Representation of Women in Governing Bodies: An Analysis of Financial Institutions Supervised by the CNMV

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Acronyms used

APAC	Asia-Pacific
BME	Spanish Stock Markets and Financial System
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CISMC	Collective investment scheme management companies
CNMV	National Securities Market Commission
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
EAF	Financial advisory firms
EAFN	National financial advisory firms
EBA	European Banking Authority
ECB	European Central Bank
EIGE	European Institute for Gender Equality
EMEA	Europe, Middle East and Africa
EPA	Labour Force Survey
ESG	Environmental, social and governance factors
EU	European Union
FCA	Financial Conduct Authority
GDP	Gross domestic product
IF	Investment firm
IFD	Investment Firms Directive
IFR	Investment Firms Regulation
IGBM	General Index of the Madrid Stock Exchange
ILO	International Labour Organisation
IMF	International Monetary Fund
INE	National Institute of Statistics
MiFID	Markets in Financial Instruments Directive
ORFIN	Observatory of Financial Reality
PFP	Crowdfunding platform
PRA	Prudential Regulation Authority
PSFP	Providers of crowdfunding services
ROA	Return on assets
ROE	Return on Equity
ROI	Return on Investment
S.A.	Public limited company
S.A.U.	Sole proprietorship
SAV	Broker-dealers and brokers
SDG	Sustainable Development Goals
SICAV	Open-ended collective investment company
SME	Small and medium-sized enterprises
SV	Broker-dealers
UNDP	United Nations Development Programme
VCF	Venture capital firm
WFE	World Federation of Exchanges
WIB	Women in Banking

Country codes used

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HR	Croatia
HU	Hungary
IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	The Netherlands
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia

Abstract

Diversity within corporate governance bodies, particularly in the financial sector, is vital for both economic and social stability. However, despite various efforts, women's representation in leadership roles remains low, highlighting persistent structural and cultural barriers. This paper examines the current state and challenges of achieving balanced representation in financial institutions supervised by the CNMV, with a special focus on unlisted companies. The findings reveal that women's presence on Boards of Directors is significantly below the levels recommended by the Good Governance Code, underscoring the need to intensify efforts for effective inclusion. The paper discusses the reasons behind this disparity and offers recommendations to encourage meaningful changes in female representation within the sector.

1 Introduction

Diversity in corporate governance bodies has become increasingly important over recent decades, especially in the financial sector, where decisions made by Boards of Directors and management significantly affect economic, financial, and social stability. Yet, despite strides towards equality, women's representation in these leadership positions remains inadequate, underscoring the ongoing presence of structural and cultural barriers in the business sphere.

In this context, the National Securities Market Commission (CNMV) plays a crucial role in promoting good corporate governance practices, particularly among listed companies.[1] Recommendations, such as those in the Good Governance Code of listed companies, have encouraged greater inclusion of women within senior decision-making levels of these organisations.[2] However, other areas of the financial sector under CNMV supervision continue to face significant challenges, highlighting the need to intensify efforts to achieve balanced representation.

This study aims to examine the current representation of women on the Boards of Directors and in the management teams of financial institutions supervised by the CNMV. It places particular emphasis on non-listed companies, where progress in diversity has been more limited.

Our findings highlight a concerning lack of female representation in leadership and management roles, with figures significantly lower than those reached by companies adhering to the Good Governance Code. For instance, financial institutions that are part of the Ibex 35 have 41% female representation on their Boards, compared with just 14% and 16% in investment service firms and asset management companies, respectively. This mirrors the situation in listed companies before the Code's recommendations took effect.

In this article, we explore the underlying causes of gender disparity, which include structural, cultural, and regulatory factors, among others. We will provide specific recommendations to break down these barriers and encourage substantial change in women's representation within the financial sector.

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1 Recommendation 15 of the Good Governance Code advised that by the end of 2022, Boards of Directors should include at least 40% female directors, with a minimum of 30% until then. This recommendation was cemented into law with Organic Law 2/2024, of 1 August, on equal and balanced representation of women and men.

2 According to the latest data from the CNMV, women's representation on the Boards of all listed companies reached 34.5% in 2023, up by two percentage points from the previous year. This figure rises to 40% among Ibex 35 companies. CNMV (2024). Press release. The proportion of women on Ibex Boards reaches 40% for the first time in 2023. 16 May.

Gender diversity is not just an ethical or social issue; it is also closely tied to effective corporate governance. Studies have shown that more diverse governing bodies support more effective decision-making, enhance risk management, and contribute to the sustainable performance of organisations.

The article is organised into several sections. First, we outline the scope of the analysis and describe the regulatory framework for gender equality in governing bodies. We then examine the current state of female representation across different segments of the financial sector, with a particular focus on entities supervised by the CNMV. Following this, we identify the main causes of inequality and the advantages of diversity, and we conclude with practical recommendations and the key findings of the study.

2 Scope of the analysis

This study focuses on financial institutions supervised by the CNMV that are not part of the group of listed companies. It specifically examines investment firms (IFs), collective investment scheme management companies (CISMCs), open-ended collective investment companies (SICAVs), venture capital firms (VCFs), and crowdfunding platforms (CP), among others. These organisations are a crucial component of the Spanish financial ecosystem, playing a key role in directing savings into productive investments and facilitating financial market operations.

To enhance the analysis and provide a more comprehensive view, supplementary information on listed financial sector companies and available data on credit institutions will be included. This will highlight areas where CNMV regulations and recommendations, along with those from relevant sector supervisors, have the most impact. This approach allows for the identification of potential differences in the development of gender diversity across various segments of the financial sector.

The analysis draws on both quantitative and qualitative information from a range of sources, including public records, industry reports, and official statistics. Particular emphasis is placed on the unique characteristics of unlisted companies, where progress in gender diversity tends to be less well documented. The analysis is also aligned with the current regulatory framework, incorporating the provisions of the Spanish Law on Securities Markets and Investment Services and the Markets in Financial Instruments Directive (MiFID II). These regulations establish principles for gender diversity and balance within administrative bodies.

This focus aims to provide a comprehensive overview of women's representation in the financial sector, highlighting both the progress made and the specific challenges faced by entities regulated by the CNMV.

3 Regulatory framework. Policies and regulations to promote gender equality

Gender equality is supported by a regulatory framework and universal principles that span international instruments, as well as European and national legislation. This framework recognises equality as a fundamental right and an essential component of sustainable development and good corporate governance.

3.1 Universal principles and international commitments

The principles of non-discrimination and equal opportunities are embedded in various international instruments, including the following:

– The 1948 Universal Declaration of Human Rights[3] establishes equal rights for men and women as a universal legal principle, as recognised in international texts such as the Convention on the Elimination of All Forms of Discrimination against Women[4] (CEDAW, 1979), which advocates for specific measures to secure equality in all areas, including decision-making bodies.

– Article 2 of the 1992 Treaty on European Union[5] recognises equality between women and men as one of the fundamental values of the Union.

– The Sustainable Development Goals[6] (SDGs, 2015). SDG 5 establishes the necessity of achieving gender equality and empowering women by ensuring their full and effective participation at all levels of decision-making, including in business leadership.

3.2 EU regulations

The European Union has established a distinct regulatory framework aimed at promoting gender equality within governing bodies. This framework includes measures to enhance transparency and the setting of specific targets.

– Directive 2006/54/EC,[7] concerning the implementation of the principle of equal opportunities and equal treatment between men and women in

3 United Nations (1948). Universal Declaration of Human Rights. 10 December.

4 Convention on the Elimination of All Forms of Discrimination against Women, adopted by the United Nations in 1979 and ratified by Spain in 1983.

5 Consolidated version of the Treaty on European Union. Signed at Maastricht on 7 February 1992, and effective from 1 November 1993. It is binding for all EU member states.

6 United Nations (2015). Sustainable Development Goals.

7 Directive 2006/54/EC of the European Parliament and of the Council, of 5 July 2006, on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast).

employment and occupation. Although it does not stipulate specific numerical targets, it encourages the adoption of policies to address structural inequalities and ensure transparency in pay and career advancement.

– Directive 2013/36/EU (CRD IV)[8] introduces the principle of diversity within the management bodies of credit and investment institutions. It requires setting specific targets for the under-represented gender and mandates regular reporting to assess progress.

– Directive 2014/65/EU (MiFID II)[9] obliges institutions, especially market governance bodies, to adopt inclusive and transparent selection policies that incorporate specific gender diversity goals.

– Regulation (EU) 2019/2033 (IFR)[10] and Directive (EU) 2019/2034 (IFD)[11] address the prudential requirements for investment firms. They demand that diversity policies be tailored to the firm's size and complexity and include specific objectives and transparency criteria.

– Directive (EU) 2022/2381[12] sets a mandatory goal that by 2026, at least 40% of non-executive directors or 33% of all Board positions in listed companies should be held by members of the under-represented gender. It also requires annual transparency reports on the composition of these bodies.

– Additionally, the EBA Guidelines (EBA/GL/2023/08)[13] strengthen the obligations for setting targets and ensuring transparency. They require organisations to publish reports on their gender composition, pay gap, and diversity policies.

Financial institutions, such as credit institutions, investment firms, market governing bodies, and listed companies, must establish member selection procedures for their administrative bodies that encourage the inclusion of women and aim for gender balance, especially for significant entities. These procedures should be free from implicit biases that could lead to any form of discrimination. A non-discriminatory pay policy must also be ensured.

Specifically, when entities are significantly important due to their size, internal organisation, and the nature, scale, and complexity of their activities, they must set up a nominations committee. This committee is responsible for assessing the

8 Article 88 of Directive 2013/36/EU of the European Parliament and of the Council, of 26 June 2013, on access to the activity of credit and the prudential supervision of credit institutions and investment firms.

9 Article 45 of Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments.

10 Regulation (EU) No. 2019/2033 of the European Parliament and of the Council, of 27 November 2019, on the prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014, and (EU) No. 806/2014.

11 Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU.

12 Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures.

13 EBA Guidelines (EBA/GL/2023/08) on the benchmarking of diversity practices including diversity policies and gender pay gap, in accordance with Directive 2013/36/EU and Directive (EU) 2019/2034. 18 December 2023.

balance of knowledge, skills, diversity, and experience within the administrative body. Additionally, the committee must set a representation target for the underrepresented gender in the body and establish guidelines to increase the number of individuals from that group to meet this target.

