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Report Finds Over 40 Percent of the World's Largest Public Companies Have ZERO Women on Their Boards

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Portland, Maine; In its *2011 Women on Boards Report*, GovernanceMetrics International, the leading independent global corporate governance and ESG research firm, shows that 40 percent of the world's largest publicly listed companies have not appointed even one woman to their boards. Even in major markets like Japan, Italy, the United Kingdom, and the United States women continue to be grossly under-represented on corporate boards. Not surprisingly, the issue of board diversity is generating a healthy level of public debate.

Today, March 8, 2011, is the centennial anniversary of the first International Women's Day. Even as thousands of women gather in cities all over the world to celebrate the progress modern societies have achieved in promoting gender equality, the issue continues to exist in many countries across the globe. UN Secretary-General Ban Ki-moon recently told reporters that "in too many countries and societies, women remain second-class citizens."

The GovernanceMetrics report shows that even in the most advanced economies of the world, women continue to be grossly under-represented on the boards of the largest publicly listed companies.

John Jarrett, GovernanceMetrics Director of International Research, commented that "the lack of diverse skills and experiences can hold corporate boards and their companies back. Increasing the proportion of women on boards is not a "nice to have," but a business imperative."

For instance, GovernanceMetrics has found that 2/3 of the publicly listed companies in Italy do not have a single female director. Overall, 1/3 of the companies in Europe do not have any women on their boards. Further, across the more than 4,200 companies that GovernanceMetrics covers from countries across the globe, women hold less than 10 percent of the total number of board seats and a paltry 2 percent of companies are chaired by female directors.

GovernanceMetrics finds that despite recent laws enacted in a number of countries, female board participation rates remain low. Between 2009 and 2011 GovernanceMetrics found that the share of board seats at the 4,200 companies we cover increased from 9.2 percent to 9.8 percent - a glacial pace.

The US, where there has only been limited regulatory or legislative action, is also making only slow progress. In the United States, the share of board seats held by women barely budged from 12.1 percent in 2009 to 12.3 percent in 2011. Most analysts think that it is unlikely that the U.S. will follow Europe's lead and legislate some form of quota for the inclusion of women on public boards.

Why does gender diversity matter? GovernanceMetrics did some analysis of S&P 500 companies and found that companies with no women on their boards had a below average GMI Home

Market Corporate Governance rating of 5.8 (on a scale of 1.0 to 10) while companies that included 30 percent or more female directors have an above average rating of 8.1. In the same vein, the top 10 S&P 500 GovernanceMetrics rated companies have an average of 22 percent women on their boards and bottom 10 S&P 500 companies have an average of 13 percent women on their boards.

“This finding suggests that companies that make the effort to include a substantial proportion of women on their boards tend to undertake better corporate governance practices,” said Mr. Jarrett.

The response to the very slow progress on gender diversity is becoming more vocal. Norway, France and Spain have already adopted quota requirements for the inclusion of women on the boards of publicly listed companies. Italy, the Netherlands, and Belgium are considering adopting similar measures. The U.K.’s recent Davies Report calls for measures to be taken to boost female board participation, but reserves the idea of having quotas if progress is not made soon.

Likewise, senior Australian lawmaker Joe Hockey recently made headlines when he told reporters that he doesn’t “understand how you can claim that as a director of a company that all wisdom and knowledge lies in the hands of men only." He has also called for Australia to consider adopting an enforced quota requirement that would reserve at least 30 percent of the country’s board seats for female directors.

Mr. Jarrett commented that “the momentum towards more balanced boards is gathering pace around the globe and many leading markets are responding to the desire to correct a clear imbalance. However, there is still a long way to go.”

Clearly, the under-representation of women on corporate boards is generating a high level of public attention. However, the GovernanceMetrics *2011 Women on Boards Report* provides clear evidence that there is plenty left to do to achieve gender balance in the corporate boardroom.

The report, titled *2011 Women on Boards Report*, is available as a free download from the GovernanceMetrics International website.

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About GovernanceMetrics International
GovernanceMetrics International is the leading independent provider of global corporate governance ratings and research. GovernanceMetrics provides in-depth coverage of more than 5,400 public corporations worldwide, including the S&P 1500, Russell 3000, MSCI World Index and extensive Emerging Markets coverage. Additionally, the firm rates nearly 20,000 public companies in North America and Europe based on forensic analysis of their corporate integrity. GovernanceMetrics clients include more than 300 leading global investors, pension plans, regulators, insurance firms and others concerned about governance risks. More information on GovernanceMetrics and its suite of governance risk products and services is available at www.gmiratings.com.