GENDER EQUALITY IN SWEDEN & DENMARK

Assessing leading companies on workplace equality

BRIEFING MAY 2020



Equileap is the leading organisation providing data and insights on gender equality in the corporate sector. We research and rank over 3,500 public companies around the world using a unique and comprehensive Gender Equality ScorecardTM across 19 criteria, including the gender balance of the workforce, senior management and board of directors, as well as the pay gap, parental leave and sexual harassment.

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/ INTRODUCTION

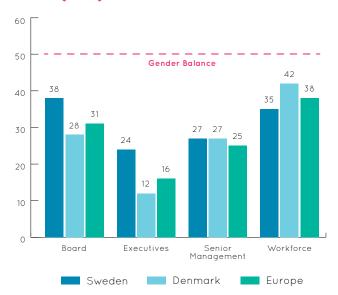
This briefing presents an overview and comparison of the performance of the companies in the Swedish OMXS 30 and Danish OMXC 20 indices on gender equality. It is part of a larger European project assessing gender equality in 255 public companies listed on ten national indices across the European Union. Any European findings mentioned in this briefing refer to the overall findings for these 255 companies.

KEY FINDINGS

- > The average gender equality score of companies on the Swedish OMXS 30 index is 49%, markedly higher than the 38% average score of companies on the Danish OMXC 20.
- The companies on the Swedish OMXS 30 hold nine out of the top ten spots in this comparison of the two indices, including the highest (Tele2). The best performing company on the Danish OMXC 20 is Chr. Hansen, holding the 3rd spot in this comparison.
- >Swedish companies are more gender balanced than most other European companies when it comes to top positions. With an average of 38% women on company boards and 24% women on executive teams, the OMXS 30 outperforms the European averages of 31% and 16%, for each respective level. Meanwhile, Danish companies are lagging behind with 28% women on boards and only 12% women on executive teams.
- Less than half of the companies on both indices have gender balanced boards (between 40% to 60% of each gender): 14 on the OMXS 30 and only five on the OMXC 20.

- >Four Swedish companies and only one Danish company have published gender-segregated pay information, while across Europe an average of 28% of companies are publishing this information.
- > Danish and Swedish companies are lagging behind the rest of Europe on having anti-sexual harassment policies in place. Only 41% of OMXS 30 companies and 30% of OMXC 20 companies publish anti-sexual harassment policies, both of which are significantly below the European average of 48%.
- AstraZeneca is the only company across these two indices to have all eight policies that promote gender equality in the workplace, making it one of the five European companies out of 255 to achieve this.

GRAPH 1 / FEMALE EMPLOYEES BY COMPANY LEVEL (IN %)



GRAPH 2 / COMPANIES WITH/WITHOUT AN ANTI-SEXUAL HARASSMENT POLICY (IN %)



RECOMMENDATIONS

Although OMXS 30 companies outperform OMXC 20 companies on the majority of the 19 Equileap gender equality criteria, both indices have room for improvement.

