A&O SHEARMAN

Gender diversity *on corporate boards*

What to expect from the new EU Women on Boards Directive, including the practical changes for your management structure and the impact on the national legislation of each Member State.

2024

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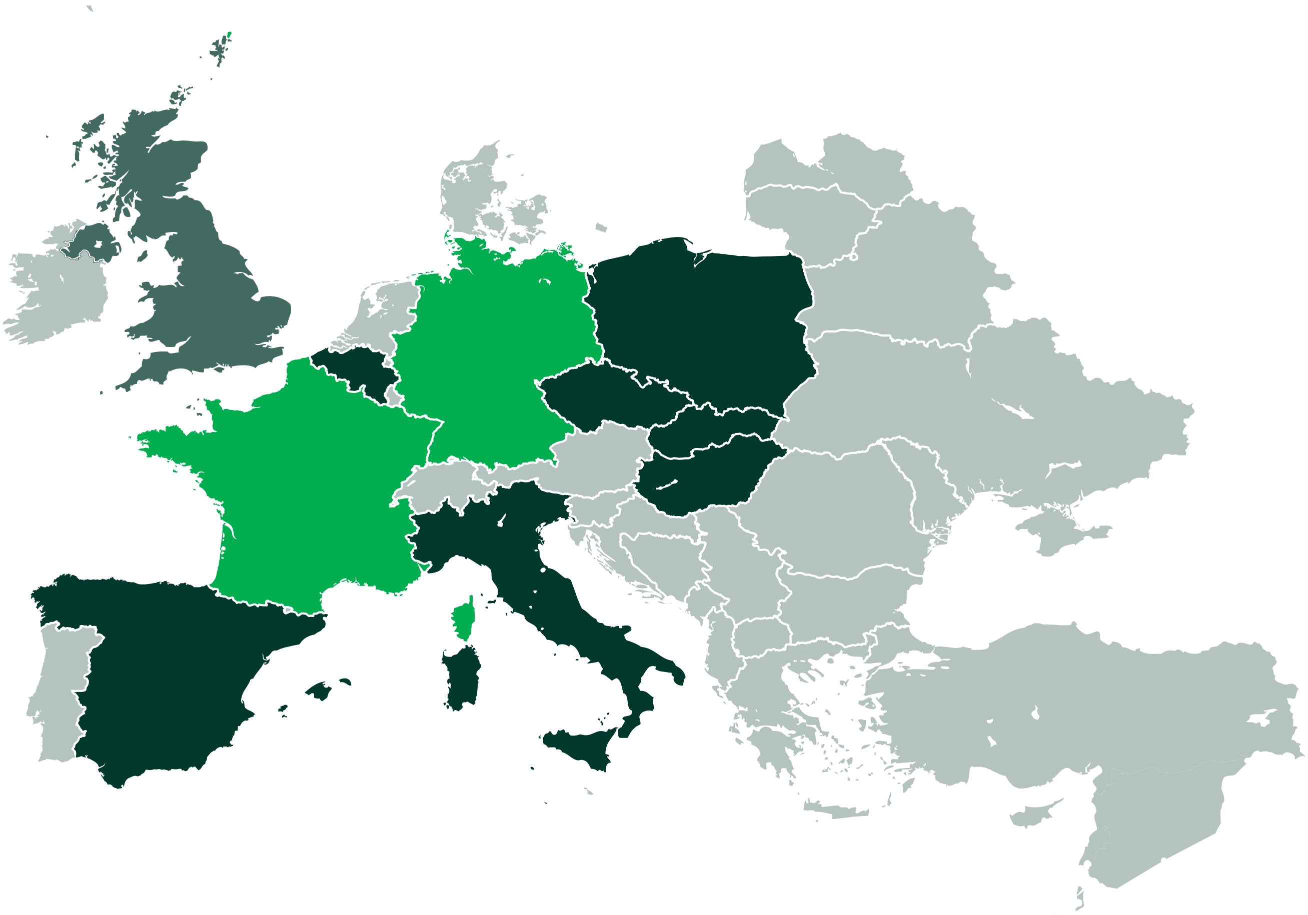
Introduction

Women continue to be significantly under-represented on the boards of directors of companies in every Member State within the European Union and the United Kingdom. In recent years, more and more European countries have introduced statutory gender quotas to balance gender on company boards. The progress year-on-year has, however, been rather slow. The legal provisions in those countries introducing quotas can differ greatly, particularly with regard to sanctions for failure to comply with a quota. It has become clear that the voluntary approach of countries to gender balance on company boards has had limited success, with the exception of the United Kingdom, which has made steady progress year-on-year. With regard to the European Union, we have witnessed how legislative measures with binding gender quotas taken at the national level have a clear impact: while soft quotas have increased the representation of women from 12.4% in 2010 to 30.7% in 2022, binding quotas have been much more effective, with board representation for women nearly quadrupling from 10.6% in 2010 to 38.8% in 2022. In contrast, the average for countries with no quotas at all has only inched upward, from 13.2% in 2010 to 18.0% in 2022.[1]

In light of the broad disparity between Member States, the European Parliament has formally adopted the new EU Directive on improving gender balance among non-executive directors (the so-called *EU Women on Boards Directive*).[2] The Directive frames the Commission's work on gender equality and aims to strengthen gender diversity in corporate boardrooms with binding standards for all European Member States.

