

Gender balance in business and finance

A decade after it was first proposed, the EU's directive on improving gender balance among directors of listed companies and related measures⁽¹⁾ was adopted by EU co-legislators in November 2022, coming into force in December 2022. The directive requires at least 40 % of the non-executive members of the boards of listed companies, or at least 33 % of all directors, to be of each gender. Prior to this, several governments had already taken action by introducing legislative quotas to achieve more gender-balanced boards, but further developments are expected in the coming months, as Member States are required to transpose the directive into their national law by 28 December 2024. The national central banks

and European financial institutions are also increasingly paying attention to governance practices and diversity policies.

The European Institute for Gender Equality (EIGE) monitors gender balance among key decision-makers biannually for the largest listed companies in the EU and annually for central banks and European financial institutions. Regular monitoring remains vital in tracking progress towards the achievement of legislative targets. This brief presents the latest situation and trends in the gender balance among key decision-makers in large corporations and financial institutions in the EU.

Many EU Member States have taken action to promote gender balance in company boards but there are differences in scope

Government actions to promote a more gender-balanced representation in corporate leadership include legislative gender quotas, with sanctions for non-compliance, and a wide range of soft measures designed to encourage companies to self-regulate (without sanctions). To date, eight Member States have put in place legally binding national gender quotas. Quotas in Belgium, France, Italy, the Netherlands and Portugal either

match or exceed the 33 % target set by the directive, but Germany (30 %), Greece (25 %) and Austria (30 %) fall slightly short. Twelve further Member States have implemented soft measures, and the remaining seven have taken no action (see Table 1). Following the adoption of the directive, Member States have until 28 December 2024 to incorporate its provisions into their national law⁽²⁾.

Table 1. Member States by type of government action to promote gender balance on company boards, 2023

National quota (8)		
Year	Member State and quota	Companies covered
2011	BE (33 %)	State-owned and listed
	FR (40 %) (*)	Listed and large non-listed
	IT (40 %)	State-owned and listed
2015	DE (30 %) (*)	Listed and large non-listed
2017	AT (30 %)	State-owned, listed and large
	PT (33 %)	Public and listed private
2020	EL (25 %)	Listed
2022	NL (33 %) (*)	Listed

No action (7)		
BG, CZ, CY, LT, HU, MT, SK		

NB: (*) Specific provisions for executive/management positions.

Soft measures (12)		
Year	Member State	Companies covered
1990	DK (*)	All companies
2002	RO	All companies
2003	FI	Listed
2004	EE	State-owned
	SI	State-owned
2007	ES	Large
2009	LU	Private and state-owned
2013	PL	State-owned
2016	SE	Listed
2019	HR	Listed
2020	IE	Listed
	LV	Listed

In all cases, the scope of the existing national legislative quotas is either in line with that of the EU directive, which applies to all listed companies except small and medium-sized enterprises⁽³⁾, or broader, by including large unlisted companies (as, for example, in Germany and France). How-

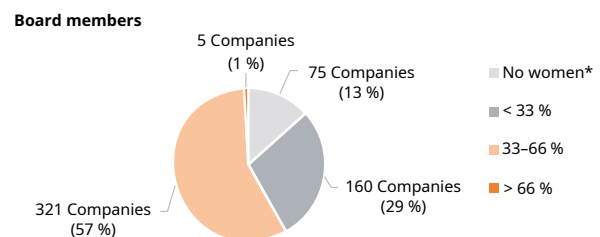
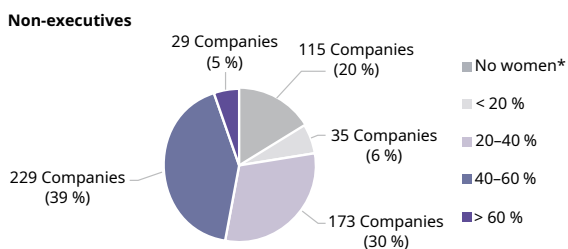
ever, soft measures have a narrower scope in some cases, covering only state-owned companies (as is the case in Estonia and Slovenia, for example) or only large companies (as in Spain).

