



## GENDER DIVERSITY IN COMPANIES: HOW THINGS HAVE CHANGED

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Good afternoon.

I wish to thank AEB, CUNEF and Woman in Banking for organising and inviting me to this event. I am particularly pleased to share the programme with former and current travel companions such as Ana Isabel Fernández, Alejandra Kindelán, or the Deputy Governor herself.

This event focusses on the banking sector but today, as Vice-Chair of the CNMV, I'll adopt a more general approach, focussing on listed companies, even though most of the considerations also apply to banks, which are an important part of the companies in the market.

### **Advances**

First of all, I believe it appropriate to start with a positive message acknowledging the advances attained and the ground covered. The notable progress regarding gender diversity in companies in recent decades is undeniable. Last week, with an internal video being recorded to mark International Women's Day, I had the chance to talk and share experiences with two female employees of the CNMV from two very different generations and, looking back, all three of us reached the same conclusion: how things have changed.

This can also be seen in the figures. Ten years ago in Spain, women barely held 12% of the positions in the boards of directors of listed companies (one out of ten). This reached 29% by 2021 and the provisional figures at the end of 2022 showed this percentage surpassed 30%. Limiting ourselves to the Ibex35, the development is even more positive as women were present in 30% of these positions by 2021 and the figures for 2022 indicate this amount to be very near 40%, this precisely being the current recommendation of the CNMV's Good Governance Code for listed companies. In fact, once again according to provisional data, more than 15 companies already comply with the 40% recommendation, compared to 9 in 2021. A noticeable improvement.

### **What is missing?**

That said, we can be optimistic but not complacent, nor should we be dazzled by these figures as they are still only partial, not being as positive as they should or covering all the casuistry required to achieve effective diversity. With this I refer to, for example, other elements such as the pay gap which continues to exist in practically all sectors, also in the financial and banking ones. Or the persisting representation bias in specific areas, like the digital one, or in certain

engineering categories, which seems particularly worrying to me when considering the growing importance of these sectors in companies.

Returning to listed companies, I believe there are two key subjects in which we continue to fail.

First, the representation of women in senior management positions leaves a lot to be desired. I understand this to be our weakest and most worrying point.

According to the provisional data for 2022, only slightly more than 20% of senior management positions are held by women, 24% in the case of Ibex companies. And this is important, not only because a lack of access to senior management positions limits the possibilities of continuing to increase their presence in the boards of directors, but because that lack of presence in senior management positions also hinders their professional careers towards more executive roles.

And this is essential regarding the second subject that is pending which, in my opinion, is the lack of female executives leading business development and growth. There are some notable examples of female top executives in the banking sector, but we know this is more the exception than the rule. In fact, women in general are at risk of being typecast in non-executive positions.

### **The importance of transparency**

Therefore, we are at a time in which figures clearly show that there continue to be limitations or biases that hinder the professional development of women in our society.

What solutions are there? My role is not to analyse the problems or the underlying causes, nor do I intend to do so. I think there are many and of very diverse origins. But I would like to highlight two elements that I do consider important in this debate.

First of all, any measure adopted must always start with a proper diagnosis of the initial situation. This helps find the right solutions, promotes internal appraisal and awareness, and most of all enables a follow-up and review of the effectiveness of the measures implemented.

And getting the solutions right is important to avoid perpetuating any bias. For example, any measure aiming to favour the work-life balance must be independent from gender and be subject to each person's individual preferences, without necessarily identifying this as something preferentially feminine, as a special load we must bear. That is to say, stereotypes or assumptions must be barred.

In second place, we must continue relying on the power of transparency and information dissemination as a system for regulation and accountability to society. This has worked appropriately within the scope of the boards of directors of listed companies, in which for years we have chosen an approach based on recommendations or soft law. Thanks to this work, listed companies are currently in a good position to comply with the recently approved European Directive on gender, which establishes that all Member States must set minimum gender representation objectives by law before 2026, either 33% of all management positions or 40% of non-executive managers. Indeed, precisely last weekend the Government announced a Draft Bill to include this regulation in Spanish legislation, following that established in the European regulation.

Thanks to the effort made in previous years, the sector is in a good position to comply with the European Directive. According to the current data, almost 90% of Ibex 35 companies would already comply with the minimum 33% gender representation and those that would not are very close to doing so. The percentage drops when taking into account all listed companies, but it is still high nevertheless.

But the transparency and dissemination of gender related information should not be limited to the scope of listed companies. Companies with over 250 employees already have the obligation to provide in their sustainability reports information and details on the pay gap and issues regarding inclusion and diversity, such as the existence of equality plans or diversity and non-discrimination policies, due diligence procedures, and specific goals and measures.

At the CNMV we review this information and recommend areas for improvement to companies. For example, in the case of the pay gap we have informed that, among others, we would appreciate greater depth and segmentation of the data, at least according to professional category and country; the offer of comparative data and an explanation of their development; and the plans or measures to bridge the gap.

It is obvious there is still much room for improvement. The focus on listed companies is logical, inasmuch these are usually the ones that comply with the best corporate governance standards, but we should not stop here or limit ourselves to the boards of directors.

I trust that boosting transparency and encouraging higher quality of the data will aid in promoting inclusion and equality which, as stated, affect business as a whole.

### **Final considerations**

Now to sum up. I know my audience today is made up by those who believe, but I wish to remind everyone that each one of us in our respective area and with our own responsibilities, independently from our gender, can do our part to ensure effective diversity.

This allows for the incorporation of supplementary skills, enriches work dynamics, improves productivity, and builds a more inclusive and sustainable society. As a country and as a society, we must make use of all the knowledge, all the intelligence and all the experience available. This benefits us all. It is undeniable events like this one contribute to this mission.

Thank you for your attention.