This Client Alert focuses on the impact of the EU Women on Boards Directive on the governance regulations across a benchmark of European countries in which A&O is present (i.e. Belgium, the Czech Republic, France, Germany, Hungary, Italy, Luxembourg, the Netherlands, Poland, Slovakia and Spain) and summarises the respective approaches. It also illustrates similar new regulation on board diversity targets for listed companies in the United Kingdom to provide a complete overview of the legislation in this area.

Diagram: Do the targets of the Directive have to be implemented in your *home country?*



- Implementation required: Belgium, Czech Republic, Hungary, Italy, Luxembourg, Poland, Slovakia, Spain.
- Implementation not required: France, Germany.[3]
- Not applicable: The United Kingdom.

This overview reflects our firm's non-binding assumption of the implementation requirements and is not (unless stated otherwise) replacing any governmental opinion or statement.

GENDER INEQUALITY IS A SIGNIFICANT CONCERN

- The persistent gender inequality in economics, politics, science, and the arts is a key element of a broader lack of board diversity in general. The principle of gender equality should not be confused with that of diversity: women are neither a group nor a minority, but more than half of the world's population, not to mention 45% of the European workforce. Moreover, women account for around 60% of new university graduates in the EU but just for 32.2% of board members.[4] For example, companies with women CEOs have, on average, significantly more gender-balanced boards than those led by men: 35.3% vs. 23.0%.[5] The balanced participation of women and men in decision-making bodies is an essential imperative of the fundamental principles of democracy and human rights – and now more important than ever.
- Besides the equal treatment with regard to age, cultural and social background, disabilities, sexual orientation and gender identity, gender equality is a general ideological principle within the European Union and the United Kingdom, the process of a sustainable transformation of organisational cultures and structures to combat and reduce gender imbalances and inequalities is still too slow. To achieve gender equality, many European countries as well as the United Kingdom have adopted laws and regulations enhancing these principles: family support, maternity (and paternity) protection, access to equal opportunities, and governance of companies are only some of the legal topics with which the national legislators try tackle a non-diverse work environment.

Gender diversity on corporate boards and why *it matters*

FEMALE LEADERS: CHANGE AND CHALLENGES

- Gender diversity at the highest leadership level makes a significant difference to overall diversity. The most diverse boards still tend to be found at companies led by women at the executive or board levels. Companies with a woman chair are now only 1.4 times more divers than those with male chairs (32.9% vs. 22.9%, respectively). The numbers are nearly identical when looking at female CEOs and the number of women serving on their boards as compared to male CEOs (33.5% vs. 23%, respectively).[6]

- But quotas are of course only one tool: it is more important that childcare, and care work in general, are distributed more evenly and rewarded differently. This requires pressure from society, legislation, and financial incentives.

DIVERSITY AS A GROWTH DRIVER

- The path to more diversity is not only ethically and socially right. There are also business imperatives behind it. Both in in politics, society and the economy, voices and the call for more diversity are getting more robust. However, although the relevance of the issue is now undisputed, some companies still underestimate the economic potential of diversity and are hesitant to implement it. This neglects important economic resources.[7]

  In other words:
  Diversity really matters.

- Research suggests that companies with high diversity in its various dimensions are more likely to be profitable.[8] Moreover, diverse teams make better decisions for the company than homogeneous work groups because they can draw on a diversity of ideas. By 2050, improving gender equality would lead to an increase in EU (GDP) per capita by 6.1 to 9.6%, which amounts to EUR1.95 to EUR3.15 trillion. Improvements in gender equality would lead to an additional 10.5 million jobs in 2050, which would benefit both women and men.[9] The estimated GDP impacts of increased gender equality vary considerably across Member States, depending on the present level of achievement of gender equality.[10]

DIVERSE TALENTS AS A NECESSARY TALENT TOOL

- Given expected demographic trends throughout Europe, it is likely to become even more important for companies to be diverse. The Baltic states Estonia, Latvia and Lithuania, and the majority of regions in Bulgaria, Romania, Germany, Hungary, Poland and Slovakia will lose inhabitants within the upcoming decades.[11] The demographic projections suggest that companies cannot afford to do without talent from different population groups.