In the context of the new solvency framework for investment firms (IFD/IFR), the principle of non-discrimination is primarily concentrated on remuneration. It establishes a proportionality framework, considering the nature, scale, and complexity of the risks inherent in each company's business model and activities.[14] Firms are also required to publicly disclose their diversity policy related to the selection of administrative body members, including the objectives and targets set within this policy, as well as the extent to which these targets and objectives have been met.[15]

Diversity in the prudential regulation of investment firms (IFR/IFD) EXHIBIT 1

The rules outlined in Regulation (EU) 2019/2033 (IFR) and Directive (EU) 2019/2034 (IFD) are not uniformly applied to all investment firms (IFs). Their implementation varies based on the firm's size, nature, and the complexity of its activities.

Classification of IFs under IFR/IFD

– Class 1: These are larger and more complex investment firms, comparable to credit institutions. They are governed by the full banking regulatory framework (CRR/CRD) instead of IFR/IFD.

– Class 2: This category includes medium and large investment firms that neither qualify as "small and non-interconnected" nor fit into class 1. They are fully subject to IFR/IFD, with specific requirements for capital, governance, and disclosure.

– Class 3: This group consists of small, non-interconnected IFs which meet certain criteria for simplicity and lower risk, such as reduced size and limited activity. These firms follow a simplified regime under IFR/IFD, with more lenient capital and governance requirements.

Impact on diversity and transparency requirements

– Class 1 (CRR/CRD regime): These firms must adhere to the same diversity and transparency standards as banks, as outlined by CRD IV/CRD V. This involves setting specific diversity targets and issuing reports on the composition of their management bodies.

14 Article 51 of Regulation (EU) 2019/2033 of the European Parliament and of the Council, of 27 November 2019, on prudential requirements for investment firms.

15 Article 48 of Regulation (EU) 2019/2033 of the European Parliament and of the Council, of 27 November 2019, on prudential requirements for investment firms.

- Class 2 (full IFR/IFD regime): IFs in this category need to implement diversity policies within their administrative bodies, with defined goals to enhance representation of the underrepresented gender. They are also required to disclose information about these policies, the set targets, and the progress achieved.

- Class 3 (simplified IFR/IFD regime): These firms, owing to their smaller size and complexity, have fewer obligations. While diversity and the adoption of best practices are encouraged, they are not subject to the stringent requirements of specific objectives and transparency that apply to class 2 firms.

The IFR/IFD framework adjusts its requirements based on the category of the IFs. Larger firms (class 1 and class 2) have clear obligations regarding diversity and transparency, whereas smaller firms (class 3) are allowed a more proportionate and flexible approach, suitable to their size and scope.

3.3 Spanish legislation

Spain has adapted the European directives into its national legislation and supplemented them with specific regulations to strengthen its commitment to gender equality. This includes setting concrete targets and ensuring transparency in accountability:

- Article 14 of the Spanish Constitution[16] (1978) establishes the principle of equality and prohibits all forms of discrimination, including gender discrimination. Article 35 guarantees workplace equality, a principle further developed in the Workers' Statute.[17]

- Organic Law 3/2007[18] mandates that companies with more than 50 employees must create equality plans. These plans must set clear goals and specific measures to promote equal pay, gender parity in management, and work-life balance. In the public sector, the law requires transparency in selection, promotion, and the composition of governing bodies.

- The Spanish Corporate Enterprises Act[19] strengthens balanced representation on corporate Boards, mandating transparency in member selection processes and annual corporate governance reports.

16 Article 14 of the Spanish Constitution states that: "All Spaniards are equal before the law, with no discrimination permitted based on birth, race, sex, religion, opinion, or any other personal or social condition or circumstance". Article 35 of the Spanish Constitution declares that: "Every Spaniard has the duty and the right to work, choose their profession or trade freely, advance through work, and receive adequate remuneration to meet their and their family's needs, without any discrimination based on sex".

17 Royal Legislative Decree 2/2015, of 23 October, which promulgates the consolidated text of the Workers' Statute.

18 Organic Law 3/2007, of 22 March, addressing effective equality between women and men.

19 Royal Legislative Decree 1/2010, of 2 July, authorising the consolidated version of the Spanish Corporate Enterprises Act.

– Law 6/2023 on Securities Markets and Investment Services[20] requires investment firms to adopt inclusive procedures and set diversity policies with specific targets. It also mandates the publication of reports to show progress in implementing these policies, ensuring transparency in compliance. This Law has not only incorporated the principles of the new regulatory framework for the solvency of IFs, but also ensures a diverse governance framework, aligned with the principles set out in Directive 2013/36/EU (CRD IV) and MiFID II.

– Recently, Organic Law 2/2024[21] has introduced measures to ensure real equality between women and men within political and economic spheres. It mandates balanced representation of both sexes in the Boards and senior management of listed companies and other public interest entities[22] in Spain. This Law, which goes beyond Directive (EU) 2022/2381 in scope and stringency, requires listed companies to ensure that at least 40% of their Board members belong to the underrepresented gender by 2026 for the largest companies and by 2027 for the others. For public interest entities that are not SMEs, the minimum is set at 33% by 2026, increasing to 40% by 2029.

Under certain conditions, the Law also compels these entities to develop selection processes aimed at eliminating bias, ensuring gender equality, and prioritising the underrepresented gender when candidates have equal merit. The entities must report on achieving these targets and, if needed, explain the lack of gender balance in their sustainability reports.

3.4 Key principles of the regulatory framework

It is now well-recognised that effective corporate governance relies on having a well-qualified Board. Achieving this requires a diversity of knowledge, experience, and a balanced representation of men and women.

The regulations are designed to prevent groupthink and promote independent and critical thinking. Boards must ensure a suitable mix of age, gender, background, education, and professional experience to offer a wide range of perspectives and expertise.

The regulatory framework is built on the principles of proportionality, transparency, and oversight.

20 Article 165.4 of Law 6/2023, of 17 March, on Securities Markets and Investment Services. This Article stipulates that financial institutions offering investment services must implement selection procedures for administrative bodies. These procedures should make it easier to choose women for these roles, aiming for balanced representation and avoiding any inherent biases that might cause discrimination. This requirement is further detailed in Article 54 of Royal Decree 813/2023, from 8 November, on the legal framework of investment firms and other entities that provide investment services. According to Article 22 of the same Royal Decree, this obligation also extends to credit institutions when they offer one or more investment services or engage in one or more investment activities. A similar requirement is covered in article 24.1 of Law 10/2014, of 26 June, on organisation, supervision and solvency of credit institutions.

21 Organic Law 2/2024, of 1 August, on equal representation and gender balance between women and men.

22 Companies with an average of more than 250 employees during the financial year and an annual turnover exceeding 50 million euros, or a total annual balance sheet exceeding 43 million euros.

Proportionality

The principle of proportionality is a core element throughout both the Spanish and European regulatory frameworks. It dictates that diversity measures should be tailored to the size, nature, and complexity of each entity, ensuring an effective and applicable approach. Larger companies, with significant economic impact, face stricter obligations such as implementing advanced diversity policies and providing detailed reports on their outcomes. In contrast, smaller and less complex organisations have requirements that are adjusted to facilitate compliance without imposing undue burdens.

Proportionality ensures that regulations are reasonable and suited to each organisation's operational capacity, preventing excessive demands on small businesses. Simultaneously, it highlights the role of large entities as catalysts for change, emphasising their duty to lead initiatives that foster equality and diversity, which are crucial for sound corporate governance and sustainable development.

Transparency

Within the outlined regulatory framework, companies must provide reports on their diversity policies, the composition of their governing bodies, and their progress towards set goals. Transparency is highlighted as a key tool for fostering equality and inclusion. This strategy, drawing from international best practices, strengthens the commitment to corporate diversity while accommodating each organisation's unique characteristics.

In the financial sector, the EBA Guidelines embody this principle by requiring larger or medium-sized firms (like investment firms not classified as small and non-interconnected) to disclose more detailed information. This includes data on management body composition, diversity policies, and gender pay gaps. These demands enhance the Capital Requirements Directive (CRD) and the Investment Firms Directive (IFD), ensuring that leading entities pave the way for greater diversity and serve as role models for the sector.

In Spain, this approach is supported by laws such as the Spanish Corporate Enterprises Act, which mandates that large companies include diversity information in their annual and management reports. Similarly, Law 11/2018[23] on non-financial information and Royal Decree 902/2020 on equal pay bolster the requirement to report on gender equality and diversity policies, aligning Spanish company obligations with European standards.

Active supervision

Active supervision is crucial to ensuring organisations adhere to diversity and equal representation regulations. Supervisory authorities like the CNMV are vital in this regard, overseeing compliance with legal obligations, encouraging best practices, and imposing penalties on those who fail to comply.

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23 Law 11/2018, of 28 December, amending the Commercial Code, the recast text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts regarding non-financial information and diversity.

With the enactment of Organic Law 2/2024, the CNMV gains additional authority to oversee and ensure adherence to equal representation requirements in the listed companies it supervises. The CNMV is not only tasked with monitoring these objectives but is also authorised to initiate disciplinary actions in the event of legal non-compliance. The CNMV can take action through:

i) **Financial fines**: Companies that do not achieve parity goals or fail to meet transparency requirements may face fines.

ii) **Specific requirements**: The CNMV can mandate that organisations adopt corrective measures to progress towards equal representation.

iii) **Publication of non-compliance**: In serious cases, the CNMV may make public the names of organisations that fail to comply with regulations, potentially damaging their reputation.

The law also stipulates that the CNMV, in collaboration with the Women's Institute, is responsible for promoting, analysing, monitoring, and supporting adherence to the obligations set out for the applicable entities.[24]

The law encourages a cooperative approach between the CNMV and the Women's Institute, assigning them joint responsibility for:

– **Promotion**: Highlighting the importance of gender diversity and the benefits of adhering to equality standards.

– **Analysis and monitoring**: Gathering and assessing relevant data on gender representation in organisations' governing bodies, pinpointing areas for improvement and sector trends.

– **Compliance support**: Offering guidance and tools to help supervised entities effectively meet their diversity and equal representation obligations.

Active supervision extends beyond merely identifying breaches; it aims to drive structural change within the regulated organisations. This involves:

– Establishing continuous dialogue mechanisms between the CNMV and the entities, focusing on overcoming specific obstacles to compliance.

– The promotion of sectoral benchmarks to assess progress in gender diversity helps entities compare themselves with peers and adopt best practices.

– There is encouragement for the voluntary adoption of diversity policies more ambitious than those mandated by regulations, highlighting the strategic importance of inclusion in corporate governance.

24 For public interest entities, this role will be fulfilled in partnership with equivalent bodies from various autonomous communities, as per the legal provisions. Insurance companies will be overseen by the General Directorate of Insurance and Pension Funds, but they are required to submit information to both the CNMV and the Women's Institute. Regarding credit institutions, the law does not list the Bank of Spain among the supervisory bodies for this regulation, Implying that these institutions will be under the supervision of the CNMV and the Women's Institute in this matter.