Two in five of the largest listed companies in the EU already meet the directive target for non-executive directors

In October 2023, almost two fifths of the largest listed companies in the EU (229 out of 561, 39 %⁽⁴⁾) included in EIGE's sample met the target set by the directive of having at least 40 % of non-executive directors of each gender.

Furthermore, nearly 6 in 10 of the companies covered (321 out of 561, 57 %) have already reached the minimum threshold of having 33 % of all directors (i.e. board members) of each gender (Figure 1).

Figure 1. Proportion of the largest listed companies by share of women among non-executive directors and board members in the EU-27, October 2023



NB: (*) The 0 % category includes two companies (one in Bulgaria and one in Czechia) in which all directors are executives and two companies in Lithuania in which all decision-making is outsourced to an external company.
Source: EIGE Gender Statistics Database (unpublished microdata).

(1) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022L2381>.

(2) See Article 11 of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (OJ L 315, 7.12.2022, p. 44).

(3) Small and medium-sized enterprises are companies with fewer than 250 employees and with either an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million.

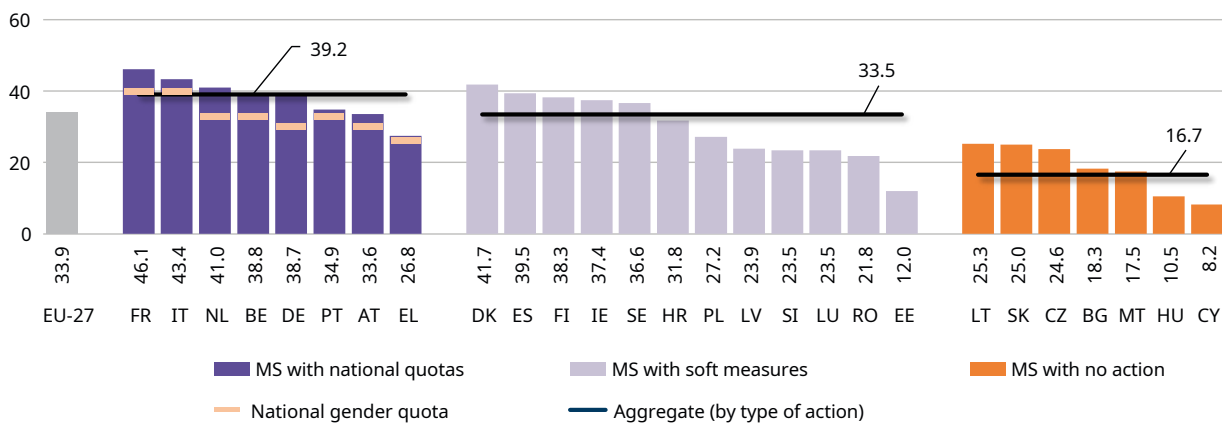
(4) EIGE's data on the largest listed companies covers publicly listed companies ('publicly listed' meaning that shares in the company are openly traded on the national stock exchange). The 'largest' companies in each country are taken to be the members (maximum of 50) of the primary blue-chip index maintained by the national stock exchange, which covers the largest companies by market capitalisation and/or volume of market trades. Only companies registered in the country concerned (according to the International Securities Identification Number) are taken into account. The latest update, from October 2023, covers 561 publicly listed companies registered in the 27 EU Member States.

National quotas lead to increased gender balance

EIGE's data shows that the share of women on the boards of the largest publicly listed companies registered in EU Member States reached an all-time high of 33.9 % in October 2023. However, there are clear differences between Member States depending on the type of action taken. As of October 2023, women accounted for nearly 4 in 10 (39.2 %)

board members in the eight Member States with binding quotas, compared with a third (33.5 %) in Member States with soft measures and just one in six (16.7 %) in those Member States that have taken no action (Figure 2).