- Lived diversity is also strongly linked to the effect which positive role models create: If companies create and promote these diverse role models, they can better motivate women, people with a migration background or a different sexual orientation to apply for jobs.

TOUGH SANCTIONS ARE THE MOST EFFECTIVE

- The issue of gender imbalance has gained increasingly more attention, and the debate has increased the pressure to counter inequalities between women and men in leadership positions. Nevertheless, many countries struggle to introduce statutory gender quotas for the top decision-making bodies.
  The tools used to improve gender equality vary depending on the area concerned, the country at stake and its local culture and situation on this topic. The range of tools varies from mere recommendations or mandatory rules, to minimum mandatory ratios for each gender or mandatory equality.
- Over the last two decades, only six out of the 27 European countries as well as the United Kingdom have introduced a statutory gender quota for the highest supervisory and decision-making bodies of certain private sector companies. In 2003, Norway became the first country in the world to introduce a binding gender quota for all publicly traded and state-owned companies.
  Spain became the first EU state to introduce a binding quota for large, publicly traded companies and was followed by Iceland, Belgium, France, Italy, and the Netherlands. Ten other Member States took soft measures and 11 Member States did not take any measures at all.[12]
- The legal provisions in these countries sometimes differ greatly, mostly with regard to sanctions in the event of quota non-compliance: until today, rigid sanctions (i.e. companies being fined for noncompliance at the very least) in cases of non-compliance are introduced in only a few countries. If countries have voluntary recommendations on gender diversity in leadership positions in their corporate governance codes instead of a statutory gender quota (i.e. a "comply or explain" approach), or do not take any measures at all, they all score significantly lower than the countries with hard quotas in terms of gender balance at Board level.
- The absence of regulation within some Member States does not lead only to discrepancies in the number of women among non-executive directors and different rates of improvement within the European Union, but also poses barriers to the internal market by imposing divergent corporate governance requirements on European listed companies.

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Legislative timeline *of the Directive*

The process of the implementation of the new EU Women on Boards Directive is rather special with regard to the timing: even though the average timeline from a proposal by the European Commission to a formal adoption of a directive is usually around 18 months, it took ten years in this case until the European Parliament had formally adopted the new EU law on 22 November 2022 and it was finally passed.[13] The gap between the Commission's proposal dates from 2012 until the negotiations were resumed in early 2022 is due to the diverging views of European countries.

Despite a rather broad consensus across the European Union in favour of taking measures to improve gender balance on company boards, not all Member States supported EU-wide legislation and some Member States considered that binding measures at the European level were not the best way to pursue the objective. Shortly after Commission President Ursula von der Leyen announced her intention to support the 2012 draft of the directive as a political priority under her Commission term (2019-2024), and Germany unblocked the negotiations, the inter-institutional negotiations (trilogues) with the European Parliament started.

1. **November 2012**: First proposal by the EU commission for Directive on Improving the Gender Balance Among Directors of Companies Listed on Stock Exchanges and Related Measures (COM(2012) 614 final).

2. **November 2013**: The European Parliament adopts a position strongly supporting legislative action regarding gender quotas for non-executive directors. Some Member States, especially Germany, block the directive draft. Since adopting its original position, the Parliament has continued to push for progress.

3. **January 2021**: The European Parliament publishes its resolution on the new EU Gender Equality Strategy, calling on the European Commission to continue working with the Member States and European presidencies.

4. **January 2022**: The European Commission and the French president express their determination to move forward with the Directive.

5. **March 14, 2022**: The Ministers agree on their position on the draft directive, thereby opening the way for negotiations with the European Parliament to reach a final agreement.

6. **June 7, 2022**: EP and EU countries' negotiators finally agree on a provisional agreement to increase the presence of women on corporate boards.

7. **October 17, 2022**: The Council has approved the agreement to improve gender balance on company boards.

8. **November 22, 2022**: The Parliament has adopted the text of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures.

9. The Directive **has been published on December 7, 2022 in the EU's Official Journal**. It will **enter into force on December 27, 2022**. Member states would need to implement the directive **two years after it entered into force**.

Analysis of *the Directive*

This analysis provides for a legal assessment of the potential impact the EU Women on Boards Directive will have for all Member States and how it can increase the proportion of women in top bodies of large companies.

THE TARGETS FOR CORPORATE BODIES

The Directive aims to introduce transparent recruitment procedures in **listed companies**, so that at least **40% of non-executive director positions or 33% of all director positions** are occupied by the under-represented sex.
In cases where candidates are equally qualified for a post, priority should go to the candidate of the under-represented sex. Small and medium-sized enterprises with fewer than 250 employees are excluded from the scope of the directive.

TIMING

Companies must comply with this target by **June 30, 2026** (compared to the Council's proposal of December 31, 2027). Parliament succeeded in including an **assessment on the scope** of the Directive at a later stage on whether non-listed companies should be included.