As mentioned earlier, the prudential and authorisation frameworks apply to credit institutions, IFs, and market governing bodies. The new requirements introduced by Organic Law 2/2024 will also affect entities deemed to be of public interest, which include some previously noted.

While the regulations discussed so far do not specifically reference entities like those in the collective investment sector, crowdfunding platforms, or venture capital firms, this analysis covers them. This inclusion reflects the view that principles of good governance apply to all financial institutions, following a criterion of proportionality and considering their economic significance.

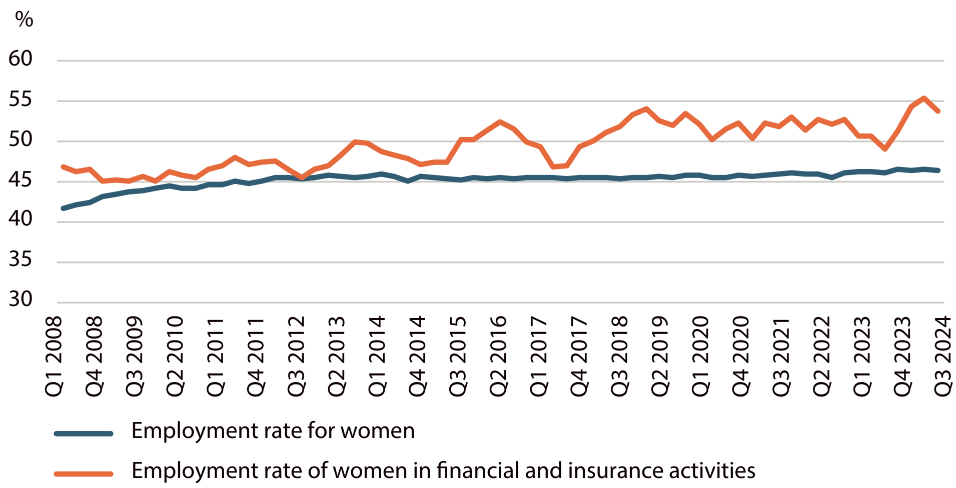
4 Analysis of the financial sector

The financial sector holds a strategic position in the economy, primarily due to its ability to channel resources and drive economic growth, while also serving as a model for corporate governance. Despite regulatory progress and international efforts to encourage diversity, women continue to be underrepresented in decision-making roles within the sector. This chapter explores the status of women across various financial subsectors, focusing on asset management, investment firms, and market infrastructures. It draws upon international studies and comparisons with organisations registered with the CNMV.

4.1 Employment of women in the Spanish financial sector

According to the Labour Force Survey by the INE,[25] women now constitute 54% of the workforce in the financial sector, compared to 46% across all sectors. This figure has been rising steadily since 2009, after a drop during the 2008 financial crisis, when women's employment in finance fell to 45%. The crisis led to a reduction in the total number of workers in the sector, with men being more affected than women. This was due to the banking sector's restructuring, which often involved early retirements and layoffs focusing on those with longer service.

Employment rate of women (2008–2024) FIGURE 1

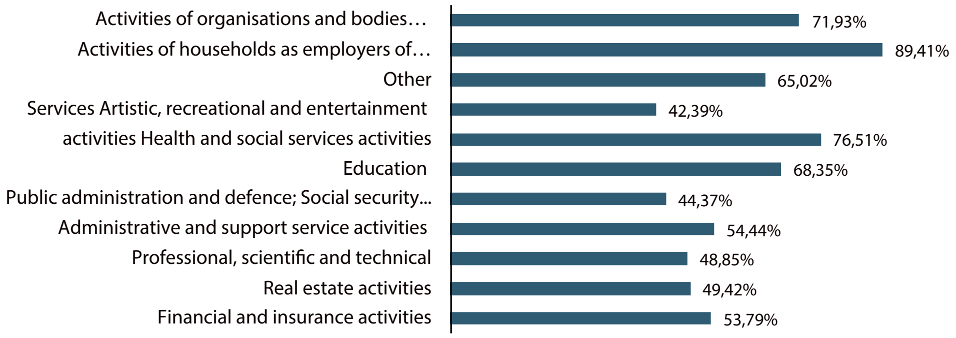


Source: INE (2024).

25 INE (2024). Encuesta de Población Activa (EPA). 25 October.

Employment rate of women by economic sector in the third quarter of 2024

FIGURE 2



Source: INE (2024).

The Spanish financial sector has a strong female workforce, particularly in banking and insurance. According to a report by Women in Banking (WIB),[26] women make up 53% of the banking workforce, a figure that has stayed steady in recent years. Similarly, women also account for 53% of employees in the insurance sector, as reported by RedEWI.[27]

A study from the Spanish Association of Registrars, using data from registered annual accounts,[28] found that women hold 44.1% of jobs in large companies. In micro-enterprises, this proportion is 37.4%, closely aligning with 36.9% in medium-sized businesses and 32.6% in small businesses.

In the financial sector, the study highlights that women fill 55.9% of positions, with men occupying 44.1%. It also confirms strong job stability for women, with 97.3% having permanent contracts, A rate similar to men's at 97.6%. This illustrates high stability in the sector with no significant gender disparity in contract types.

The WIB report notes that women in banking mostly work in business roles, such as in the extensive branch networks, where they hold 55% of positions. However, their share drops to 45% in central services. In specialised fields like STEM (science, technology, engineering, and mathematics) within these areas, women's representation is only 30%, highlighting a notable gender gap.

Despite the strong presence of women in the workforce, there are still major gaps in responsibility and leadership roles, both broadly and within the financial sector.

The Association of Registrars' report examines women's representation on company Boards, revealing variations by company size: 17% in micro-enterprises, 14.4% in small companies, 13.4% in medium-sized firms, and 13.5% in large firms. These figures demonstrate that achieving gender parity remains a distant target regardless of company size.

26 Women in Banking (WIB) (2024). *Situación de la mujer en la banca en España*. May.

27 Empower Women in Insurance (#RedEWI) (2023). IV Estudio de Igualdad de Género en las Aseguradoras 2022. 18 May.

28 Registradores de España (2024). *El rol de la mujer en la empresa española. Las cuentas anuales al servicio de la información de género*. 4 March.

When looking at different sectors, education (28.2%), healthcare (27.2%), and real estate (21.9%) have the highest female participation on governing bodies. Conversely, the information and communications sector (11.3%), construction (11.5%), and extractive industries (11.6%) report the lowest levels of female representation. In financial and insurance sectors, women hold **an average of 16.6% of Board positions**, as noted in the report.

Although some advances have been made in job stability, the report stresses that enhancing women's representation in leadership positions in the financial sector and other areas of the Spanish economy remains a significant challenge.

4.2 The state of the financial sector in the European Union

The EBA report on benchmarking diversity practices and the gender pay gap within management bodies[29] reviews the diversity status in credit institutions and investment firms across the European Union, Liechtenstein, and Iceland, based on 2021 data. This analysis aligns with Directive 2013/36/EU, which mandates institutions to implement diversity policies, set quantitative targets for under-represented genders, and address gender disparities.

Key findings from the report reveal that in 2021, women made up only 18.05% of executive directors and 27.75% of non-executive directors, indicating a significant gender imbalance. More concerning is that over 50% of these institutions have no women in executive director roles.

While 72.95% of institutions have embraced diversity policies, just 56.01% have set specific gender-related targets. Larger institutions tend to comply better, with 93.78% of major entities implementing diversity policies.

The report also highlights a significant gender pay gap. Women in executive roles earn, on average, 9.43% less than their male counterparts, and this gap is 5.90% for non-executive directors. These figures emphasise the ongoing need for initiatives aimed at achieving gender parity in the financial sector.

4.3 Representation of women in listed financial companies

According to the latest CNMV report on women's roles in the decision-making bodies of listed companies,[30] the representation of women on Boards increased to 34.5% by the end of 2023, up from 31.87% the previous year. For companies in the Ibex 35, this figure reaches 40%, meeting the target set by the Good Governance Code for the 2022 financial year.

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29 European Banking Authority (EBA) (2023). Report on the benchmarking of diversity practices and the gender pay gap at the level of the management body at European Union level under Directive 2013/36/EU (2021 data) (EBA/REP/2023/07). 7 March.

30 CNMV (2024). La presencia de mujeres en los consejos del Ibex alcanza por primera vez el 40% en 2023. 16 May. Press release.

The proportion of women in senior management roles in listed companies rose to 23.07% in 2023, compared to 21.73% in 2022, with Ibex 35 companies having a slightly higher rate of 24.74%.

Focusing on listed financial institutions, women hold 38.78% of Board positions, while their representation in senior management stands at an average of 28.18%. The situation varies notably by type of institution: banks within the Ibex 35 generally surpass the 40% threshold for female Board members, with only one bank not meeting this individually. Women in managerial roles at these banks make up 24.3%. The lowest female Board representation occurs in financial institutions with a market capitalisation below €500 million, as illustrated in the table below.

Across Europe, the proportion of women on the Boards of listed financial institutions also varies widely. On the Spanish Ibex 35, women occupy 41% of Board positions, slightly below the European average of 41.5% as indicated by the Stoxx 600 Europe index.[31] In comparison, the French Cac 40 leads with 47.7% female representation, followed by the UK's FTSE 100 at 43% and Germany's Dax 40 at 40.2%.

An article from the ECB[32] indicates that gender diversity remains lacking on Boards and in executive roles among key entities under supervision from 2020 to 2022.

The ECB specifically notes that out of 361 chief executive appointments during this period, over 300 were men, with women making up only 36% of new Board members. Additionally, the gender diversity goals set by banks have seen only slight progress, rising from 32% in 2020 to 34% in 2022.

