



**EUROPEAN COMMISSION**

**PRESS RELEASE**

Brussels, 20 November 2013

## **Cracking Europe's Glass Ceiling: European Parliament backs Commission's Women on Boards proposal**

The European Parliament has today voted with an overwhelming majority (459 for, 148 against and 81 abstentions) to back the European Commission's proposed law to improve the gender balance in Europe's company boardrooms. The strong endorsement by the Members of the European Parliament means the Commission's proposal has now been approved by one of the European Union's two co-legislators. Member States in the Council now need to reach agreement on the draft law, amongst themselves and with the European Parliament, in order for it to enter the EU statute book. The plenary vote follows a clear endorsement for the Commission's initiative from the Parliament's two leading committees, the Legal Affairs (JURI) and Women's Rights & Gender Equality (FEMM) committee on 14 October 2013 ([IP/13/943](#)). The most recent figures confirm that, following the Commission's determined action in this area, the share of women on boards across the EU has been on the rise for the past three years and has now reached 16.6%, up from 15.8% in October 2012 (see Annex 1 and [MEMO/13/882](#)).

*"Today's European Parliament vote is a historic moment for gender equality in Europe," said Vice-President Viviane Reding, the EU's Justice Commissioner. "The directly-elected European Parliament has made its voice heard loud and clear: Europe needs strong rules to tackle the gender imbalance in company boardrooms. I would like to thank rapporteurs Rodi Kratsa-Tsagaropoulou and Evelyn Regner for their hard work and committed support of the Commission's proposal. The Parliament has made the first cracks in the glass ceiling that continues to bar female talent from the top jobs. The Council of Ministers, the EU's second Chamber, should now rise to the challenge and make swift progress on this draft law, which places qualification and merit centre stage."*

These are the most important points of the European Parliament's vote today, building on the main pillars of the Commission's proposals:

- It confirms the Commission's approach to focus on a transparent and fair selection procedure (a so-called "procedural quota") rather than introducing a fixed quantitative quota.
- Small and medium-sized enterprises remain excluded from the scope of the directive but Member States are invited to support and incentivise them to significantly improve the gender balance at all levels of management and on boards.
- Departing from the Commission's original proposal, there will be no possibility for Member States to exempt companies from the law where members of the underrepresented sex make up less than 10% of the workforce.

- The Parliament strengthened the provision on sanctions by adding a number of sanctions that should be obligatory, rather than indicative, as the Commission had proposed. Under the Parliament's text, sanctions for failure to respect the provisions concerning selection procedures for board members should include exclusion from public procurement and partial exclusion from the award of funding from the European structural funds.

**Next Steps:** In order to become law, the Commission's proposal needs to be adopted jointly by the European Parliament and by the EU Member States in the Council (which votes by qualified majority). Today's plenary vote by the European Parliament follows positive opinions on the initiative from five Parliamentary committees: the Legal Affairs (JURI) and Women's Rights & Gender Equality (FEMM) ([IP/13/943](#)), Employment (EMPL), Internal Market (IMCO) and Economic Affairs (ECON) Committees ([MEMO/13/672](#)).

The Council, which decides on this proposal on an equal footing with the European Parliament, took stock of progress achieved under the Irish Presidency at a meeting of Employment and Social Affairs ministers (EPSCO Council) on 20 June 2013 ([MEMO/13/584](#)). Ministers are next due to discuss the draft law at their meeting on 9-10 December 2013.

## Background

On 14 November 2012, the Commission adopted a proposal for a directive setting a minimum objective of having 40% of the under-represented sex in non-executive board-member positions in listed companies in Europe by 2020, or 2018 for listed public undertakings (see [IP/12/1205](#) and [MEMO/12/860](#)).

**Main elements** of the draft law:

- If a publicly listed company in Europe does not have 40% of women among its non-executive board members, the new law will require it to introduce a **new selection procedure** for board members which gives **priority to qualified female candidates**.
- The law places the emphasis firmly on **qualification**. Nobody will get a job on the board just because they are a woman. But no woman will be denied a job because of their gender either.
- The law only applies to the **supervisory boards or non-executive directors of publicly listed companies**, due to their economic importance and high visibility. **Small and medium enterprises are excluded**.
- Individual EU Member States will have to lay down **appropriate and dissuasive sanctions** for companies in breach of the Directive.
- The law is a **temporary measure**. It will automatically expire in 2028.
- The law also includes, as a complementary measure, a "**flexi quota**": an obligation for companies listed on a stock exchange to set themselves individual, self-regulatory targets regarding the representation of both sexes among executive directors to be met by 2020 (or 2018 in case of public undertakings). Companies will have to report annually on the progress made.

