



## EU gender balance on company boards

### Description

#### Charles Ellinas\*

On the occasion of this year's International Women's Day on 8 March, the results of a study by BNP Paribas published on 6 March shows that the number of women on company boards increased in 2022 in comparison to 2021, getting closer to the goal of achieving 40% by the middle of this decade.

The EU adopted a new Directive on gender balance on corporate boards of listed companies at the end of 2022. The Directive sets targets of 40% of women among non-executive directors, or 33% among all board members, for listed companies by 2026.

The Directive (EU) 2022/2381 was published in the EU's Official Journal on 7 December detailing measures to improve the gender balance among directors of listed companies. Member States have until 28 December 2024 to adopt national rules implementing the Directive's measures.

The key elements of this are:

- Member States are required to adopt national rules requiring 40% of non-executive directors, or 33% of all board members of listed companies, to be women.
- Listed companies in the EU will have until the end of June 2026 to meet these targets.
- Member States are required to implement appropriate penalties for companies which fail to meet the national requirements.

The EU recommended that Member States "take steps to ensure that positive action

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includes, as far as possible, actions having a bearing on active participation by women in decision-making bodies...and encourage the private sector to increase the presence of women at all levels of decision-making, in particular by the adoption, or within the framework, of equality plans and positive action programmes.” This also includes “fostering gender-balanced decision-making within companies at all levels, as well as closing the gender pay gap.”

According to the FT, women account for a third of key decision makers in an average large, listed company in the EU, more than double a decade ago. But Cyprus lacks far behind with only 10% women in key positions in major companies in comparison to the EU average of 32%.

Yet again, Cyprus is at bottom within the EU. Even Greece achieved 25%, with France at the top of the list with 45%.



This law will make gender balance on the boards of listed companies the norm across the EU, including Cyprus.

Cyprus has until the end of next year to adopt legislation to implement the EU directive and increase the number of women on the boards of listed companies to at least 33%.

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