31 Data for the European indices have been obtained through Reuters.

32 Elderson, F. and McCaul, E. (2023). Diversity at the top makes banks better. The ECB Blog. 9 May.

Representation of women in listed financial institutions in 2023

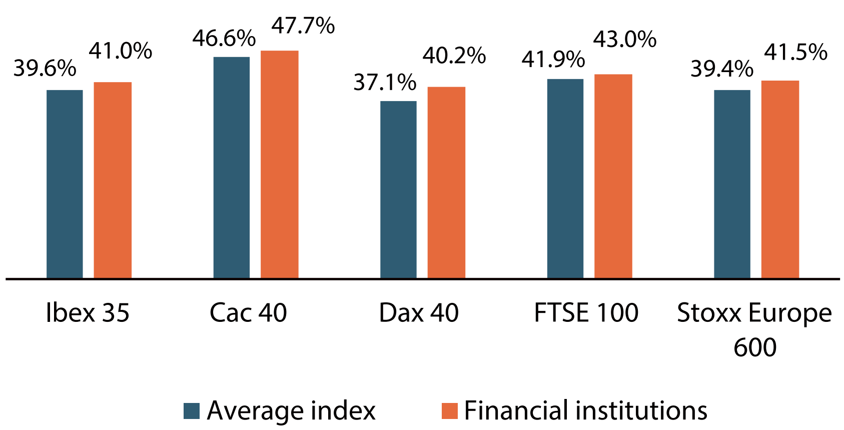
TABLE 1

Name	Total number of directors	Number of women on the Board	Women as a percentage of the total number of directors	Number of non-executive senior executives	Number of non-director women senior executives	% of female senior executives out of total senior executives
Financial institutions in the Ibex 35						
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	15	6	40.00	15	4	26.67
BANCO SABADELL, S.A.	15	5	33.33	10	3	30.00
BANCO SANTANDER, S.A.	15	6	40.00	14	3	21.43
BANKINTER, S.A.	11	5	45.45	8	3	37.50
CAIXABANK, S.A.	15	6	40.00	15	3	20.00
MAPFRE, S.A.	15	7	46.67	7	2	28.57
UNICAJA BANCO, S.A.	14	6	42.86	13	2	15.38
Total financial institutions Ibex 35	**100**	**41**	**41.00**	**82**	**20**	**24.39**
Listed financial institutions with market capitalisation of more than €500 million						
GRUPO CATALANA OCCIDENTE, S.A.	9	3	33.33	5	2	40.00
LÍNEA DIRECTA ASEGURADORA, S.A., COMPAÑÍA DE SEGUROS Y REASEGUROS	7	4	57.14	13	6	46.15
Total financial companies > 500 million	**16**	**7**	**43.75**	**18**	**8**	**44.44**
Listed financial institutions with market capitalisation of less than €500 million						
ALANTRA PARTNERS, SA.	9	3	33.33	4	1	25.00
RENTA 4 BANCO, S.A.	14	4	28.57	5	2	40.00
UNIÓN CATALANA DE VALORES, S.A.	8	2	25.00	1	0	0.00
Total financial companies < 500 million	**31**	**9**	**29.03**	**10**	**3**	**30.00**

Source: CNMV. Women's representation on Boards of Directors and in senior management of listed companies. 2023.

Average representation of women by stock market index (November 2024)

FIGURE 3



Source: Reuters and CNMV.

4.4 Status of women in financial institutions supervised by the CNMV

In the realm of entities supervised by the CNMV in Spain, women's representation on Boards is particularly low, especially among unlisted companies not bound by the Good Governance Code. For instance, in CISMCs, men hold 82% of Board positions, leaving women with just 18%. The scenario is similar in senior management roles, as shown in Table 3.

However, SICAVs stand out, with women making up 35% of Board members, matching the national average. This higher representation may be partly due to women's shareholding in these investment vehicles.

Percentage of women on the Boards of Directors of institutions supervised by the CNMV (2024) TABLE 2

%

	SGEIC	SGFT	CISMC	BROKER-DEALERS/ BROKERS	EAF + EAFN	PSFP	SICAV
Chairperson	9	0	13	10	15	18	20
Deputy Chairperson	25	0	12	7	0	0	19
Board member	17	23	19	15	15	16	33
Secretary	27	0	33	23	50	0	52
Director	0	0	0	0	7	0	0
Total	**16**	**17**	**18**	**14**	**11**	**14**	**35**

Source: Prepared by the CNMV based on data from the CNMV register.

Percentage of women directors in institutions supervised by the CNMV TABLE 3

	Women	%	% in 2022	Men	%
CISMC	7	18	19	32	82
SGFT	1	33	25	2	67
SGECR	3	25	22	9	75
BROKER-DEALERS/BROKERS	5	13	19	35	88
PSFP	2	50	20	2	50
EAF	1	25	20	3	75
Total	**19**	**19**	**20**	**83**	**80**

Source: Prepared by the CNMV based on data from the CNMV register.

Due to its economic significance, this report features a section specifically focused on examining market infrastructures, investment managers, and IFs.

4.4.1 Status of women in the market infrastructure sector

The market infrastructure sector is crucial for the effective operation of financial markets. It includes essential entities like stock exchanges, clearing houses, and central securities depositories, which ensure the stability, transparency, and efficiency of financial transactions. This section reviews women's representation in the governing bodies of these infrastructures, drawing on international studies and comparing them with entities registered with the CNMV.

4.4.1.1 Analysis of the status of international market governing bodies

A recent WFE[33] report, based on a survey of 50 stock exchanges around the world, revealed that the percentage of women serving on the Boards of these exchanges rose to 22.3% in 2023, up from 20.7% in 2022. Women now make up 31.6% of senior management roles and 41.2% of the overall workforce.

In 2023, 46% of stock exchanges have set specific targets to boost female representation, an increase from 30% in 2022. Stock exchanges that have established these goals report having, on average:

– 21% women on their Boards.

– 28% in senior management.

– 37% within their workforce.

By region, the Americas top the list for the percentage of women on Boards (27.1%) and in senior management (38.6%). EMEA boasts the highest proportion of women in the workforce at 42% and has seen increases in female representation on Boards, rising from 22.1% to 22.8%, and in senior management, from 31% to 31.5%. In the Asia-Pacific region, the percentage of women on Boards increased from 17.6% to 19.9%, though their presence in the workforce dropped from 44.6% to 40.5%.

33 World Federation of Exchanges (WFE) (2024). The WFE 10th Annual Sustainability Survey. 28 May.

Annual average of the proportion of women on Boards of Directors, senior management and the workforce of stock exchanges (2024)	TABLE 4

Region	Number	Board of Directors (%)	Senior management (%)	Employees (%)
All regions	**50**	**22.30**	**31.60**	**41.20**
Americas	7	27.10	38.60	40.40
APAC	19	19.90	29.20	40.50
EMEA	24	22.80	31.50	42.00

Source: WFE (2024).

As in other sectors, while there are signs of progress, gender equality on stock exchanges remains limited. This underscores the need to sustain and enhance efforts to boost female representation at all levels.

4.4.1.2 Analysis of market infrastructure in Spain

In Spain, an assessment of market infrastructure entities has been conducted, drawing upon information from their annual reports.

Table 5 shows that out of 15 entities reviewed, only 3 have Boards where women make up 40% or more. Some entities do not even have a single woman on their Board.

There is, however, a growing female presence at managerial and technical levels. Nevertheless, only three entities have a combined representation of women in managerial, technical, and administrative roles exceeding 40%.

Among the entities examined, Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. (BME), which operates the securities markets in Spain, has an appointments committee that, in accordance with Article 45 of MiFID, has set a target for women to make up 30% of its Board of Directors.[34] This target is currently being met.

34 BME (2024). *Reglamento del Consejo de Administración*. 26 February; and BME, Nomination and Remuneration Committee (2020). *Informe de actividades – Ejercicio 2019*. March.

Women's representation in the infrastructures of Spanish markets TABLE 5

%

Governing body	BoD	Senior management	Technical staff	Managers	Total
BME CLEARING, S.A.	20	60	58	35	46
BOLSAS Y MERCADOS ESPAÑOLES RENTA FIJA, S.A.	20	0	50	13	35
BOLSAS Y MERCADOS ESPAÑOLES SISTEMAS DE NEGOCIACIÓN, S.A.	25	0	60	17	33
BOLSAS Y MERCADOS ESPAÑOLES, SDAD. HOLDING DE MDOS Y STMAS FIN., S.A.	32	50	75	50	64
CM CAPITAL MARKETS BROKERAGE, SOCIEDAD DE VALORES, S.A.	33	50	43	20	39
CORRETAJE E INFORMACIÓN MONETARIA Y DE DIVISAS, SOCIEDAD DE VALORES, S.A.	33	50	43	20	39
EUROPEAN DIGITAL SECURITIES EXCHANGE, SV, S.A.	0	11	11	20	14
IBERCLEAR (SOCIEDAD DE SISTEMAS)	40	50	54	38	48
KEY CAPITAL PARTNERS AGENCIA DE VALORES, S.A.	0	0	20	None	18
KING & SHAXSON CAPITAL MARKETS, SV, S.A.	0	0	None	50	25
MEFF SOCIEDAD RECTORA DEL MERCADO DE PRODUCTOS DERIVADOS, S.A.	20	33	32	29	31
SOCIEDAD DE BOLSAS, S.A.	20	75	34	17	36
SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE BARCELONA, S.A.	20	0	28	13	21
SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE BILBAO, S.A.	60	0	43	None	38
SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE MADRID, S.A.	60	0	25	0	19
SOCIEDAD RECTORA DE LA BOLSA DE VALORES DE VALENCIA, S.A.	20	0	50	0	33
TRADITION FINANCIAL SERVICES ESPAÑA, SOCIEDAD DE VALORES, S.A.U.	0	0	5	42	16

Source: CNMV, based on data from the CNMV's registered annual accounts.

4.4.2 Women's status in the asset management sector

The asset management industry is vital to both the global and Spanish economies, not only due to the volume of assets managed but also because of its contribution to gross domestic product (GDP). The industry includes investment funds, pensions, insurance, and alternative assets, which are essential for directing savings into productive investments. Additionally, these organisations play a significant role in fostering diversity and inclusion in the societies where they invest.

This study examines international reports on female representation in this sector and compares them with entities registered with the CNMV. It provides a comprehensive overview of the challenges and opportunities for the participation of women in the industry.

4.4.2.1 Analysis of the status of investment managers internationally

In 2023, the global asset management industry managed an estimated $120 trillion,[35] representing about 113% of global GDP.[36] This underscores the significant impact of this industry on both the global economy and financial stability, as well as on access to capital.

35 Boston Consulting Group (2024). AI and the Next Wave of Transformation: Global Asset Management Report 2024. (22nd ed.). May.

36 World Bank (n.d.). GDP (US$ at current prices) - NY.GDP.MKTP.CD.

In Spain, by the end of the third quarter of 2024, assets under management had reached a record €833 billion, roughly 55% of the country's GDP, according to INVERCO data:[37]

– €407 billion was managed by domestic organisations.

– €296 billion was managed by international organisations.

– Pension plans accounted for an additional €130 billion.

While Spain's market is smaller in absolute terms compared to major economies like the United States or the United Kingdom, its assets under management as a percentage of GDP are higher than those of emerging markets and align with similarly sized European countries.

The Alpha Female 2023 report by Citywire[38] examines the progress towards gender parity in global fund management. Drawing on data from over 18,000 fund managers across 87 countries, it assesses the representation of women in asset management roles, their assigned strategies, and the structural challenges they encounter in the industry.