ANY LOOPHOLES....?

However, the Directive has been watered down by adding an important article: it allows some Member States who already ensure a more balanced representation of women and men through the adoption of binding measures that are considered **equally effective** to those laid down in this Directive to **suspend the requirements**. There are two possible scenarios in which this exception applies:
Either members of the underrepresented sex already hold at least 30% of the total number of all non-executive director positions, or at least 25% of the total number of all director positions in listed companies by the time the directive enters into force; or existing national law of a Member State already requires that women hold 30% of non-executive director positions or at least 25% of all director positions. Member States in which neither applies will have to achieve a proportion of 33% of board members or 40% of non-executive board members being women by June 30, 2026. In any case, Member States may introduce or maintain provisions which are more favourable than those laid down in the Directive.

CLEAR AND TRANSPARENT BOARD APPOINTMENT PROCEDURES

Listed companies will be required to **provide information to the competent authorities once a year about the gender representation on their boards** and, if the objectives have not been met, how they plan to attain them. This information would be published on the company's website in an easily accessible manner.

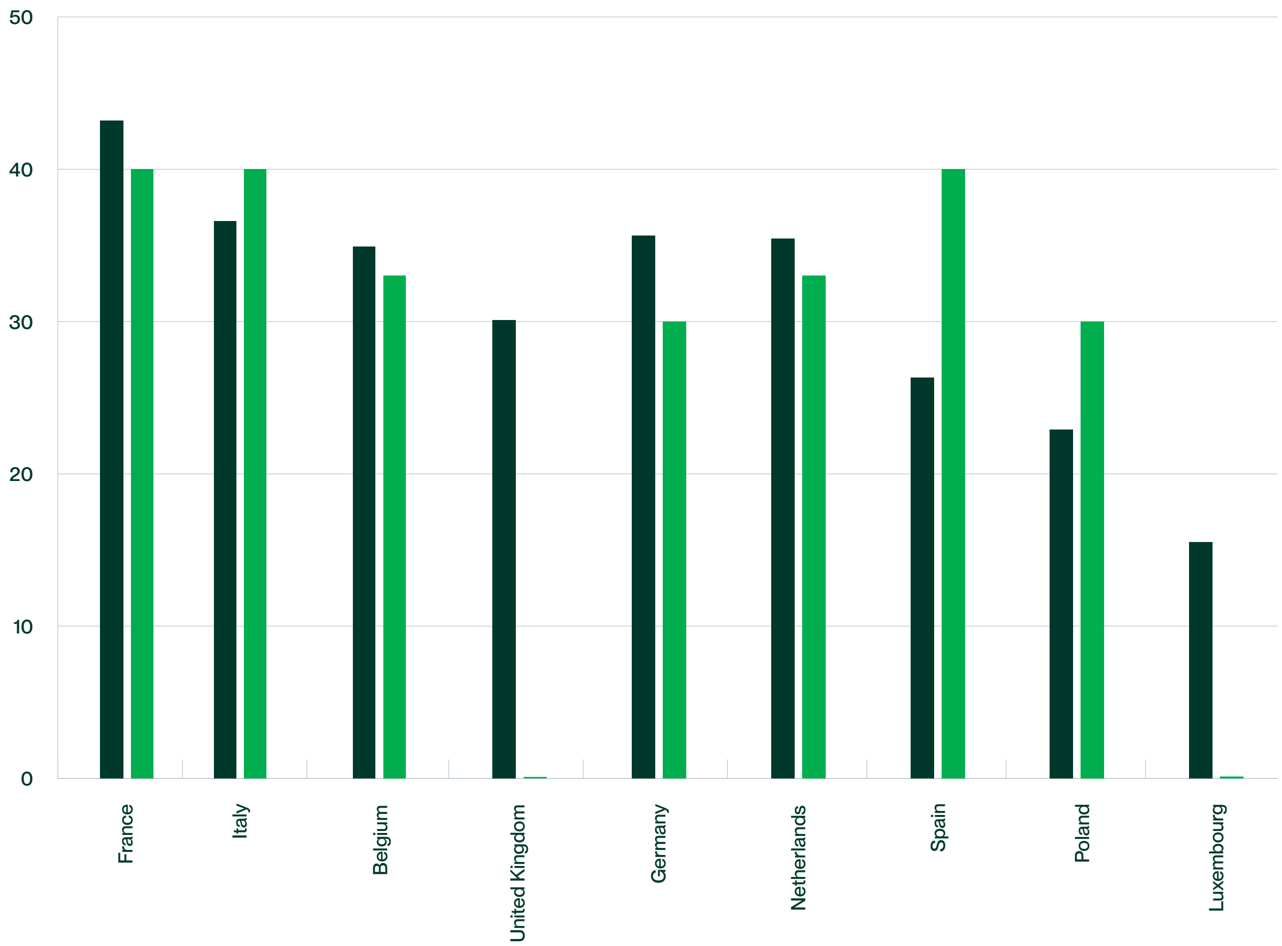
To provide for more transparency with regard to the selection procedure of non-executive directors, companies will also need to comply with the following binding measures:

- Companies must disclose their qualification criteria should the unsuccessful candidate request it.
- Companies are further responsible for proving that no measures were transgressed, if there is suspicion that an unsuccessful candidate of the underrepresented gender was equally qualified.
- Companies must undertake individual commitments to reach gender balance among their executive directors.
- Companies that fail to meet the objective of this Directive must report the reasons and the measures they are taking to address this shortcoming.

SANCTIONS IN CASE OF NON-COMPLIANCE

Member States' penalties for companies that fail to comply with selection and reporting obligations must be effective, proportionate and dissuasive. They could include **fines and nullity or annulment of the contested director's appointment.** Member States shall also publish information on companies' that are reaching targets, which would serve as peer-pressure to complement enforcement ("faming" provision).

Diagram: women *in the boardroom*



◆ Current quota*

◆ Target quota**

* The percentages indicate actual figures that measure the proportion of women currently in leadership positions.[14]

** The percentages indicate the presence and the level of a national quota or quota-equivalent.

The European countries as well as the United Kingdom have adopted very different approaches and implement different tools to promote gender equality in the governance of companies. However, this diagram shows that the progress towards increasing the number of women on corporate boards is still slow. According to an analysis by Deloitte published in 2024, the worldwide average of women on boards in 2023 sits at 23.3%, an increase of 3.6% since 2022 and 6.4% since 2018. Although the expected timeframe for reaching parity has shortened by seven years compared to the last report, maintaining the current rate of change would mean that a level close to parity could not be expected until 2038 at the earliest.[15]

Table: Overview of the respective approaches *in the EU and the U.K.*

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
1. Belgium			
Law of July 28, 2011 (the "Quota Law"), inserting rules on quota in: • Art. 7:86, 7:88 §2 and 7:106 of the Belgian Code of Companies and Associations • Art. 18 §2bis of the Law of March 21, 1991 on the reform of several economic public companies • Art. 8 of the Law of April 19, 2022 on the working of the National Lottery	For listed private companies: **33% on boards of directors** (raad van bestuur/conseil d'administration) in a one-tier system. **33% on supervisory boards** (raad van toezicht/conseil de surveillance) only in a two-tier system. For autonomous public companies and the National Lottery: 33% of the directors appointed by the Belgian State or by a company controlled by the Belgian State.	Listed companies, autonomous public companies (i.e. Proximus, bpost, Skeyes, NMBS/SNCB and Infrabel) and the National Lottery.	For listed companies, autonomous public companies and the National Lottery: nullity of appointments. For listed companies: suspension of all benefits connected to director's mandate until breach is remedied.

1. The national regulation has a rather wide scope.

2. The representation of women on boards of directors of affected companies in Belgium has significantly increased over the last over the last 15 years by virtue of the Quota Law. In 2008, the proportion of women on boards of directors of affected companies in Belgium was 8.2%, whereas in 2017 it reached 26.8%.[16] In 2023 38% of board members and C-suite members in Belgian companies were women.[17]

3. Despite the provisions of the Quota Law being mandatory and the related sanctions, 33.9% of the affected companies in Belgium did not yet respect the quota rules (in 2017).[16] However at the end of 2022 93% of Belgian listed companies reached the 33% legal quota of women in their board.[17]

4. In September 2023, the announcement was made by the Minister for Gender Equality regarding efforts to implement the Directive. Despite these intentions, the proposal did not materialize prior to the dissolution of Parliament. Any subsequent efforts to advance this agenda will have to be undertaken by the the incoming government.

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
2. Czech Republic			
None			

1. Although no national quotas exist in the Czech Republic, in the Trio Presidency Declaration on Gender Equality France, the Czech Republic and Sweden 2022-2023, it has committed to making Women's economic empowerment a "top priority".[18]

2. Czech Capital Markets Act stipulates an obligation on large-scale issuers to include information on how they deal with diversity in their governing body in their annual reports.

3. There are initiatives to increase the number of women in economic and political decision-making:

   - The Czech government has introduced a Gender Equality Strategy for 2021-2030, in which it analyses gender representation and proposes a strategy for increasing the representation of women in economic and political decision-making.[19]
   - The Forum 50%, supporting equal participation of women represented on government advisory boards.[20]
   - The Czech Social Democratic Party has inserted in its own internal rules quotas for women. According to the internal rules of the party, 25% of those elected by the party must be women.