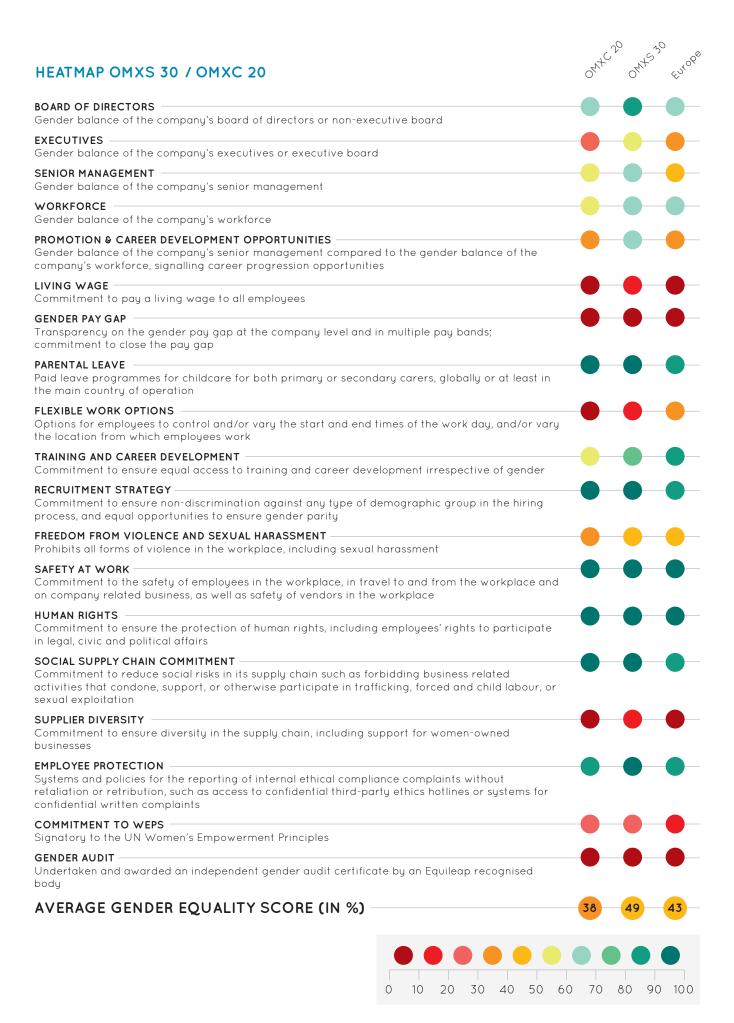
A large percentage of OMXC 20 (70%) and OMXS 30 (59%) companies are lacking policies that specifically condemn sexual haras-

sment and gender-based violence, and could support gender equality in the workplace by implementing and publishing these policies.

- Nith only five companies across the two indices publishing gender-segregated pay information, Danish and Swedish companies would benefit from greater transparency on the mean gender pay gap¹, both overall and in pay bands.
- To reach gender balance, Danish companies need to increase the representation of women on company boards and executive teams, as women currently represent only 28% of board members and 12% of executives.
- Increased access to flexible work options for their employees would benefit companies on both indices. Currently, 76% of OMXS 30 companies and 90% of OMXC 20 companies are not publishing policies on the topic. This is worse than the European average where half (52%) of the companies are not publishing these.

¹The mean gender pay gap can reveal inequalities in the highest and lowest positions, which may be invisible if a median gender pay gap is reported.





/SWEDEN / OMXS 30

Companies on the Swedish OMXS 30 index have an average gender equality score of 49%. However, they only claim two spots in the European Top 20 ranking, which was included in the **Equileap Gender Equality in Europe Special Report** in March 2020.

Sweden, along with Iceland, Norway, and Finland, has been leading the world in terms of gender equality and addressing the gender pay gap. Nonetheless, the gender pay gap in Sweden is still 12.6%². Sweden was also the first country in the world to introduce a gender-neutral, paid parental leave provision in

1974, and last year it passed a new law which recognises transgender parents according to their legally recognised gender identity.

Companies on the OMXS 30 outperform European averages on 14 of the 19 gender equality criteria. OMXS 30 companies particularly stand out for the female representation at the executive level, on average 24%, which, although low, is the second highest in Europe. Meanwhile, they are performing notably worse on two key areas: flexible work options and publishing anti-sexual harassment policies.

TABLE 1 / TOP 5 COMPANIES ON OMXS 30 INDEX FOR GENDER EQUALITY

RANK	COMPANY	SECTOR	SCORE
1	TELE2	Communications	63%
2	SWEDBANK	Financial	62%
3	ASTRAZENECA	Consumer, Non-cyclical	56%
4	NORDEA BANK	Financial	55%
5	SEB	Financial	55%

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KEY FINDINGS

The average gender equality score of the companies in the OMXS 30 is 49%, which is above the European average (43%).

