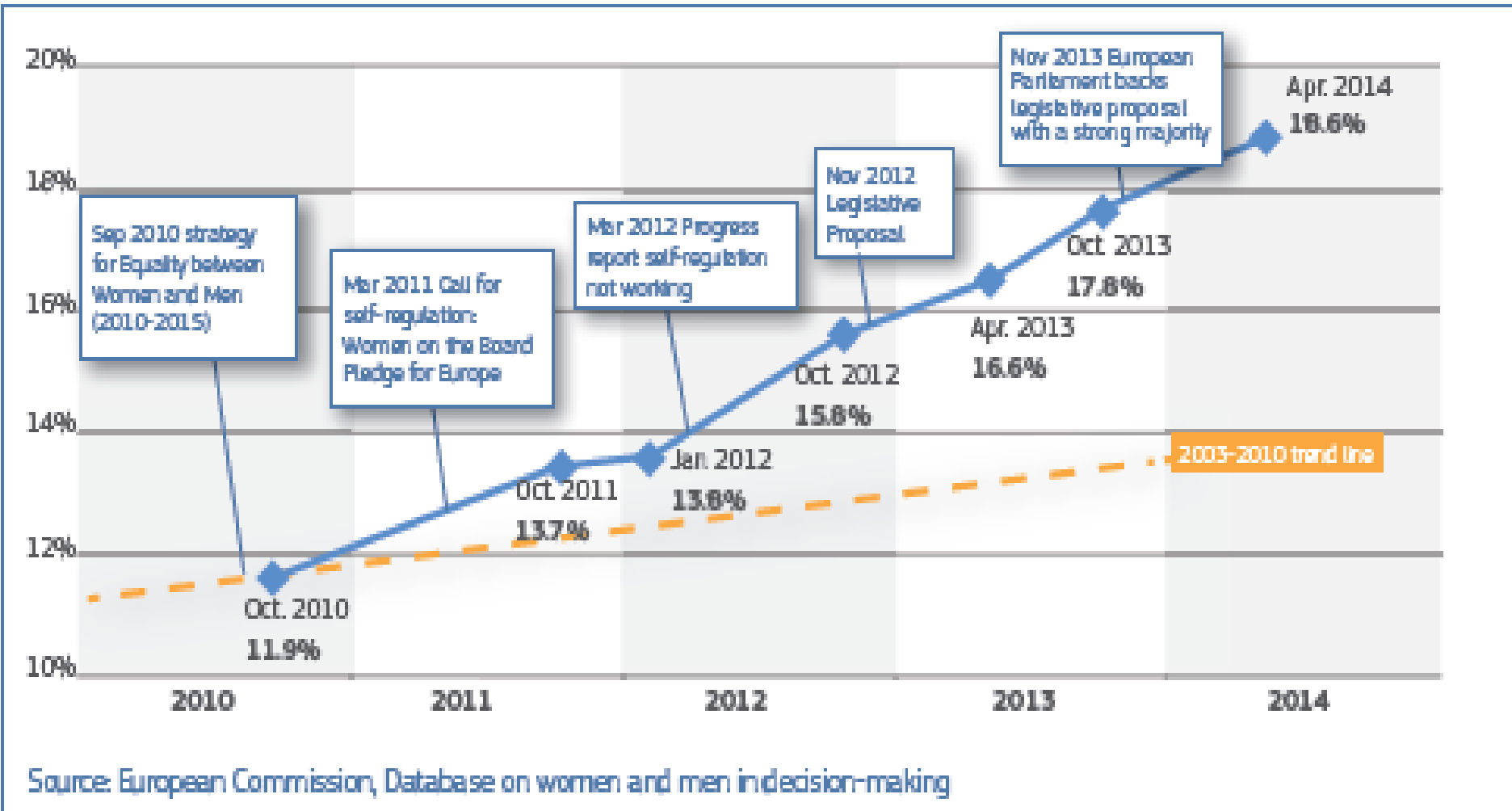


Outline

- **Estonian position in 2011**
- **Estonian position in April 2014 among EU-28**
- **Representation of women on boards in 2015**
- **Estonian legislation (GEA and ETA)**
- **Decision makers, 'lean in'!**

EU policy 2010-2014

Representation of women and men on the boards of large listed companies in the EU, October 2003 – April 2014



Opinions of Estonia (2011)