According to the report, women make up only 12.1% of fund managers worldwide, a slight increase from 12% the previous year. Since the report's inception in 2016, female representation has risen by just 1.8 percentage points.

The number of funds managed exclusively by women has fallen to an all-time low of 1,490, while those managed solely by men have increased by 4%. Mixed-gender teams, however, tend to deliver a better risk-return profile than single-gender teams, highlighting the financial benefits of diversity.

On average, women manage assets worth approximately €370 million, significantly less than the €555 million managed by their male counterparts.[39]

There is a significant disparity in the launch of new products, with only 6.2% of new funds in 2023 being entrusted to women or all-female teams. Strategies managed by women are often specialised or niche, such as those focused on emerging markets or specific sectors, whereas men tend to manage larger funds and core strategies.

Women in the industry face higher job turnover rates at 42%, compared to 28% for men, indicating the challenges in retaining female talent.

Notably, the report ranks Spain among the top five countries for female representation, significantly surpassing the global average.[40] Women account for

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37 INVERCO (2024). Estadística de gestión de IIC y FP por grupos financieros (September 2024).

38 CNMV (2024). Alpha Female report 2023. September.

39 The data in the report appears in pounds sterling (the average assets managed by women is 320 million pounds, and 480 million pounds managed by men). An approximate exchange rate of 1.16 euro per pound sterling has been used as a basis.

40 According to the report, Taiwan leads with 29% of women fund managers, followed by Hong Kong at 25%, Spain at 21%, and Italy at 20%.

21% of fund managers in Spain, among the highest worldwide. In Spain, 15% of funds are led exclusively by women, and 16% by mixed-gender teams.

This puts Spain well ahead of countries like the United Kingdom (11.8%) and the United States (11%), both of which barely reach the global average. Historically behind, Germany has shown a slight increase in female representation, rising from 6% to 7%.

4.4.2.2 Analysis of the status of investment management firms registered with the CNMV

There are currently 285 investment management firms registered with the CNMV. This includes 160 closed-ended investment scheme management companies (SGEIC), 5 securitisation fund management companies (SGFT), and 120 collective investment scheme management companies (CISMC).

The 2023 *Social Report on Asset Management*[41] published by INVERCO highlights that this sector combines high levels of expertise, job security, and a commitment to equality and professional development for its employees. Notably, 94% of these firms are small and medium-sized enterprises (SMEs). The industry employs over 23,000 professionals in specialised roles such as portfolio managers, financial analysts, investment advisors, compliance experts, and administrative positions.

A significant 98% of employment contracts in this sector are permanent, which ensures a stable work environment. Furthermore, women make up 48% of the workforce, indicating a strong level of female representation.

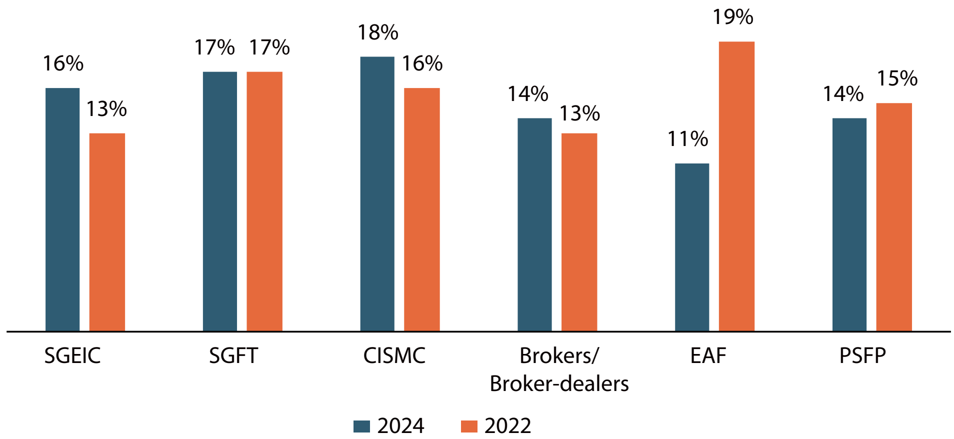
Despite this, significant gaps persist in women's participation in management and decision-making roles, a challenge also seen in other countries.

The representation of women on the governing bodies of investment management firms in Spain, including SGEICs, SGFTs, and CISMCs, **averages 16.6%**. This figure aligns with data from the Companies Register and reflects the situation of listed companies in Spain before the adoption of the Good Governance Code.

The level of female representation has seen slight improvement since 2022, when this issue was also examined.

41 INVERCO (2024). *Memoria social de la gestión de activos 2023*.

Representation of women on Boards of Directors of investment managers in Spain FIGURE 4



Source: CNMV, based on data from the CNMV register.

It is notable that, within many of these firms, women often serve as Board secretaries rather than full members, while chairperson and vice-chairperson roles are predominantly held by men. For instance, in CISMCs, men occupy 87% of chairperson positions and 88% of vice-chairperson positions, leaving women with 13% and 12%, respectively.

When it comes to senior management roles, only 19% are filled by women, compared to 81% by men, as reported in the CNMV Register for CISMCs. This is significantly lower than the average seen in listed financial sectors and other industries like market infrastructures.

Examining the link between the presence of women in leadership and the economic significance of these firms reveals a very weak connection in the case of CISMCs. The Pearson coefficient of 0.12 suggests that female representation on Boards is not strongly related to the assets managed or the economic size of the entity.

Average number of women in CISMCs (2024) TABLE 6

	AuM	Average men on the Board (%)	Average women on the Board (%)	Number of SIs	Number of LSIs	Number of IFs/ CISMCs	Number of insurers	Average number of directors
Quartile 1	91,524	74	21	0	1	22	0	4.17
Quartile 2	331,296	80	16	0	1	22	0	5.13
Quartile 3	1,437,123	85	15	3	5	14	2	4.25
Quartile 4	79,961,587	83	17	11	5	6	2	5.04

Source: Authors' own work using CNMV statistical data.

When categorising CISMCs by asset volume, those with smaller asset bases have a higher female board presence at 21%. This group is almost entirely composed of managers from investment service firms, representing 95% of the quartile, and they have the smallest Boards, averaging 4.17 individuals. In contrast, the CISMCs managing the largest assets feature a 17% female representation, which is four percentage points lower than in the smaller asset group. This quartile primarily comprises entities within banking groups, especially those classified as significant institutions (SIs), accounting for 46%. These Boards are typically larger, averaging five members. The middle quartiles exhibit the lowest female representation ratios.

The data suggests that there is no clear link between entity size and diversity policies. Although there has been a slight improvement in women's inclusion in these entities' governing bodies, significant challenges remain in achieving equal representation across all leadership levels.

4.4.3 Status of women in the investments firms sector

Women remain underrepresented in the investment services sector, both across Europe and within entities registered with the CNMV. This section examines the gender disparities in the leadership of investment firms, identifying significant barriers that persist. A comparison is provided of the situation in the European Union versus Spain, with a particular focus on investment services providers, financial advisory firms, and crowdfunding platforms.

4.4.3.1 European investment firm sector analysis

The EBA report on benchmarking diversity practices and the gender pay gap within management bodies[42] reviews the diversity status in credit institutions and investment firms across the European Union, Liechtenstein, and Iceland, based on 2021 data. These efforts align with Directive 2013/36/EU, which mandates institutions to implement diversity policies, set quantifiable goals for the representation of underrepresented genders, and work to close gender gaps.

The report incorporates data from 129 investment firms. These firms form a significant part of the sector within their jurisdictions, although they are generally smaller than the credit institutions discussed.

Regarding diversity policy adherence, the report notes that 48.84% of the analysed investment firms have implemented such policies at a European level, compared to 77.64% in credit institutions. Only 27.13% of investment firms have set gender-specific goals, compared to 61.93% of banks.

Spain faces challenges in this area, with just 40% of investment firms having diversity policies and only 20% setting gender targets, both figures falling below the European average.

42 European Banking Authority (EBA) (2023). Report on the benchmarking of diversity practices and the gender pay gap at the level of the management body at European Union level under Directive 2013/36/EU (2021 data) (EBA/REP/2023/07). 7 March.

Regarding gender representation, women remain underrepresented, with variations between different governance structures (1-tier and 2-tier[43] systems).

– EU average:

  • Female executives: 19.35% (1-tier) and 15.12% (2-tier).

  • Female non-executives: 21.39% (1-tier) and 20.70% (2-tier).

– Spain (based on an analysis of five investment firms, all using a 1-tier structure):

  • Female executives: 33.33%.

  • Female non-executives: 11.76%.

The analysis highlights that Spain has a higher percentage of women in executive positions but a lower percentage in non-executive roles.

The size of governing bodies in Spanish investment firms is typically smaller than those in credit institutions. The EU average is 5.62 members for 1-tier systems and 6.95 for 2-tier systems. In the Spanish firms analysed, the average Board size is 4.6 members, which is below the EU average.

Across European countries, there are notable differences in the adoption of diversity policies and gender objectives. Denmark, Portugal, and Slovenia lead with all the investment firms examined having both diversity policies and gender objectives in place. In contrast, Lithuania, Slovakia, and Estonia have none of the analysed firms implementing these measures.

Spain shows a moderate level of compliance, with 40% of firms having diversity policies and 20% setting gender targets, both figures falling below the European average.

Comparison between Spanish investment firms and EU average (2023) TABLE 7

Indicator	Spain (5 investment firms)	EU average (129 investment firms)
Diversity policies (%)	40%	49%
Gender targets (%)	20%	27%
Female executives (1-tier)	33%	19%
Female non-executives (1-tier)	12%	21%
Female executives (2-tier)	n/a (1-tier)	15%
Female non-executives (2-tier)	n/a (1-tier)	21%
Average size of governing body	4.6 members	5.62 (1-tier)/6.95 (2-tier)

Source: EBA.

43 In this report, the terms 1-tier and 2-tier describe the corporate governance structures of the organisations examined:

– One-tier system: In this structure, a single governing body handles both management and supervisory roles. Executive and non-executive directors collaborate on the same Board with shared responsibilities. This system is prevalent in countries such as Spain, the United Kingdom, and Ireland.

– Two-tier system: Here, management and supervisory roles are separated into two distinct bodies. The Management Board, made up of executive directors, oversees daily operations, while the Supervisory Board, consisting of non-executive directors, is in charge of overseeing and controlling strategic decisions. This approach is common in countries like Germany, Austria, and The Netherlands.

The EBA Report (2023) highlights that women's representation in executive roles across the EU remains low, averaging less than 20%. Many investment firms have yet to set clear gender targets, and some of the targets established fall below 25% female representation. Spain, in particular, needs to focus on better implementing diversity policies and setting ambitious, achievable goals to ensure gender balance on its Boards.

