
EU Council: legislation passed to promote gender balance on company boards

The EU Council of Ministers has today given its final go-ahead to EU rules promoting more balanced gender representation on the boards of listed companies. “The new rules will help to remove the obstacles women often face in their careers. I also believe that companies would greatly benefit from women realising their potential in decision-making positions. The positive impact of the measures will surely trickle down to all levels of national economies”, said Marian Jure?ka, Deputy Prime Minister and Minister of Labour and Social Affairs of Czechia, on behalf of the EU Presidency. The directive, which will have to be transposed into national law, lays down that at least 40% of non-executive director positions in listed companies should be held by members of the underrepresented sex by 2026. If member states choose to apply the new rules to both executive and non-executive directors, the target would be 33% of all director positions by 2026. The directive stipulates that listed companies which do not achieve the objectives will need to adjust their selection process. In other words, they will have to “put in place fair and transparent selection and appointment procedures, based on a comparative assessment of the different candidates on the basis of clear and neutrally formulated criteria”.

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