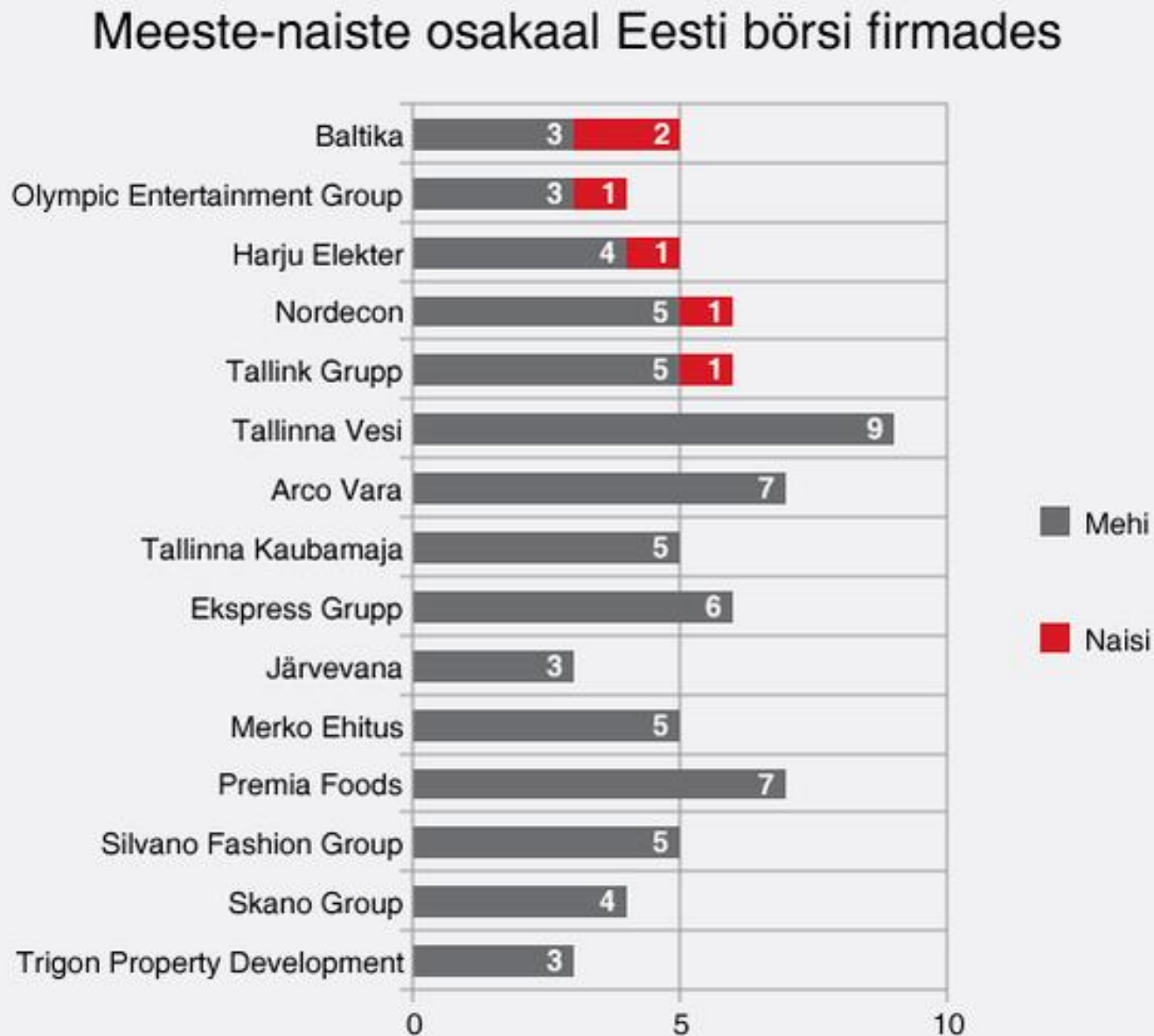
- ***“Estonia does not support the determining of recruitment policy and regulating the diversity policy of the supervisory boards’ composition on the level of the European Union”*** and that
- ***“the listed company itself must be able to determine which specific skills the member of the supervisory board should have and how diverse composition its supervisory board needs.”***
- **Estonia supports as flexible EU framework of corporate governance as possible, *“because it allows both companies and Member States to react effectively to changes in the society.”***
- http://ec.europa.eu/internal_market/consultations/2011/corporate-governance-framework/public-authorities/ministry-of-justice-estonia_et-en.pdf