To enhance diversity in investment firms, the report suggests increasing the adoption of diversity policies and ensuring they include specific, measurable gender targets. It also recommends creating regulatory incentives to promote gender balance in both executive and non-executive roles and encouraging diversity training for those involved in selecting Board members and candidates.

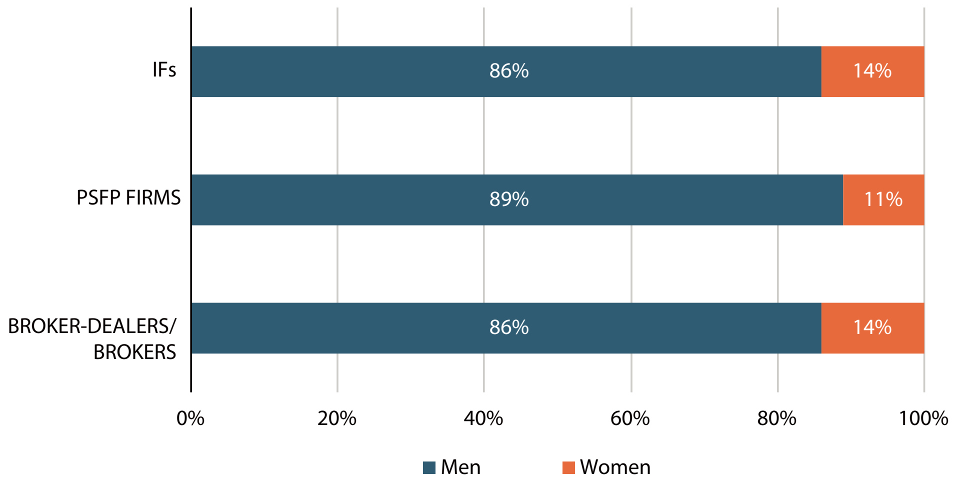
4.4.3.2 Analysis of investment firms registered with the CNMV

The CNMV's register includes a total of 242 investment firms, consisting of 99 brokers and broker-dealers and 143 financial advisory firms, Along with 25 providers of crowdfunding services.

Female representation on the Boards of these entities (see Table 2) is even lower than in investment management companies. On average, women hold only 14% of Board positions in investment firms. This figure becomes more concerning considering that, among brokers and broker-dealers, the highest representation of women (23%) is in the role of Board secretary, a position that typically does not include Board member status. In financial advisory firms, women fill the Board secretary role at a notable rate of 50%, indicating their frequent relegation to positions with limited decision-making power.

Similarly, in senior management roles within brokers and broker-dealers, women represent just 13% of positions, a significant drop from the 19% reported in 2022, as shown in Table 3. These findings underscore the urgent need for effective measures to achieve a more balanced gender representation on the Boards of these entities.

Gender composition of IF Boards of Directors (2024) FIGURE 5



Source: Authors' own work based on data from the CNMV register.

5 Causes and benefits

5.1 Possible causes of inequality in governing bodies

Inequality between men and women in the leadership of financial institutions arises from multiple causes. Identifying and analysing these causes can be complex due to their diversity and interconnected nature. One significant factor is the lower number of women entering technical fields,[44] which are currently in high demand and offer higher salaries. Institutional barriers inherent to the system, like traditional organisational structures, and persistent unconscious biases also play a role in shaping selection and promotion decisions. Additionally, self-fulfilling expectations[45] reinforce these patterns, further limiting women's representation in leadership positions.

According to Schnabel (2020),[46] these causes can be grouped into structural, cultural, and organisational factors, including:

– **Structural and cultural barriers**: Financial institutions, like many other organisations, have historically been dominated by men, creating environments that are less inclusive for women. Traditional norms and gender stereotypes maintain the view that leadership roles are less accessible or appropriate for women.

– **Lack of female role models**: The low number of women in leadership roles limits the availability of role models, which are vital for encouraging other women to pursue more senior positions. Schnabel (2020) emphasises the crucial impact that visible role models have in motivating future generations.

– **Inadequate work-life balance policies**: The absence of effective work-life balance measures hinders women's access to leadership roles, particularly in sectors with high work demands. Programmes like mentoring and work-life balance support, implemented by organisations such as the ECB, highlight the need to tackle this structural issue.

– **Unconscious bias**: Even if not explicitly stated, acknowledging the importance of diversity in governance implies the presence of implicit biases within institutions. These biases can negatively impact the promotion and selection of women for leadership roles, thereby perpetuating inequality.

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44 These are known as STEM (science, technology, engineering and mathematics).

45 Schnabel, I. (2020): "[B]arriers will continue to culminate in self-fulfilling expectations, perpetuating the flawed belief that women are less suited to succeeding in the profession than men".

46 Schnabel, I. (2020). "Women are central, not just in central banks". Speech by a member of the Committee Executive of the ECB, at the 2020 Annual Meeting of the Verein für Socialpolitik. ECB. 28 September.

The 2021 report by the Observatory of Financial Reality (ORFIN)[47] highlights additional reasons for the lower number of women in senior positions within the financial sector:

– **Seniority and promotion gap**: Advancing to management roles usually requires extensive tenure within financial institutions. Since women have historically joined the workforce later than men, they often have less seniority. This disparity limits their access to higher-level positions and benefits men, who typically fill most of the available leadership roles due to longer tenure.

  This pool of seniority and experience serves as the main source for selecting both executive and non-executive directors, where tenure and accumulated experience are crucial for advancement.

Data from the National Statistics Institute (INE) on seniority in the financial and insurance sector confirm that men dominate the ranks of the most senior positions.

Employees by length of time in current position any by gender (2023) TABLE 8

Time in position	Women (%)	Men (%)
Less than 3 months	2	2
From 3 to 5 months	2	3
From 6 to 11 months	3	3
From 1 to less than 2 years	4	6
From 2 to less than 3 years	6	3
From 3 to less than 6 years	14	10
6 years or more	68	72

Source: INE.

– **Gender stereotypes and functional segregation**: Persistent gender stereotypes influence the roles women occupy, confining them to support areas like human resources, marketing, and administration. Leadership and strategic roles are frequently dominated by men, which limits women's opportunities for promotion to senior management or Board positions.

– **Limited support networks and mentoring**: Women have fewer opportunities to develop support networks and access mentoring and sponsorship programmes that advance their careers. Combined with a lack of female role models in leadership, this contributes to a female talent drain as they progress in their careers.

– **Challenges in balancing personal and professional life**: Women often face greater challenges in balancing their personal and professional lives, which can deter them from aiming for roles with more responsibility. The belief that prioritising work-life balance may impede career advancement also discourages many women from pursuing executive roles.

47 Melle Hernández, M. (2024). *Mujeres y sector financiero: La inclusión como factor de competitividad*. Observatorio de la Realidad Financiera (ORFIN). 10 November.

– **Impostor syndrome**: Many women struggle with self-doubt and feel undeserving of leadership roles, which can limit their ambitions. In contrast, men often exhibit greater self-confidence, facilitating their rise to positions of responsibility.

Combined, these issues highlight the complexity of the problem and the necessity for a comprehensive approach that eliminates structural barriers while fostering a more inclusive organisational culture. The ECB's experience, as noted by Schnabel (2020), demonstrates that active policies can successfully address these inequalities and promote gender equality at the highest decision-making levels.

5.2 Benefits of diversity

According to the *1995 Human Development Report*, investing in women's capabilities and empowering them to make their own choices is not only a valuable goal in itself, but also one of the most effective strategies for driving economic growth and global development.

The *Gender Impact Report* for the Draft State Budget Bill for 2023 highlights that without the surge of women entering the workforce in the 1990s, Spain's GDP in 2015 would have been 18% lower.

This increased female participation has brought numerous positive impacts on economic development, such as expanding the labour force, boosting productivity due to a broader range of skills and perspectives, and promoting more dynamism in consumption and investment.

The productivity gains from increased diversity highlight the importance of continuing to support women's entry into the labour market and leadership roles, while also recognising the need to include other under-represented groups to build a more inclusive and equal economy.

According to the International Labour Organization (ILO), 75% of companies that have increased the presence of women in management have reported profit increases ranging from 5% to 20%.

A study by BlackRock also found that companies with more diverse teams outperformed in terms of return on assets (ROA) by an average of 1.6 percentage points (29%) annually between 2013 and 2022, compared to their less diverse counterparts within the same country and sector. The study also finds that companies closer to gender parity in key roles have achieved better ROA than those further from parity in recent years.

Morgan Stanley's HER Index confirms that workforce diversity at all levels positively impacts financial performance. This index ranks companies based on the representation of women across different levels – including employees, managers, executives, and Board members – and shows that more diverse companies have outperformed less diverse ones by an average of 1.2% in earnings between 2011 and 2022. Profits were notably higher in Europe (2.1%) and North America (1.5%), while being lower in Asian markets (0.2% in Japan).

The superior financial performance of more diverse companies aligns with findings from Stanford Business (2019), which suggest that companies with higher gender equality possess greater market potential. Shareholders typically penalise financial firms that lack sufficient female representation in leadership teams. This trend, combined with the emphasis on gender diversity in the investment policies of large funds, pressures companies to address this issue actively.

Several studies by the ECB have explored how the equal participation of women in leadership roles within the banking sector is not only a matter of social justice, but also brings tangible benefits in terms of organisational performance, decision-making, and institutional resilience.

An article by Elderson and McCaul (2023), published by the ECB, highlights that gender diversity in bank leadership is not just desirable for promoting equality but also offers a competitive advantage. The advantages include improved risk management, greater adaptability, and notably, enhanced financial performance. This makes diversity both an ethical obligation and a strategic approach for boosting performance and sustainability in the banking sector. The article provides a mix of qualitative and quantitative data to support its message:

– **Financial performance**: When women make up 30% or more of a bank's Board, the institution may experience an increase in return on equity (ROE) of up to 3–5% compared to banks with less diversity. Additionally, their return on investment (ROI) is typically 5–8% higher than that of banks with less diverse Boards.

– **Risk reduction and compliance**: Banks with at least 20% female representation in leadership are 10–15% less likely to incur regulatory penalties or face compliance issues. This enhances investor confidence and bolsters the bank's reputation.

– **Innovation and adaptation**: Financial institutions with gender diversity in executive roles often undertake up to 20% more innovation projects, enabling them to swiftly adapt to new market demands and regulations.

The article concludes by stressing the importance of banks accelerating their efforts to achieve gender diversity, highlighting its crucial role in enhancing governance and ensuring the banking sector's stability.