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
3. France			
Law n°2011-103 of January 27, 2011 (Cope-Zimmermann Act).	**20% gender parity** of board members (directors and members of supervisory board) was to be reached by 2014. 40% by 2017.	Listed companies, and non listed companies with at least 500 employees and a total of revenues or assets of over 50 million euros for three years. Its scope was enlarged to include companies with a minimum of 250 employees from 2020 onwards.	In case of non-compliance, appointments of directors are considered null and void and board attendance fees are suspended as long as the composition of the board is not compliant.
Law n° 2021-1774 of December 24, 2021 (Rixain Act).	Annual publication of gender gaps in Exco from March 1, 2022. 30% of members of Exco and management Boards should be women by March 1, 2026. 40% by March 1, 2029.	All companies with at least 1,000 employees for three years in a row.	If on March 1, 2029, companies do not comply with the targets, they will have two years to do so, subject to a penalty fee of up to 1% of the company's payroll.
Law n° 2024-364 of 22 April 2024.	This law has authorized the transposition of the "Women on Boards" Directive, which should take place in 2024, without significantly changing the applicable legislation.		

1. France is currently the European and world leader in terms of women's representation on boards of directors of listed companies. The proportion of women on boards of directors in the CAC 40 companies is up to 46.7% in 2024.

2. However, gender parity stops at the "power gates": Only six women are CEOs of a SBF120 company (none in the CAC 40) and only three women are the managing director of a CAC 40 company. Overall, 27.2% of women are part of the executive or management committees of SBF120 companies in 2024.[21]

3. French companies where gender parity is effective achieve better financial performance.[22]

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
4. Germany			
Zweites Führungspositionengesetz, came into force on August 12, 2021.	**30% on supervisory** boards (Aufsichtsrat) and (from August 1, 2022 onwards) there must be at least **one woman** on management boards (Vorstand), provided that the board consists of at least four members. Additionally, companies that are either listed or fully co-determined are required to set their own targets for the representation of women on supervisory and management boards.	Listed companies to which full co-determination law applies (more than 2,000 employees). Companies that are either listed or fully co-determined.	Empty Chair.

1. The proportion of women on the management boards (Vorständen) of the 160 German listed companies in the DAX, MDAX, and SDAX has slightly increased to 19% (ad of 1 March 2024). Among the 40 major DAX corporations, the development has, however, stagnated for years.

2. Overall, the management boards of these 160 companies in the DAX, MDAX, and SDAX are composed of 560 men and 131 women. In the last year 2023, 27% of all new appointments were women, which is a significant decrease from the previous year (when it was 48%).

3. The overall share of women in the 160 supervisory boards (Aufsichtsräte) remains at 36.1%. 95% of the DAX, MDAX and SDAX listed companies have men as chairpersons of their supervisory boards.

4. The national regulation has a rather narrow scope since only the 66 DAX listed companies are affected. These companies for which the legal quotas are binding have the highest proportion of female board members, with more than one in six board members currently being female.

5. Family businesses in Germany are losing touch: The proportion of women on the management boards of the 100 largest family-run businesses is only 8.3% in 2022, constituting an increase of only 1.4% since 2020.

6. Although the target size of zero for the representation of women on supervisory and management boards is still permissible, setting this target size should remain an absolute exception and must be reasoned in detail. Nevertheless, a report published by FidAR in early 2024 shows that 23 companies – which make up nearly 20% of the companies examined – with a target size for the board of directors still state that they will continue to plan for a women-free board. In consequence of the FüPoG II, companies subject to the minimum participation requirement on the board of directors are no longer required to set target sizes for the board, leading to a decrease of companies defining such a target size by 7.7% in the last year. As those companies still have the opportunity to define target sizes voluntarily, this circumstance emphasizes the effectiveness of legislative pressure.[23]

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
5. Hungary			
None			

1. In October 2007 the SZDSZ, i.e. the junior ruling party, proposed a quota for women in parliament, which was however not implemented.[24]

2. Various Hungarian political parties have set their own quotas for elections and/or their leadership structure, including the Hungarian Socialist Party (as of 2002), LMP – Hungary's Green Party (as of 2013) [25] and Momentum Movement (as of 2026).[26]

3. Hungary has not introduced any gender quotas yet, but any form of positive discrimination on the grounds of sex is prohibited. Consequently, the Directive will have an important effect on the Hungarian gender equality regime.

4. The Directive will affect only a limited number of companies, since there are only a few dozen publicly listed companies on the Budapest Stock Exchange; some of them welcomed the proposed directive publicly.

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
6. Italy			
Legge 12/07/2011 no. 120, amended in 2019	**40% on supervisory** (Collegio sindacale) and management boards (*Consiglio di Amministrazione*)	Listed and state owned companies	Fines amounting between EUR100,000 and EUR 1,000,000 in cases of non-compliance after four months from Consob's injunction. Dissolution of the board after another three months.