Figure 2. Share of women (%) on the boards of the largest listed companies in EU Member States (MS) by type of action, October 2023



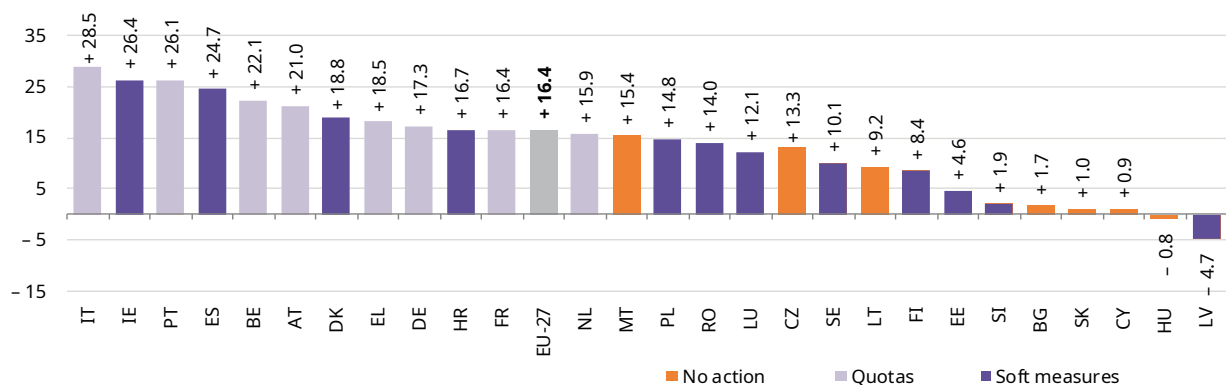
NB: National gender quota targets: France and Italy, 40 %; Belgium, Netherlands and Portugal, 33 %; Germany and Austria, 30 %; Greece, 25 %.
Source: EIGE Gender Statistics Database.

A decade of evident progress – changes vary between Member States

Since 2013, the representation of women on the boards of the largest listed companies has improved in the EU, from 17.5 % to 33.9 %, an increase of 16.4 percentage points (pp)⁽¹⁾. Member States in which governments have taken some type of action (either national quotas or soft measures) have seen the largest improvements. Belgium, Ireland, Spain, Italy, Austria and Portugal have seen increases of more than 20 pp (Figure 3).

However, there are some exceptions. In Estonia and Slovenia, both of which have had general legislation to promote gender equality in state-owned companies since 2004, the share of women on boards has increased only slightly (by less than 5 pp) since October 2013. In Latvia, the corporate governance code for listed companies, applicable since 2020, recommends having both sexes represented on the supervisory board, but the proportion of women on boards has fallen by 4.7 pp since 2013, down to 23.9 % in October 2023⁽²⁾.

Figure 3. Change in the share of women (%) on the boards of the largest listed companies in the 27 EU Member States by type of action, October 2013 to October 2023, pp



NB: Companies included in the sample for each Member State may vary over time. Samples for each collection are based on the constituents of the main blue-chip index in each Member State at the time of data collection. In October 2023, the sample covered fewer than 15 companies for Czechia (13), Latvia (8), Luxembourg (10) and Slovakia (7)⁽³⁾.
Source: EIGE Gender Statistics Database.

Significant gender gap at the senior executive level

In October 2023, women accounted for more than a third (36.3 %) of non-executive positions in the top two decision-making bodies⁽⁴⁾ of the largest listed companies in the EU, compared with around a fifth (22.4 %) of executive positions. This disparity (fewer women executives than women non-executives) holds in the majority of Member States

(18 of 27; see Figure 4). At least 40 % of non-executives are women in eight Member States⁽⁵⁾, but women account for fewer than 3 in 10 executives in all 27 EU Member States.

⁽¹⁾ Rounded up from 16.36.