The 2023 EBA report points out that diversity within management teams not only enhances strategic decision-making but also boosts institutional profitability. The report notes that organisations with more gender-diverse management teams achieved an average ROE of 7.88%, compared to just 5.27% for those with single-gender management teams.

Despite some progress, the rate of improvement is still slow, and gender inequalities remain deeply rooted. Authorities must strengthen measures to ensure legal compliance and encourage the adoption of more inclusive diversity policies. The report highlights the need to continue advocating for gender balance and broader diversity within financial institutions as essential steps towards achieving fairer and more effective management.

A wealth of academic research backs these findings. For instance, Cardillo, Onali, and Torluccio (2021) explored how gender diversity on bank Boards affects the likelihood and scale of public bailouts. Their study, which analysed listed European banks from 2005 to 2017, found that banks with more gender-diverse Boards were less likely to require public bailouts and received a smaller percentage of bailout funds relative to total assets than banks with less diversity. They also found that gender diversity is positively linked to bank performance indicators like ROA, Tobin's Q, and dividend payout ratios, supporting the theory that female directors provide better oversight than their male counterparts.

Sahay et al. (2018) also highlight that reducing the gap in female representation within banking leadership correlates with greater stability in the sector. Banks with a higher proportion of women in leadership roles tend to have stronger capital buffers, fewer non-performing loans, and greater resilience to financial stress. They propose four reasons why having more women on bank and supervisory Boards enhances financial stability: women may excel in risk management compared to men; discriminatory hiring practices might mean the few women who reach executive levels are exceptionally qualified; the presence of more women in leadership positions fosters diversity of thought, leading to improved decision-making; and organisations that attract and retain female executives might be better managed from the start.

6 Recommendations

As reiterated throughout this work and broadly accepted, gender diversity in the leadership of the financial sector, grounded in the principles of equal opportunities and non-discrimination, is not only an ethical and social necessity but also crucial for enhancing decision-making, innovation, and organisational resilience.

This chapter outlines a series of recommendations to promote gender balance in the financial sector, focusing on four key areas: the importance of diversity policies, transparency as a catalyst for change, the role of oversight in advocating good governance principles linked to gender diversity, and the opportunities arising from digitalisation and the shift towards a more sustainable economy and environment. These recommendations aim to overcome existing barriers and strengthen the transformative dynamics of the sector, fostering a more inclusive and competitive financial environment that meets today's challenges.

6.1 Relevance of diversity policies

The situation within regulated entities mirrors that of listed companies before the adoption of the Code's recommendations, demonstrating that without proactive diversity policies, women remain underrepresented. This lack of representation is not a natural or automatic trend but one that requires deliberate encouragement and incentives.

The European Institute for Gender Equality (EIGE) study on listed companies supports this conclusion, demonstrating that progress towards gender-balanced Boards in the EU varies significantly, influenced by the measures taken by different Member States. Some countries have introduced mandatory quotas to ensure a minimum level of female representation in top leadership roles. Eight Member States, including Belgium, France, Italy, the Netherlands, and Portugal, have enforced gender quotas that meet or exceed 33% as per the EU directive. Meanwhile, Germany, Greece, and Austria have adopted similar quotas with slightly lower targets. In countries with such legislative measures, the proportion of women on Boards of the largest companies reached 39.2% in October 2023, showcasing the positive effect of mandatory quotas.

Legislative focus on Board equality in EU Member States (2023)

TABLE 9

National quota (8)		
Year	Member State and quota	Companies covered
2011	BE (33 %)	State-owned and listed
	FR (40 %) (*)	Listed and large non-listed
	IT (40 %)	State-owned and listed
2015	DE (30 %) (*)	Listed and large non-listed
2017	AT (30 %)	State-owned, listed and large
	PT (33 %)	Public and listed private
2020	EL (25 %)	Listed
2022	NL (33 %) (*)	Listed

No action (7)
BG, CZ, CY, LT, HU, MT, SK

NB: (*) Specific provisions for executive/management positions.

Soft measures (12)		
Year	Member State	Companies covered
1990	DK (*)	All companies
2002	RO	All companies
2003	FI	Listed
2004	EE	State-owned
	SI	State-owned
2007	ES	Large
2009	LU	Private and state-owned
2013	PL	State-owned
2016	SE	Listed
2019	HR	Listed
2020	IE	Listed
	LV	Listed

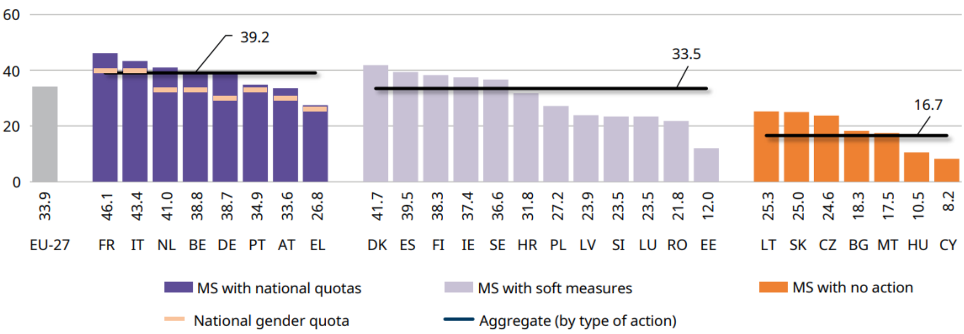
Source: EIGE (2024).

Meanwhile, 12 Member States have opted for soft approaches, like voluntary recommendations to improve gender balance, while another seven have taken no action at all. In countries with these softer measures, women made up 33.5% of Board members. In contrast, in countries without any measures, that figure was only 16.7%.

These statistics highlight the critical role of legislative action in fostering greater gender equity in corporate leadership. Countries with mandatory quotas have generally seen more substantial progress in gender inclusion than those relying on voluntary measures or lacking specific policies.

Percentage of women on the Boards of the largest listed companies by type of equality policy (October 2023)

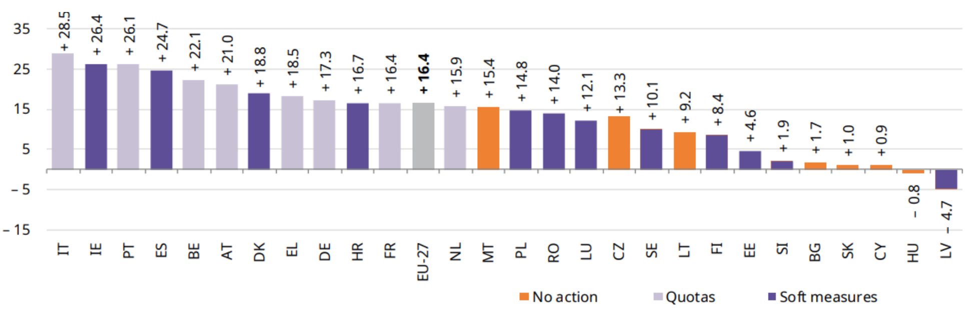
FIGURE 6



Source: EIGE (2024).

Change in the percentage of women in the largest listed companies in the 27 EU Member States (October 2013–2023)

FIGURE 7



Source: EIGE (2024).

Despite this overall trend, some individual cases stand out. For instance, Spain, with 39.5% female representation, surpasses four countries that have mandatory legislative measures. Similarly, Denmark ranks third in Europe, outperforming five countries with mandatory regulations. In Spain, female representation in listed companies has grown from 4% in 2004 to 35% in 2023, driven solely by the recommendations of the Good Governance Code.

Beyond regulatory measures to enhance diversity within decision-making bodies, it is crucial to support voluntary and cultural initiatives that foster change through awareness, institutional commitment, and the promotion of good practices.

In the banking sector, Schnabel (2020)[48] highlights that gender diversity not only enhances governance but also enables financial institutions to better address the needs of the communities they serve. Several specific actions are suggested for institutions to advance gender equality and create an inclusive environment that fully leverages female talent in the financial sector. These include:

– **Setting clear diversity goals**: The article stresses the need to establish specific targets for increasing female representation in key leadership positions, ensuring a strong institutional commitment to gender equality.

– **Mentoring and professional development programmes**: Initiatives aimed at supporting women's professional growth are crucial, providing them with role models and access to networks that facilitate their advancement to leadership roles.

– **Work-life balance**: The text stresses the need for policies that enable women to balance their professional and personal responsibilities through options like flexible hours, remote working, and support services such as childcare.

– **Continuous monitoring and evaluation**: Achieving gender equality requires ongoing oversight. The article highlights the importance of regularly assessing progress in diversity, using data and analysis to pinpoint areas needing improvement.

– **Highlighting women leaders**: Showcasing women in leadership roles can inspire others and challenge unconscious biases, promoting a more inclusive view of leadership.

– **Cultural transformation within institutions**: It is essential to work on changing the cultural and organisational norms that have historically maintained gender inequalities.

– **Commitment from senior management**: Leaders within organisations must be accountable for promoting gender equality, advocating for inclusive policies, and setting an example for the entire organisation.

48 Schnabel, I. (2020). "Women are central, not just in central banks". Speech by a member of the ECB's Executive Committee at the 2020 Annual Meeting of the Verein für Socialpolitik. ECB. 28 September.

6.2 Transparency as a catalyst for diversity

Transparency plays a crucial role in enhancing diversity within the governing bodies of regulated entities. By publishing clear and detailed information about their composition, entities can objectively evaluate their levels of representativeness and parity. This openness also confronts organisations with the realities that encourage self-reflection. It fosters accountability and creates positive pressure by highlighting potential imbalances to shareholders, investors, and society at large. Transparency not only sheds light on diversity gaps but also acts as a catalyst for change, motivating organisations to implement proactive measures that foster a more inclusive corporate culture in line with modern societal demands.

An excellent example of how transparency effectively promotes gender equality is the IBEX® Gender Equality Index.[49] This index, which includes only companies listed on the Spanish market that meet specific gender equality criteria in their governing bodies,[50] highlights progress in this area and strengthens companies' commitments to diversity. Being part of the index not only boosts an entity's reputation but also increases its appeal to investors interested in ESG (environmental, social, and governance) principles.

The impact of the IBEX® Gender Equality Index is clear. When it launched on 30 November 2021, the index included 30 companies.[51] By its first review in June 2022, this number had grown to 45 companies, comprising 20 from the Ibex 35, 12 from the IBEX Small Cap, 7 from the IBEX Medium Cap, and 6 from the IGBM.[52] In its most recent review in June 2024, the index expanded to 58 companies, up from 52 previously.[53] This steady and significant increase in the number of companies meeting the criteria shows the effectiveness of the various measures adopted in Spain, including this index, to encourage the adoption of diversity standards in Boards of Directors and senior management.