1. The representation of women on boards of directors of Italian listed companies has significantly increased over the last decade as a result of legal regulations, but does not yet reflect the actual representation of women in Italian companies generally. Indeed, the set of rules in Italy are applicable and applied only to listed or publicly controlled companies, representing a minority of Italian companies.

2. The Italian listed companies' corporate governance Code (which is not binding, it contains only recommendations) was updated in November 2020, improving gender equality best practice and providing, under recommendation no. 8, that "*companies shall adopt measures aimed at promoting equal treatment and opportunities between genders within the entire company organisation, monitoring their concrete implementation*".

3. In Italy, over the years, there has been a significant rise in the number of female representation on corporate boards of directors (CdA), with figures climbing from 29.3% in 2018 to 36.3% in 2021, and reaching 40.4% by 2023.
This upward trajectory is also reflected in the percentage of female board presidents, which has grown from 18.2% in 2018 to 21.1% in 2021, and further to 22.6% in 2023. Women board members tend to be younger on average and serve shorter terms compared to their male counterparts. In 2023, the average age of female board members was 56.1 years, while men averaged 59.5 years. Despite these positive changes in board composition, there has not been a corresponding increase in the number of women occupying the top executive roles of CEO and CFO in Italy. The percentages remain low, with women holding only 3.9% of CEO positions and 5.7% of CFO roles.[27]

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
7. Luxembourg			
The X Principles of Corporate Governance of the Luxembourg Stock Exchange	Among the criteria to select for the appointment or re-appointment of directors, listed companies shall take account of diversity criteria, including gender.	Listed companies	Comply or explain

1. Equality between men and women has been enshrined in Luxembourg's Constitution since 2006, under article 15 (3): *« Les femmes et les hommes sont égaux en droits et en devoirs. L'Etat veille à promouvoir activement l'élimination des entraves pouvant exister en matière d'égalité entre femmes et hommes »*.

2. The Luxembourg Government has published an objective of 40% of women representing the State on the boards of directors of public establishments. In February 2021, Luxembourg's Ministry of Equality between Women and Men announced that a percentage of 41.19% women representing the State has been reached.[28] Until today, however, there are no binding national regulations, only the above-mentioned soft quotas.

3. In addition, the total rate of women on the boards of public institutions (including people representing other partners) reached 34.99% (compared to 27.41% in January 2015). For companies, the rate of women representing the state increased to 31.14% (compared to 24.69% in January 2015).[29]

4. A Luxembourg National Action Plan on Equality 2018-2023 for the implementation of United Nations Security Council Resolution 1325 (2000) aims to strengthen women's participation in decision-making in national and international institutions.[30]

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
8. The Netherlands			
Act on balanced gender diversity at the top of large companies, came into force on January 1, 2022.	**33% on supervisory** boards (raad van commissarissen; non-executives) of listed companies. Other large companies are required to set up an appropriate and ambitious target to balance the gender ratio in the (sub)top of the company, which includes an annual progress reporting duty.	Listed companies; other large companies (balance sheet of more than EUR20m, net turnover of more than EUR40m and 250 or more employees averaged over the financial year).	Empty chair; comply or explain regarding the self-set targets..

1. Of the overall 728 directors in the Netherlands (i.e. 222 executives and 506 non-executives), 231 in 2023 were female. Between 2022 and 2023, the proportion of females increased from 30% to 32%.[31]

2. The percentage of companies with a female director on either the management board (executives) or the supervisory board (non-executives) has decreased from 81 to 80; however, due to the smaller sample (from 89 to 88 this year), relatively, the percentage stayed the same at 91%. The percentage of companies with at least one female executive director increased from 30% in 2022 to 31% in 2023, whereas the percentage of companies with at least one female non-executive director stayed the same at 91%.[32]

3. Eight companies still do not have a single female director (9%), 61 companies do not have a female executive director (69%) and 9% of the companies do not have a female non-executive director. Companies in the small cap index and the other (local) listed companies show an especially high percentage of all-male boards.[33]

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
9. Poland			
Code of Best Practice for WSE listed companies	**30% on each of a company's governing bodies** – management board (*zarząd*) and supervisory board (*rada nadzorcza*).	Listed companies	Comply or explain

1. In reference to gender diversity on corporate boards, there are still only soft quotas in Poland and no binding national regulations yet. However, the Polish government has implemented the National Programme of Action for Equal Treatment 2022-2030 with the aim inter alia of promoting women's participation in leadership roles.