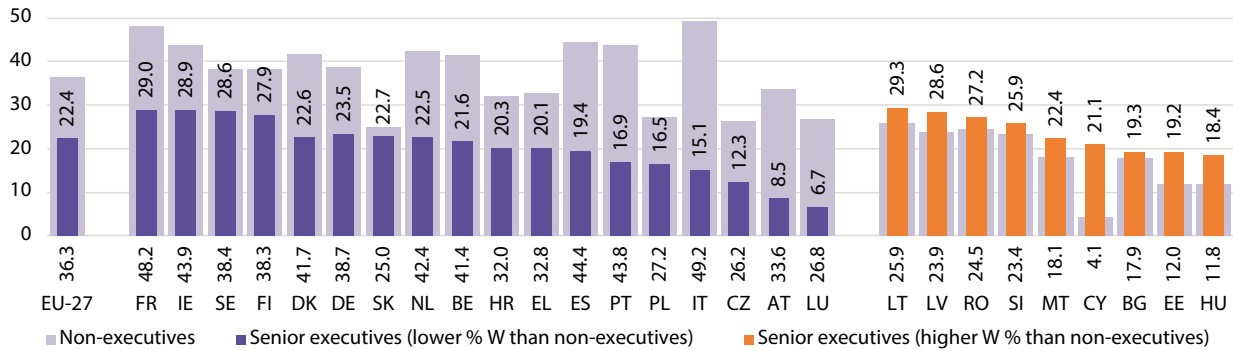
⁽²⁾ Latvia is one of the countries with a relatively small sample (fewer than 15 companies covered); thus, changes between periods can be volatile, as companies with different board compositions move in/out of the national stock exchange blue-chip index.

⁽³⁾ The minimum sample size of 10 could not be achieved for Latvia and Slovakia, as there were not enough listed companies in the national stock exchange at the time of data collection.

⁽⁴⁾ The two highest decision-making bodies are usually referred to as the supervisory board and the management board (see https://eige.europa.eu/gender-statistics/dgs/indicator/wmidm_bus_bus_wmidm_comp_complex/metadata).

⁽⁵⁾ Belgium, Denmark, Ireland, Spain, France, Italy, Netherlands, Portugal.

Figure 4. Share of women (%) among executive and non-executive members of the two highest decision-making bodies of the largest listed companies in the EU-27, October 2023



NB: Member States are sorted by descending share of women (Wamong executives).
Source: EIGE Gender Statistics Database.

Legislative and soft action shows a positive impact in increasing the share of women in the executive hierarchy of the largest listed companies

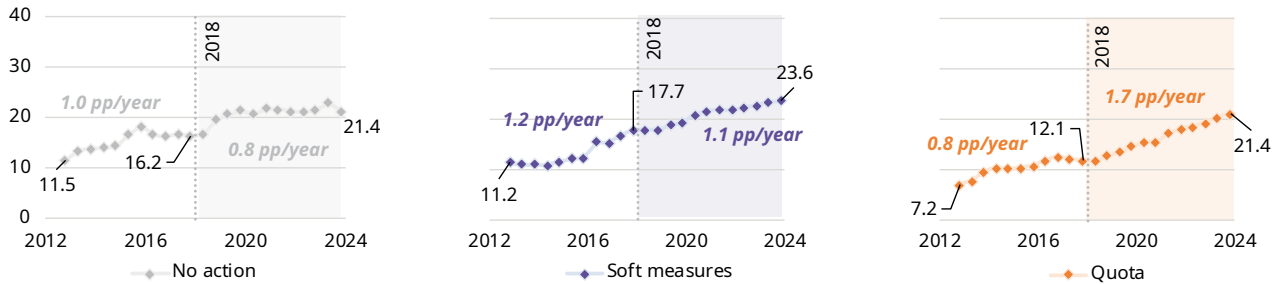
The persistent low representation of women among executives compared with non-executives is now receiving more political attention. Legislative quotas to date have typically applied only to the top-level board (which tends to wholly or predominantly comprise non-executives depending on the corporate governance system in place). But calls for action have been taken on board by some Member States in recent years. Denmark, Germany and France have amended their regulations and measures to also apply to executive board member positions and senior management, while the 2022 quota law introduced in the Netherlands also covers management staff⁽¹⁰⁾.