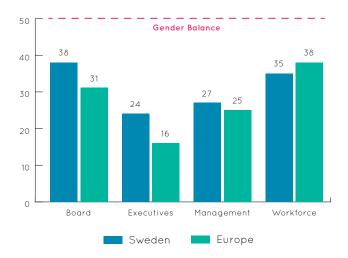
GENDER BALANCE

The average number of women on company boards is 38%. This is the second highest average in Europe, despite Sweden having no mandatory board gender quotas in place.

- >Only one company has achieved gender balance (between 40% and 60% of each gender) at the executive level: Investor, with 60% women on the executive team.
- > Women represent on average 27% of senior managers on the OMXS 30, which is above the European average (25%).
- The average share of women at the workforce level is 35%, which is the lowest among all indices compared in this European research.

² Equal Pay? Time to close the gap!, The European Union, page 2.

GRAPH 3 / FEMALE EMPLOYEES BY COMPANY LEVEL (IN %)



THE GENDER PAY GAP

- The vast majority (86%) of companies on the OMXS 30 do not publish information on gender pay.
- All companies in the index have a gender pay gap (i.e. no company published a mean gender pay gap of 3% or less).
- Three companies on the OMXS 30 have a strategy in place to close their pay gaps.

PARENTAL LEAVE

Swedish legislation guarantees a generous leave of thirteen months of shared paid parental leave. With no OMXS 30 company publishing a policy to extend parental leave beyond what is legally mandated, parents are entitled to three earmarked months of paid leave each, and the remaining seven months can be divided at the parents' discretion. Sole custody parents can receive the full thirteen months of paid leave.

SEXUAL HARASSMENT

> More than half (58%) of companies on the OMXS 30 do not publish an anti-sexual harassment policy.

CASE STUDY / TELE2

Tele2 is the top performing OMXS 30 company with a score of 63%. It ranks eighth among the 255 European companies evaluated as part of this research. The company has a gender balanced board, and while they do not reach gender balance at the executive and senior management levels, they have over 30% women at both these levels. Tele2 has seven out of the eight Equileap recommended policies to promote gender equality in the workplace, lacking a supplier diversity policy that promotes procurement from women-owned businesses. The company has shown its commitment towards gender equality by signing on to the United Nations Women's Empowerment Principles.

OMXS 30 RECOMMENDATIONS

- Companies on the OMXS 30 could benefit from increased transparency on access to flexible work options for their employees. Currently, 76% are not publishing policies on the topic.
- >A majority (58%) of the companies could improve gender equality in their workplace by introducing anti-sexual harassment policies that condemn sexual harassment and gender-based violence.
- All OMXS 30 companies would benefit from undertaking an independent gender audit³.

³ Such as the EDGE or GEEIS certifications.



/ DENMARK / OMXC 20

Companies on the Danish OMXC 20 index have an average gender equality score of 38%. Chr. Hansen, the top performing OMXC 20 company, also ranks 19th in the European Top 20, which was included in the Equileap Gender Equality in Europe Special Report in March 2020.

Denmark has taken initiatives such as mandatory strategies to increase female representation in executive and management positions. However, no quotas for women on boards or other levels of management have been introduced. Since 2007, employers with

more than 35 employees, and from 2015 with more than 10 employees (at least 3 men and 3 women), have been required to compare and report annual statistics on the salaries of women and men and discuss the identified gaps with their employees. Companies that fail to comply are subject to fines.

Companies on the OMXC 20 are generally performing in line with other European companies on gender equality. However, they are performing notably worse in two key areas: flexible work options and publishing anti-sexual harassment policies.

TABLE 2 / TOP 5 COMPANIES ON OMXC 20 FOR GENDER EQUALITY

RANK	COMPANY	SECTOR	SCORE
1	CHR HANSEN	Consumer, Non-cyclical	58%
2	GENMAB	Consumer, Non-cyclical	50%
3	FLSMIDTH	Industrial	50%
4	DANSKE BANK	Financial	47%
5	VESTAS	Energy	47%

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KEY FINDINGS

The average score of OMXC 20 companies is 38%. This is markedly below the European average (43%).

