Unitary or dual board system

A law passed in 2004 made provisions for companies registered in Italy to follow one of three governance models: a unitary governance system (*Consiglio di amministrazione*); a dual governance system with distinct supervisory (*Consiglio di sorveglianza*) and management (*Consiglio di gestione*) functions; or the traditional model with a decision-making board (*Consiglio di amministrazione* or *amministratore unico*) and a separate board of auditors (*Collegio sindacale*). In Europe, 6 countries apply a unitary board system and 8 countries have a dual board system. A hybrid governance system exists in 13 countries, where companies can choose between a two-tier or one-tier approach.

National measures to improve gender balance on boards

**Regulation:** Italy introduced a boardroom gender quota in 2011. It requires public limited companies and state-owned companies to have at least 33% of each gender on their boards (executives and non-executives) by 2015 (with a target of 20% for the transitional period). In the event of non-compliance there is a progressive warning system which will eventually lead to the dissolution of the board.

Current percentage of women on boards and presidents

Women represent 6.1% of the board members of the largest publicly listed companies in Italy (FTSE MIB index). This proportion is significantly below the EU average (13.7%). There are no women board chairs or CEOs in the companies covered.

<table>
<thead>
<tr>
<th></th>
<th>Italy</th>
<th>EU-27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board chairs</td>
<td>0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>CEOs</td>
<td>0%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Members of boards</td>
<td>6.1%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>
Country: **Italy**

Percentage of women in company boards across the EU (January 2012)

<table>
<thead>
<tr>
<th>Country</th>
<th>Executives</th>
<th>Non-executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>0.8%</td>
<td>7.1%</td>
</tr>
<tr>
<td>EU-27</td>
<td>8.9%</td>
<td>15%</td>
</tr>
</tbody>
</table>


**Companies covered:** Data cover the largest publicly listed companies in each of the 27 EU Member States. Publicly listed means that the shares of the company are traded on the stock exchange. The "largest" companies are taken to be the members (max. 50) of the primary blue-chip index, which is an index maintained by the stock exchange covering the largest companies by market capitalisation and/or market trades. Only companies which are registered in the country concerned are counted. The database contains information on 588 companies in the EU-27, which corresponds to 6046 Board Members.

**Board members covered:** In countries with unitary (one-tier) systems, the board of directors is counted (including non-executive and executive members). In countries with two-tier systems, only the supervisory board is counted.

**Figures on executive and non-executive directors**

Women account for 7.1% of non-executive directors in the largest publicly listed companies in Italy but less than 1% of executive directors. Both figures are well below the respective EU averages.

**Note:** In a one-tier system data refer to executive or non-executive members of the board. In a two-tier system data on non-executives refer to members of the supervisory board and data on executives to members of the executive/management board. Occasionally, it is possible for the supervisory board to include one or more executive members (e.g. CEO and CFO). In this case these are included in the executive figures, though individuals participating in both boards are counted only once. Non-executive figures in this case still refer to the total members of the supervisory board and could, therefore, include some executives but the numbers concerned are not significant and should not affect the final result.

**Source:** European Commission’s Database on women and men in decision-making; last updated in January 2012 (next update: October 2012).
Trends

The proportion of women on boards in Italy has risen from nearly 2% in 2003 to just over 6% in January 2012. This represents an average change of just 0.5 percentage points per year. At this rate of change, it would take over 70 years to achieve at least 40% representation of each gender on corporate boards and the quota target would not be met.

Source: European Commission’s Database on women and men in decision-making

Key Eurobarometer figures

87% of people in Italy (and 88% of Europeans) think that, given equal competences, women should be equally represented in positions of leadership in companies and 80% (and 75% of Europeans) are in favour of legislation on this matter under the condition that qualification is taken into account without automatically favouring one or other gender.

Source: Special Eurobarometer 376 Women in decision-making positions.

Number of companies that will be affected

There are around 7,500 publicly listed and EU-registered companies in the European Union (2011 figure). The available data indicate that about a third of these are SMEs (companies with less than 250 employees), which means that the legislative proposal is likely to affect a total of about 5,000 companies. Of these, it is estimated that more than 200 are listed in Italy.