Data shows that the rate of change in the share of women executives in quota Member States has doubled from + 0.8 pp/year to + 1.7 pp/year since

2018, whereas in Member States with soft measures or no action the pace of change has in fact decreased (from + 1.2 pp/year to + 1.1 pp/year and from + 1.0 pp/year to + 0.8 pp/year, respectively; see Figure 5).

The abovementioned EU directive establishes that companies should either meet a target of 33 % of each gender among all directors (including executives and non-executives) or set up individual targets to improve gender balance among executive directors. This means that the requirements also cover executive directors sitting on the second-tier/management bodies of companies with a dual-board governance system. Hence, accelerated change in the share of women executives should be expected in the coming months as Member States start incorporating the regulation into their national law.

Figure 5. Share of women (%) among senior executives of the largest listed companies in the EU-27 by type of action, October 2012 to October 2023



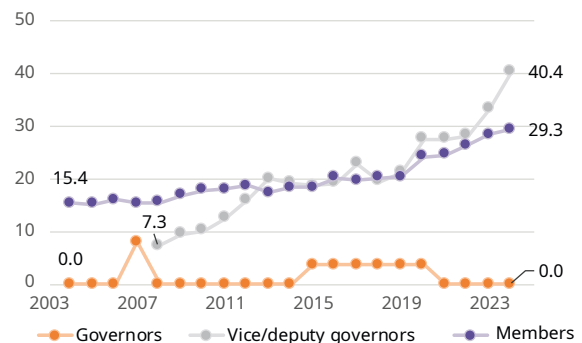
NB: The quota group includes Member States with national gender quotas progressively based on the year of adoption (see Table 1). Where Member States have several measures, the earliest year of adoption is used to categorise them in the relevant group.
Source: EIGE Gender Statistics Database.

15 years to gender-balanced decision-making in central banks

National central banks, responsible for maintaining monetary and financial stability, take crucial decisions that shape national economies. In June 2023, women accounted for 29.3 % of the members of key decision-making bodies in national central banks. This represents a significant improvement from 15.4 % in 2003 (Figure 6), when data was first systematically collected. However, the rate of change is extremely slow (average increase of 0.7 pp/year). At this rate, it will take another 15 years (to 2038) to achieve at least 40 % representation of women.

There are significantly more women among deputy governors / vice-governors, with women holding 19 out of the 47 positions (or 40.4 %), meaning that there is now a gender-balanced composition in the second-ranked role in central banks in the EU, an increase of 33.1 pp compared with 16 years ago, when data for this position was first collected. However, all the central banks of EU Member States continue to be governed by men.

Figure 6. Share of women (%) in key decision-making bodies of national central banks, EU-27, 2003-2023



Source: EIGE Gender Statistics Database.

⁽¹⁰⁾ Denmark amended the Companies Act and the Gender Equality Act in May 2022, requiring companies to set targets for senior executives and to set a higher target if the previous targets have been met or the time frame of the previous target has ended. Germany amended the quota law in 2021 such that management (executive) boards with more than three members must include at least one woman. France approved, in 2021, the requirement that at least 30 % of senior managers be women.

Gender parity in the European Investment Fund board, but decisions in other EU-level financial institutions remain largely in the hands of men