## **For more information**

European Commission database on women and men in decision-making:

[http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm)

Press pack – Women on boards:

[http://ec.europa.eu/justice/newsroom/gender-equality/news/121114\\_en.htm](http://ec.europa.eu/justice/newsroom/gender-equality/news/121114_en.htm)

Homepage of Vice-President Viviane Reding, EU Justice Commissioner:

<http://ec.europa.eu/reding>

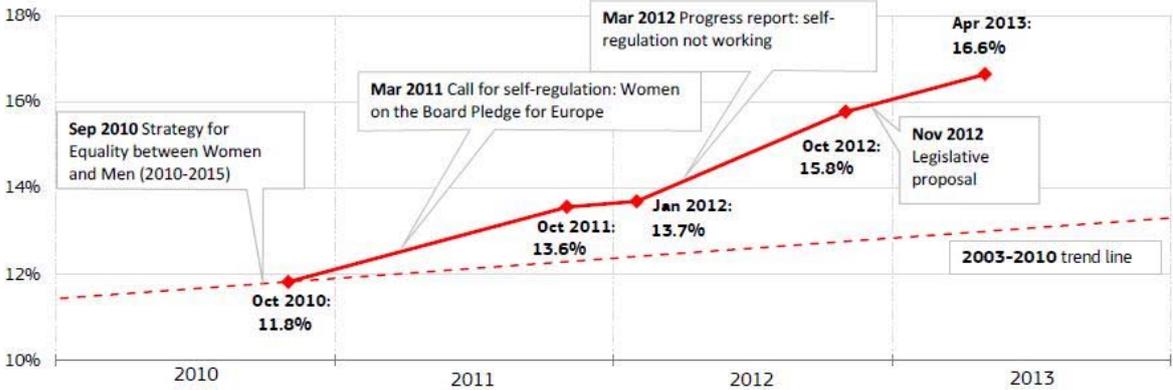
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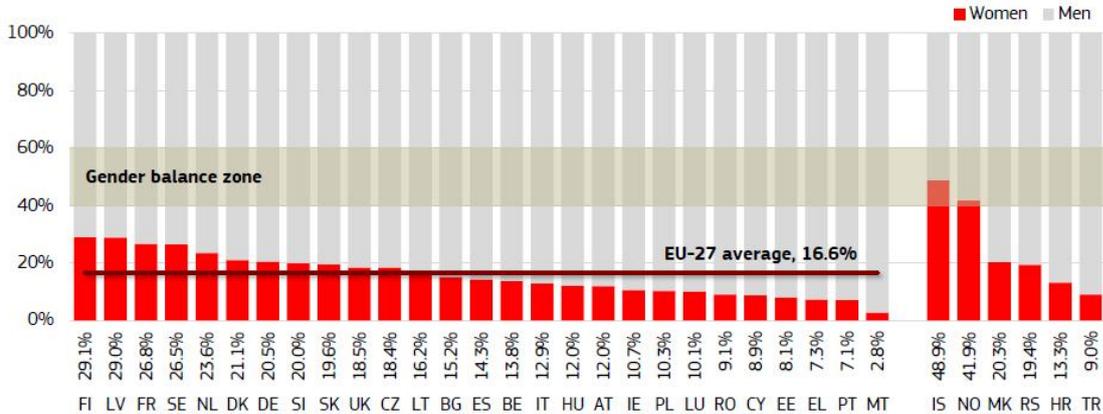
[@EU\\_Justice](https://twitter.com/EU_Justice)

### Annex 1 - Share of women on the boards of large listed companies, EU-27, 2010-2013: Continued Progress, following Commission Action



Source: European Commission, Database on women and men in decision-making.

### Annex 2 - Representation of women and men on the boards of large listed companies, April 2013



Source: European Commission, Database on women and men in decision-making.