Opinions of Estonia (2011) cont

- **Professional, international and gender diversity must not be a goal per se;**
- **instead the goal must be to ensure a sufficiently capable and effective supervisory board conforming to the needs of the listed company.**

**Opinion expressed by the Gov't of Estonia
Public consultation**

Women on supervisory boards in Estonia in 2012



Estonian Academy of Sciences (2015)



Eesti Teaduste Akadeemia / 15.04.2015

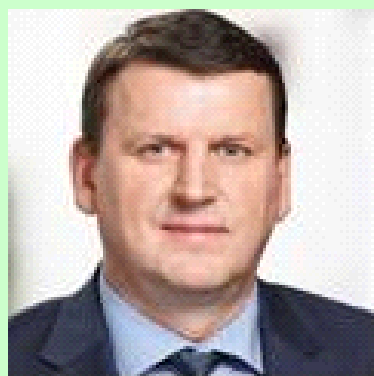
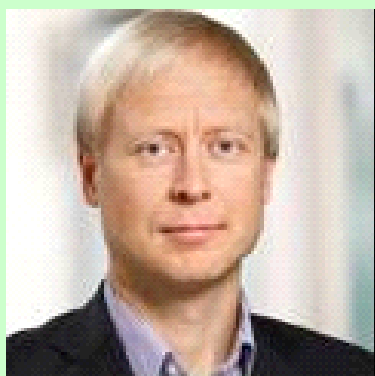
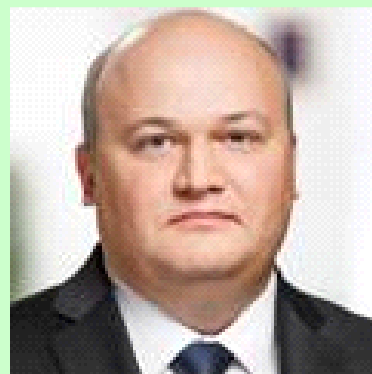
Acquisition of higher education: The proportion of women, % (2014)

| | Master's studies | Doctoral studies |
|------------|---------------------|---------------------|
| Admittance | 59,5 | 51,2 |
| Enrolment | 63,4 | 57,4 |
| Graduates | 68,9 | 53,1 |

Management board members



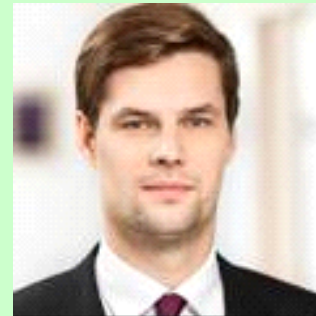
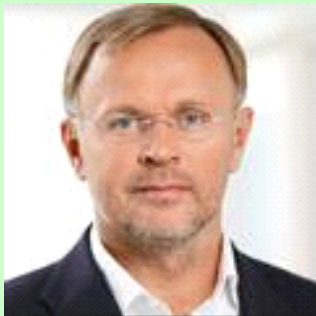
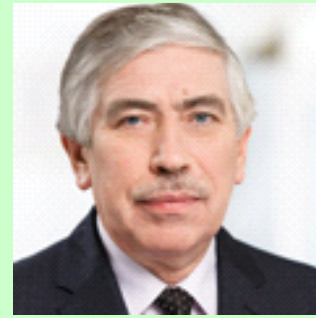
**AS Eesti
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Supervisory board members



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Representation of women supervisory boards (April 2014)

Large listed companies in the EU

- EU-28 average - 18.6%
- 5 countries (LV, FR, FI, SE, NL) >25%+ women
- Last 6 EL, PT, CY, **EE (7,2%)**, CZ, MT <9%

http://ec.europa.eu/justice/gender-equality/files/womenonboards/wob-factsheet_2014_en.pdf

State-owned companies: Representation of women, % (2015)

30 state-owned companies in Estonia

- Management board 7,9**
- Supervisory board 18,2**

State Forest Management Centre

(net assets EUR 1,254 billion in 31.12.2014)

- Management board 0 (out of 3)**
- Supervisory board 0 (out of 9)**

Nasdaq OMX Tallinn, share of women (%)