2. The participation of women in the management boards of listed companies in Poland remains low, with only 10.8% at the end of 2022, which is a minor decrease of 0.6% from 2021. In contrast, supervisory boards showed a higher female representation with 17.4% of members being women, reflecting a slight but consistent increase over the years. [34]

3. A Polish market report prepared by Deloitte shows a general increase of 2% of female members on the management and supervisory boards of Polish listed companies, when comparing data from 2023 and 2021. Currently, it sits at 17%. [35]

4. Overall, Large Polish listed companies are leading the way in gender diversity, with 55% having at least one woman on their management board and 80% having one woman on their supervisory board at the end of 2022. [36]

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
10. Slovakia			
None			

1. Nowadays, no specific law on gender equality is effective in Slovakia. However, the new EU Women on Board Directive is in the process of its transposition into the Slovak legislation.

2. The EU Women on Board Directive will be transposed into a new Act on certain measures related to the management of the listed companies. The draft Act is currently in the initial phase of the legislative process, i.e. in the interdepartmental comment procedure. The proposed effectiveness of the Act is set to December 28, 2024.

3. The new Act should only apply to large listed companies, i.e. companies based in Slovakia, whose shares are traded on the stock exchange within EU member states.

4. The Act stipulates that women should make up at least (i) 40% of the supervisory board members, or (ii) 33% of both board and supervisory board members. The companies are obliged to adopt a policy setting out the selection process for the board and supervisory board members based on requirements stipulated by the Act. The deadline to meet the quotas and to adopt the policy is June 30, 2026.

5. The fines for breach of the obligations stipulated by the new Act are negligible and range from EUR500 to EUR1,000.

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
11. Spain			
Act for the Effective Equality of Women and Men, Organic Law 3/2007, of March 22.	Introduces the concept of **balanced representation of both sexes** in the composition of bodies, positions of responsibility of all public powers and electoral regime.	No specification of affected companies.	None. The government may show preference in awarding public contracts to firms that have gender-balanced boards.
Good Governance Code of Listed companies, dated June 2020.	Recommendation to achieve **at least 40% of female representations boards of directors** (consejo de administración). **1/3** in companies not included in IBEX35.	All listed companies regardless of their size and level of capitalization.	This Code is a recommendation for the listed companies.
Equal representation and balanced presence of women and men, Organic Law 2/2024, of August 1st. This law, has authorized the transposition of the EU Women on Boards Directive.	**At least 40% on boards of directors** (consejo de administración). Prepare and publish annually, information on the representation of the least represented sex on the board of directors.	- All listed companies; and - Not listed companies considered of public interest entitles that comply with: a) more than 250 workers and, b) net amount annual turnover greater than 50 million euros or total of assets greater than 43 million euros.	A breach of these obligations by listed companies in relation to the board of directors is defined as a serious breach of article 292 of the Securities Market and Investment Services Law.

1. When the quota law was introduced in 2007, the share of female directors on the largest listed companies was around 6%. By the end of the implementation period in 2015, women's share had increased to nearly 19%. While the increase was sizeable, it was still well below the quota target of 40%.

2. By 2020, the share of female directors in the IBEX-35 companies had increased to around 29% and to 17.53% in listed companies. By 2021, the share of female directors had increased to around 19.66% in listed companies.

3. In recent years, there was a significant growth in private initiatives from Spanish companies in promoting diversity and inclusion policies. According to the Innodiversity Index 2021, 60% of companies in Spain have devoted more resources to diversity and innovation during the pandemic. Also, eight out of ten companies have paid particular attention to gender diversity management.[37]

APPLICABLE LAW	TARGET QUOTA IN THE NATIONAL LEGISLATION	AFFECTED COMPANIES	SANCTIONS
12. The United Kingdom			
Listing rules and U.K. Corporate Governance Code.	No targets but companies should promote gender diversity in board appointments and succession.	Companies with premium listing.	None but required to make various disclosures in annual financial reporting
Listing Rules.	Women should make up at least: • **40% of board** • **One senior board position** (chair, CEO, SID or CFO). (applies for financial years on or after 1 April 2022)	Companies with equity shares, or certificates representing equity shares, admitted to the premium or standard segment of the FCA's Official List (excluding open-ended investment companies and "shelf companies").	None but required to comply or explain. A company is required to disclose in its annual report any target(s) it has not met, and explain the reasons why not

1. As part of its broader focus on diversity and inclusion, the FCA has published its final rules on diversity and inclusion on listed company boards and executive committees.[38] The rules require certain diversity disclosures in listed companies' annual reports and accounts for financial years commencing on or after 1 April 2022.

2. In early 2024, 42.6 % of the board members of FTSE 100-companies were women. The FTSE 100 already reached the aim of 40 % already in 2022, three years ahead of the deadline date. Additionally, in 2023, the appointment rate of women was near parity for the third year in a row. Between 2015 and 2023, the number of companies fulfilling the 40 %-aim climbed from 9 to 72 companies.[39]

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