



## EUROPEAN COMMISSION

*Brussels, 17. 7. 2013  
C(2013) 4462 final*

*Dear President,*

*The Commission would like to thank the Eerste Kamer and the Tweede Kamer for their Reasoned Opinion on the Commission Proposal for a directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures {COM(2012) 614} and apologises for the delay in replying.*

*The Commission has been driving the debate on addressing the situation of gender imbalance in the composition of boards of European companies listed on stock exchanges. The analysis and impact assessment of the Commission in preparing this proposal show an overwhelming case for pursuing a greater representation of women on boards as well as the clear benefits to businesses resulting from a more gender diverse boardroom. Therefore, the Commission supports the Netherlands in its current efforts to improve the situation of women in boardrooms of big companies by adopting legislative measures in this area.*

*In principle the Member States have the possibility to improve the gender balance on boards on their own motion. In practice, however, a vast majority of Member States of the European Union are not making use of this possibility or their actions are so diverse that they often lead to very divergent results. Moreover, the current figures reveal that decades of self-regulation have failed. The last attempt by the Commission to encourage self-regulation was on 1 March 2011. At that time the Commission invited listed companies to sign the "Women on the boards pledge for Europe" and to make a credible commitment to raising the number of women on their boards. The results of this initiative were very disappointing as only a handful of companies signed the pledge. The current figures speak for themselves: EU-wide, 85% of non-executive board members and 91.1% of executive board members are men. Despite an intense public debate and some voluntary initiatives at national and European level, the situation has not changed significantly in recent years.*

*After having thoroughly evaluated the present situation in the impact assessment, the Commission has come to the conclusion that action by Member States individually would not achieve the objective of a more balanced gender representation on company boards*

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*by 2020 or at any point in the foreseeable future. Consequently, the European Commission took action at EU level as this is necessary in order to achieve the objective of significantly improving gender balance on the boards of listed companies.*

*The Commission does not share the opinion of the Eerste and Tweede Kamer that its proposal could negatively interfere with the well-functioning national initiatives enhancing gender balance in company boards. On the contrary, in its proposal, the Commission has explicitly and fully recognised that in some Member States efficient measures already exist and that those should continue to apply. Therefore, the proposal would allow Member States to continue following a nationally devised course of action embarked upon before the entry into force of the proposed directive if it can be shown that this approach is of equivalent effectiveness in terms of reaching the target of a 40% representation of both sexes on company boards by 2020.*

*As regards any remaining questions regarding the 40% objective and the obligations resulting from the proposal including in relation to sanctions, the Commission is convinced that these issues will be discussed in detail during the legislative procedure by the European Parliament and Council of Ministers of the European Union.*

*The Commission trusts that these clarifications address the concerns raised in the Reasoned Opinion of the Eerste and Tweede Kamer and looks forward to fruitfully working together in the future.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*