Baltic Equity - Main List = 13 companies

- Management board 15,2**
- Supervisory board 7,8**

Main list + secondary list = 15 companies

- Management board 13,9**
- Supervisory board 7,1**

Women in Finance

Credit institutions* 9

- **Management board 26,8**
- **Supervisory board 16,7**

Fund management companies 17

- **Management board 21,1**
- **Supervisory board 21,3**

Financial institutions - authorised in Estonia by
Finantsinspektsioon

Forbes (2013)

- **25 the most successful business women from Estonia**
- **12 factors**
- **Out of 25 women**
 - **52 % are owners, 48 % top managers**
 - **35 % from production companies**
 - **16 % from finance**
 - **12 % from oil business**
 - **38 % in other businesses**
 - **Average age 46 (36 ... 71)**

Commercial Code (1995)

- Estonia has a two-tier board system
- The supervisory board shall plan the activities of the public limited company, organise the management of the public limited company and supervise the activities of the management board. The supervisory board shall notify the general meeting of the results of a review
- The supervisory board shall have three members unless the articles of association prescribe a greater number of members
- A member of the supervisory board need not be a shareholder
- Shareholders whose shares represent at least one-tenth of the share capital may, with good reason, request the removal of a member of the supervisory board by a court

Gender equality legislation

- Gender Equality Act (2004) – Articles 9-11 requires to promote equality systematically and purposefully

Art. 9(4): The membership of committees, councils and other collegial bodies formed by state and local government authorities shall, if possible, include both sexes.

- Equal Treatment Act (2009)
- TODAY: The law does not require listed companies to attain at least 40% female representation on board by 20xx

To conclude

| | Mngmnt board | Supervisory board |
|---|-------------------------|------------------------------|
| State-owned companies | 7,9 | 18,2 |
| Nasdaq OMX Tallinn (13 - main list) | 15,2 | 7,8 |
| Nasdaq OMX Tallinn (15 main + secondary) | 13,9 | 7,1 |
| Credit institutions 9 | 26,9 | 16,7 |
| Fund management companies 17 | 21,1 | 21,3 |

Growth and attractiveness

A certain degree of balance, which is essential for good governance (balance in its structure, membership, mission, balance as to the status of its members)

- Board diversity**
- Internationalisation of boards**
- Women on boards**
- Transparency**

- IFA (2015): An investor guide. An enabler for growth and attractiveness**

Thoughts by Tiina Mõis

Member on two supervisory boards ('golden skirt')

Hansabank's former major shareholder (founder of Hansabank)

- Entrepreneurship experience is needed →
 - There are less women in entrepreneurship
 - Less women in the boardroom.
- More women – a question of time
- Should not be regulated, but should take the direction towards 'more women on boards'

Thoughts by Sheryl Sandberg

Lean In: Women, Work and the Will to Lead. 2013

- **women can help themselves**
- **make the small changes in their life**
- **tackling the anxieties and preconceptions**
- **tackling problems which facing women in the workplace**
- **taking a place at the table and**
- **making yourself a part of the debate**

Conclusion

- **Not only encouragement, but practical training needed for women**
- **Attitude change needed**
- **Commitment by decision makers (Asking women to “lean in” is only half the battle, male executives need to ‘lean in’ too)**
- **Gender diversity on corporate boards is the right thing to do and it makes economic sense**

- ***If you're offered a seat on a rocket ship, don't ask what seat! Just get on.***
- ***Done is better than perfect.***
- ***Social gains are never handed out. They must be seized.***

(Sheryl Sandberg)

The Deloitte logo, consisting of the word "Deloitte." in a bold, blue, sans-serif font. The background of the slide is a photograph of a person standing on a rocky peak, looking out over a vast mountain range under a clear sky. The person is silhouetted against the bright sky. The mountains are layered, creating a sense of depth. The sky transitions from a pale yellow near the horizon to a light blue at the top. The overall mood is one of achievement and global perspective.

Deloitte.

Women in the boardroom
A global perspective

Fourth edition

References, sources

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- Public consultation (2011). Opinions of Estonia.
- Traks (2012). Tiina Mõis: tunnen end nõukogudes natuke üksildasena. *Postimees JUHTIMINE*, 7.9.2012.
- *Internet sources (databases, Nasdaq OMX Tallinn)*

Thank you!

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