In essence, the IBEX® Gender Equality Index demonstrates how transparency, alongside specific initiatives, can be a powerful catalyst for change. By highlighting progress towards gender equality and connecting it to real benefits, such as improved market and investor perception, it plays an effective role in creating a fairer and more inclusive business environment.

The UK's Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) have launched several initiatives to use transparency as a key tool for enhancing diversity in the financial sector. In September 2023, these authorities

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49 Gómez Yubero, M. J., Gullón Ojesto, B., and Palomero Aguilar, M. (2023). Caso del Ibex Gender Equality En: *Índices de referencia climáticos y de sostenibilidad y su contribución al cumplimiento de los Objetivos de Desarrollo Sostenible (segunda parte)* (pp. 27–29). CNMV. 11 March.

50 According to its operating rules, any company in the General Index of the Madrid Stock Exchange (IGBM) that has between 25% and 75% female presence on its Board of Directors and between 15% and 85% in senior management is part of the index. The index is reviewed annually based on information published by the CNMV on the presence of women on companies' decision-making bodies.

51 BME (2021). BME lanza el IBEX Gender Equality Index para promover la igualdad de género. Press release. 30 November.

52 BME (2022). El IBEX® Gender Equality Index incorpora a 17 nuevas empresas y cuenta ya con 45 componentes. Press release. 9 June.

53 BME (2024). El IBEX® Gender Equality alcanza la cifra récord de 58 componentes tras su revisión anual. Press release. 12 June.

conducted a joint public consultation on a proposed new regulatory framework for diversity and inclusion in the financial sector.[54] Key measures include requiring companies to gather, report, and disclose data on demographic characteristics, such as gender and ethnicity, to pinpoint areas for improvement and encourage a more inclusive organisational culture.

The regulatory framework suggests that certain companies should implement specific measures, such as gathering, reporting, and disclosing diversity and inclusion data, creating a formal strategy, setting clear and relevant diversity goals, and acknowledging the absence of diversity and inclusion as a non-financial risk.

These measures will be proportionate to the size and workforce of the organisations.

Through these initiatives, the UK reaffirms its commitment to enhancing diversity and inclusion within the financial sector, acknowledging the numerous advantages this can offer consumers and markets alike. Advancing diversity and inclusion helps combat groupthink, foster healthy workplace cultures, unlock access to diverse talent, and improve companies' ability to understand and cater to a diverse consumer base.

The FCA states that increased diversity also expands access to a broader array of skills, knowledge, and experiences, thereby boosting the sector's competitiveness by widening its talent pool. However, for these benefits to be fully realised, it is crucial for companies to cultivate inclusive work environments where all employees feel valued, can share their ideas and concerns, and are actively involved in decision-making processes. Consequently, diversity and inclusion become fundamental pillars for the sustainable development of the financial sector.[55]

6.3 The role of oversight in promoting good governance principles related to gender diversity is crucial

Public authorities and regulators play a key role in advancing gender equality and diversity within financial institutions. They influence this by implementing policies and regulations that encourage more inclusive and diverse workplaces. One of their main responsibilities is to create regulatory frameworks that require financial institutions to adopt specific measures, such as gender equality plans, inclusive hiring policies, and the advancement of women to leadership positions. These efforts aim to remove structural and cultural barriers that hinder the equitable participation of women and other underrepresented groups in the financial sector.

Transparency is another essential measure for promoting diversity, as it requires organisations to assess themselves against clear standards, essentially holding up a mirror to their practices. In this area, the CNMV has been instrumental in promoting diversity within the governance bodies of listed companies since the introduction of the Good Governance Code. These initiatives have increased

54 Financial Conduct Authority (FCA) (2023). Diversity and inclusion in the financial sector – working together to drive change. Consultation Paper CP23/20. September.

55 Financial Conduct Authority (FCA) (2023). Diversity and inclusion: Our role as a regulator. 25 September.

diversity on Boards of Directors and set a benchmark for promoting good corporate governance practices.

Additionally, regulators help by raising awareness and providing training on the importance of diversity and gender equality. Through workshops, seminars, and campaigns, they inform financial institutions about the benefits of having diverse teams, which can boost both innovation and economic performance. This work is vital for changing attitudes and building inclusive organisational cultures.

Ongoing monitoring is another key responsibility of regulators, who must assess compliance with regulations and ensure they are effectively put into practice. This oversight ensures that policies go beyond mere statements and are implemented as measurable actions. Lastly, leading by example by adopting internal policies on equality and diversity enhances the credibility of regulatory initiatives, encouraging financial institutions to pursue greater equity and inclusion.

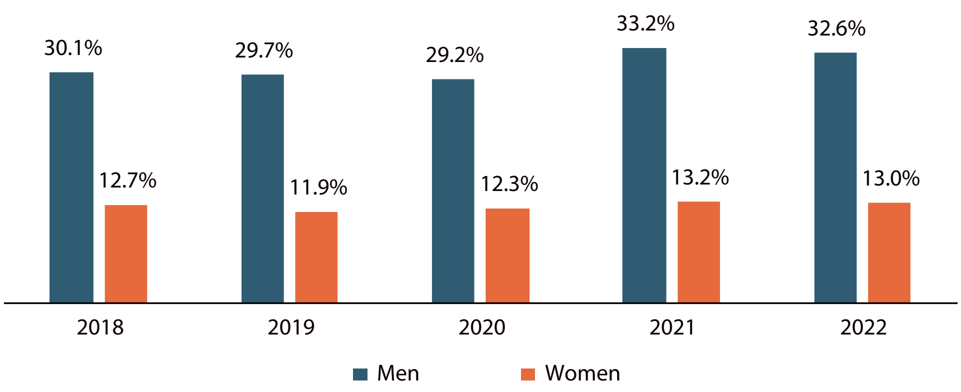
6.4 Opportunities arising from digitalisation and sustainability

Digitalisation and sustainability are two major shifts in the financial sector that, when harnessed effectively, can enhance inclusion and diversity within decision-making bodies. These trends not only create new business opportunities but also necessitate a more varied range of skills and profiles, paving the way for more balanced representation.

Digitalisation can serve as a catalyst for inclusion. The increasing use of digital technologies, including artificial intelligence, data analysis, and online financial services platforms, drives demand for talent skilled in technology and innovation. This evolution can lead to more women occupying strategic positions, particularly in areas related to financial technology (FinTech).

Moreover, it is important to implement measures to overcome the current underrepresentation of women in STEM fields. This will help ensure a steady flow of skilled female talent ready to seize new opportunities in the technology and financial sectors.

Graduates in science, mathematics and technology by period. Spain (% of total graduates of each sex) FIGURE 8



Source: INE (2024). Mujeres y hombres en España. Educación. Graduados en ciencias, matemáticas y tecnología. 16 September.

Digitalisation enables more flexible work models, such as remote working, which can help break down traditional barriers that have hindered women's advancement to senior roles in the financial sector.

Environmental, social, and governance (ESG) criteria are becoming central to the strategies of financial institutions and are key drivers of diversity. Companies committed to sustainability often also prioritise gender diversity, as both are linked to improved corporate governance, better decision-making, and greater organisational resilience.

Sustainability is fostering new leadership approaches in green finance, with increasing female involvement, particularly in roles related to social and environmental impact projects, as well as in advocating for sustainability criteria and standards. According to Gambacorta et al. (2022), financial institutions with more gender-diverse Boards are more effective in accelerating the transition to a sustainable economy.

To make the most of these opportunities, financial institutions can implement measures such as:

- **Encouraging technological training and education**: Invest in programmes targeted at women to enhance their expertise in key areas like FinTech, Blockchain, and data analysis, thus preparing more professionals for strategic roles in the digital era.

- **Advancing equality policies within ESG strategies**: Incorporate gender diversity metrics into ESG reports for financial institutions and align these metrics with regulatory and fiscal incentives.

- **Boosting female leadership in innovative projects**: Prioritise women's participation in committees focused on digital transformation and sustainability, ensuring their perspectives influence key decisions.

The intersection of digitalisation and sustainability not only reshapes the business models of financial institutions but also offers a unique chance to create a more diverse and inclusive sector. Strategically leveraging these trends can play a crucial role in closing the gender gap and establishing a more equitable and resilient financial system.

7 Conclusions

This report indicates that, despite progress in job stability, there are still substantial challenges in increasing women's representation in leadership roles within the financial sector and other areas of the Spanish economy.

While this paper concentrates on examining women's presence on the Boards of financial institutions, it's important to consider this issue within a broader understanding of diversity. Diversity should encompass more than just gender parity; it should also include professional skills, education, experience, age, and other factors that enhance governance. Embracing this inclusive approach not only results in better decision-making but also strengthens the overall sustainability and resilience of both the financial and business sectors.

Achieving equal representation in decision-making bodies is not merely an act of social justice; it is a strategic move crucial for enhancing the competitiveness and sustainability of companies. Organisations that embrace diversity in all its dimensions tend to perform better and are more equipped to tackle the challenges of an increasingly complex global landscape. Integrating diverse perspectives and experiences into decision-making processes enhances a company's ability to innovate and adapt, aligning them more closely with societal demands.

In this regard, applying the principle of proportionality is crucial in defining responsibilities for promoting diversity. Larger organisations, due to their significant economic, organisational, and commercial influence, have a greater impact on the business landscape and society. Consequently, they bear more responsibility for implementing practices that support equality and inclusion within their leadership structures. These organisations should set an example by spearheading the shift towards more diverse governance, leveraging their influence and ability to drive structural change within the sector.

A key recommendation is to prioritise transparency as a vital tool for fostering diversity. Publishing clear and detailed information about the composition of governing bodies enables organisations to objectively assess themselves while also creating positive pressure that drives change. It is also crucial to establish clear, effective, and unbiased procedures to ensure non-discrimination and equal opportunities. Initiatives like the IBEX® Gender Equality Index show how transparency can be a catalyst for change, encouraging companies to embrace more inclusive practices that align with ESG principles.

Alongside transparency, it is crucial to prioritise the other recommendations in this report. Implementing effective diversity policies, enhancing the role of supervision, and capitalising on opportunities associated with digitalisation and sustainability are key to ensuring structural progress. These complementary actions, framed within a multidimensional approach, will not only boost female representation but also strengthen the financial sector's capacity to tackle the challenges of a continually evolving global landscape.

Ultimately, promoting diversity in decision-making is not just a social issue or about upholding the principle of equal opportunities, but a strategic necessity that must be in line with each entity's relevance and impact. Achieving this goal demands ongoing effort and commitment from both public and private sectors. A steadfast dedication to equality and inclusion is essential to building a more robust, sustainable financial and business sector that aligns with the values of modern society.

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