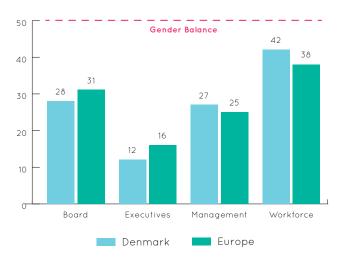
GENDER BALANCE

- The average representation of women on company boards is 28%, which is below the European average of 31%.
- No company on the OMXC 20 has achieved gender balance on the executive team.

We consider that gender balance is reached when either gender is represented at 40-60%.

- The average representation of women at the senior management level on the OMXC 20 is 27%, which is above the European average of 25%. However, only one company, Lundbeck, has achieved gender balance at this level.
- > Female participation at the workforce level on the OMXC 20 is amongst the highest in Europe (on average 42%).

GRAPH 4 / FEMALE EMPLOYEES BY COMPANY LEVEL (IN %)



THE GENDER PAY GAP

- >Ørsted is the only company on the OMXC 20 that has published gender-segregated pay data.
- All companies in the index have a gender pay gap (i.e. no company published a mean gender pay gap of 3% or less).
- No company has published a strategy to close its gender pay gap.

PARENTAL LEAVE

No OMXC 20 company publishes a parental leave policy to extend the legally mandated leave for their Danish employees. As such, in line with Danish legislation, employees receive 18 weeks of paid maternity leave, 2 weeks of paid paternity leave, and 32 weeks of shared paid parental leave.

SEXUAL HARASSMENT

The vast majority of the OMXC 20 companies (70%) do not publish an anti-sexual harassment policy. Of the ten compared indices, only one performs worse on this criterion.

CASE STUDY / CHR HANSEN

Chr. Hansen is the top-performing company on OMXC 20 with a score of 58%.

The company has a gender-balanced workforce with 43% women, and is very close to achieving gender balance in senior management with 39% women at this level. Chr. Hansen offers employees the option of flexible working hours and has seven out of the eight policies recommended by Equileap to promote gender equality in the workplace. CHR Hansen lacks a supplier diversity programme to promote procurement from women-owned businesses. The company has shown its commitment towards gender equality by signing on to the United Nations Women's Empowerment Principles.

OMXC 20 RECOMMENDATIONS

- > With a low average of 12% women at the executive level, companies on the OMXC 20 need to significantly increase female representation to achieve gender balance.
- Companies on OMXC 20 would benefit from greater transparency on the mean gender pay gap⁴ and from publishing what strategies they will take to address any gender pay gaps identified.
- >OMXC 20 companies could improve their workplace gender equality by publishing policies offering employees flexible work hours and locations.
- >Almost half of the OMXC 20 companies (45%) could improve gender equality in the workplace by publishing a training policy that ensures access to training and career development opportunities for men and women at all levels of the company.
- ⁴The mean gender pay gap can reveal inequalities in the highest and lowest positions, which may be invisible if a median gender pay gap is reported.



DATASET

This briefing is part of a larger European research project assessing gender equality across the European Union. The dataset for this research consists of 255 public companies from 10 European Union markets. Our research closed on the 19th of December 2019. The selection of the companies was made based on their inclusion in the following national financial indices: The Czech Republic (MSCI Czech Republic Index), Denmark (OMX Copenhagen 20), France (CAC 40), Germany (DAX 30), Greece (FTSE/Athex Large Cap 25), Italy (FTSE MIB 40), Poland (WIG 20), Romania (BET 15), Spain (IBEX 35) and Sweden (OMX Stockholm 30), as of the 1st of April 2019. Any European findings mentioned in this briefing refer to the overall findings for the 255 companies.

FUNDING

This briefing is part of the larger InGender project (Project number: 831633), funded by the Rights, Equality and Citizenship Programme of the European Union (2014-2020, Project title: INGENDER, Project number: 831633). The funding for this project came from the call REC-RGEN-WWLBAG-2018: Call for proposals for action- Grants under 2018 Rights, Equality and Citizenship programme and in particular the Open call for proposals to address: A) equal participation of women and men in public fora, in leadership positions in politics and in the corporate sector; and B) to support public authorities and civil society in relation with the "New Start to Support Work-Life Balance for Parents and Carers" initiative.