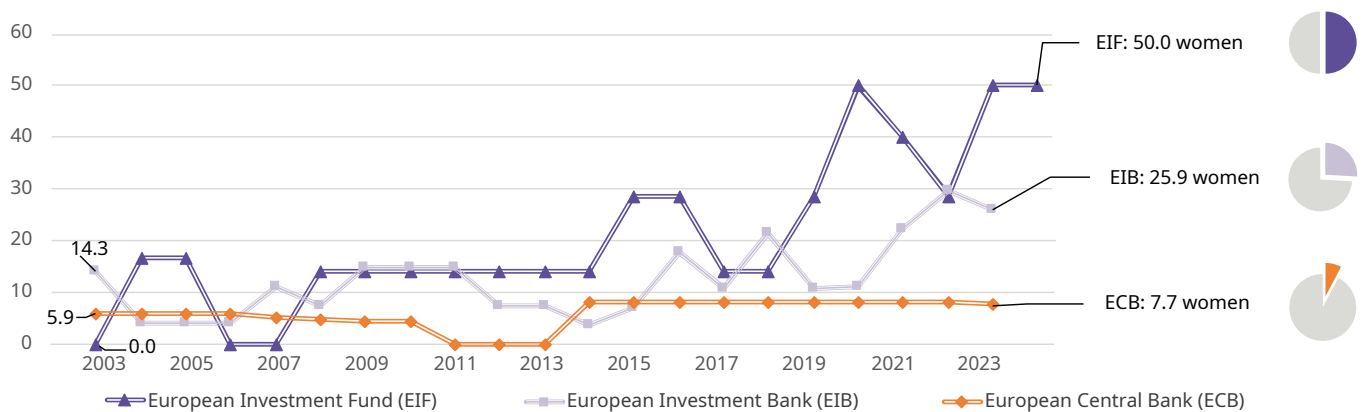
European financial institutions play a vital role in the EU economy. The euro area monetary policy is in the hands of the European Central Bank (ECB), while the European Investment Bank (EIB) and the European Investment Fund (EIF) are lending institutions that influence the allocation of investment funds and access to finance.

In June 2023, there were only two women among the 26 board members (7.7 %; Figure 7) of the ECB, albeit the ECB has been led by its first ever woman governor (Christine Lagarde) since November 2019. Women account for a quarter (25.9 %, 7 of 27) of members of the Board of Govern-

ors of the EIB⁽¹¹⁾, while the six-member Board of Directors of the EIF now has an equal number of men and women⁽¹²⁾.

Since 2003, when data was first systematically collected, the situation has significantly improved for both the EIF and the EIB (with no women and 14.3 % women in 2003, respectively). However, the Governing Council of the ECB has been consistently male dominated. The council comprises the governors of each of the national central banks of the euro area, plus an executive board; thus, its composition is tied to appointments made at the national level.

Figure 7. Share of women (%) in decision-making bodies of European financial institutions (ECB, EIB and EIF), 2003–2023



Source: EIGE Gender Statistics Database.

All data used in this note is based on data by country published on EIGE's Gender Statistics Database and can be accessed [here](#)⁽¹³⁾. Comprehensive information about the basis for the sample of companies and specifications of the coverage of the data can be found in the 'Metadata' tabs of each indicator (e.g. [here](#)⁽¹⁴⁾).

Member State codes

BE	Belgium	EL	Greece	LV	Latvia	PL	Poland
BG	Bulgaria	ES	Spain	LT	Lithuania	PT	Portugal
CZ	Czechia	FR	France	LU	Luxembourg	RO	Romania
DK	Denmark	HR	Croatia	HU	Hungary	SI	Slovenia
DE	Germany	IT	Italy	MT	Malta	SK	Slovakia
EE	Estonia	CY	Cyprus	NL	Netherlands	FI	Finland
IE	Ireland			AT	Austria	SE	Sweden

⁽¹¹⁾ Since November 2023, there have been six women on the Board of Governors of the EIB due to a change in the Ministry of Finance of Luxembourg following the formation of the new government.

⁽¹²⁾ The EIF Board of Directors normally has seven members (including the chairperson). Alternates are not counted. At the time of data collection, there were six members (three men, three women).

⁽¹³⁾ https://eige.europa.eu/gender-statistics/dgs/browse/wmidm/wmidm_bus

⁽¹⁴⁾ https://eige.europa.eu/gender-statistics/dgs/indicator/wmidm_bus_bus_wmid_comp_compmbm/metadata

European Institute for Gender Equality

The European Institute for Gender Equality (EIGE) is the EU knowledge centre on gender equality. EIGE supports policymakers and all relevant institutions in their efforts to make equality between women and men a reality for all Europeans by providing them with specific expertise and comparable and reliable data on gender equality in Europe.

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