RANKING

Companies are ranked according to their overall Equileap gender equality score based on the 19 criteria listed in the Scorecard below. When two or more companies have the

same score, we use Category A data to break the tie, starting with criterion 5 (Promotion & Career Development) and continuing, when required, through criterion 4 (Workforce), 3 (Senior Management), 2 (Executive) and 1 (Board).

DATA COLLECTION & APPEALS PROCESS

Equileap uses a two-fold research approach. First, we gather publicly available information published by the companies themselves, including in their annual reports, sustainability reports, policies and/or on their websites. Second, we engage with companies to allow them to send us the latest publicly available data they have.

For this project, we approached all of the companies in the dataset and sent them question-naires. Equileap makes every effort to ensure that the information reported is accurate. In the event of an error, we invite companies to email up-to-date information and corroborating evidence to research@equileap.com. Please note that only data which is supported by publicly available evidence is accepted.

TRANSPARENCY

The Equileap methodology skews towards companies that are more transparent and make their data publicly available. We firmly believe that transparency, and acknowledging where there are gaps and problems, is the first step towards taking action to close the global gender gap. Publicly available data enables investors and employees to hold companies accountable for the policies they offer and the steps they are taking to ensure gender equality in their workplaces.

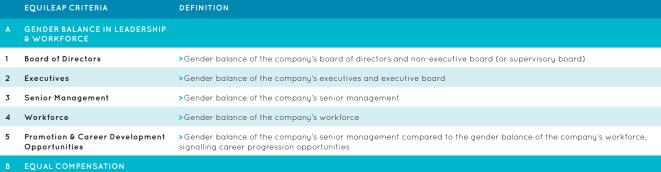
We encourage companies to be as transparent as possible about their progress towards gender equality as part of their contribution to economic justice for women globally.



The Equileap Gender Scorecard™ is inspired by the United Nations Women's Empowerment Principles. For each gender criterion, one or several metrics have been identified

to evaluate it. A score and weighting has been allocated to each criterion to reflect that some issues may be more important for furthering gender equality than others.











9	Flexible Work Options > Option to employees to control and / or vary the start and end times of the work day, and / or vary the location which employees work	
С	POLICIES PROMOTING GENDER EQUALITY	
10	Training and Career Development	>Commitment to ensure equal access to training and career development irrespective of gender
11	Recruitment Strategy	>Commitment to ensure non-discrimination against any type of demographic group and equal opportunities to ensure gender parity
12	Freedom from Violence, Abuse and Sexual Harassment	>Prohibits all forms of violence in the workplace, including verbal, physical and sexual harassment
13	Safety at Work	>Commitment to the safety of employees in the workplace, in travel to and from the workplace and on company related business, as well as safety of vendors in the workplace
14	Human Rights	>Commitment to ensure the protection of human rights, including employees' rights to participate in legal, civic and political affairs
15	Social Supply Chain	>Commitment to reduce social risks in its supply chain such as forbid business related activities that condone, support, or otherwise participate in trafficking, force and child labour or sexual exploitation
16	Supplier Diversity	>Commitment to ensure diversity in the supply chain, including support for women owned businesses in the supply chain
17	Employee Protection	>Systems and policies for the reporting of internal ethical compliance complaints without retaliation or retribution, such as access to confidential third-party ethics hotlines or systems for confidential written complaints
D	COMMITMENT TRANSPARENCY	







We register if a company has a record of any of the following:

- >A legal judgement or official ruling regarding gender discrimination or sexual harassment against the company or an employee
 >Two or more legal cases, or one class action that have been settled against a company or an employee regarding gender discrimination or sexual harassment
- >Two or more legal judgements or official rulings regarding gender discriminatory practices in a company's marketing and advertising

/ ACKNOWLEDGEMENTS

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