



European network of legal experts in gender equality and non-discrimination

NEWS REPORT

Country: Ireland
Title: Diversity and Company Boards
Date: 6 November 2017
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Context
Issue at stake: Statutory report on diversity
Ground of discrimination: Gender
Source: Legislation
Field: Employment

Content

European Union (Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups) Regulations 2017 S.I. No. 360 of 2017 and Directive 2014/495/EU came into operation on 21 August 2017 and apply to financial years commencing after 1 August 2017. The Regulations apply to a company which qualifies as a large company and has an average number of employees exceeding 500 or a holding company which qualifies as a large company and is the holding company of a group where the aggregate number of employees exceeds 500.

The Regulations provide that there shall be a non-financial statement in a specific section of the director's report (or a separate document and published on the company website) which shall contain information in relation to environmental matters, social and employee matters, respect for human rights, bribery and corruption; the section shall include a brief description of the applicable company's business model, a description of the policies pursued by the company and its due diligence and the outcome thereof, a description of the principal risks relating to the company's operations including its business relationships, products and services which may cause adverse impacts and how the company will manage those risks, and also include an analysis of the non-financial key performance indicators relevant to the particular business. If the directors do not pursue the policies in relation to these matters, then the non-financial statement shall include a clear and reasoned explanation for such exclusion. There may be an exclusion for impending developments in a company if it could affect the company's competitive position but there must be a statement that such information has been so excluded.

The directors of a large traded company (i.e. company which trades its shares) shall include a description of the diversity policy in relation to the company's board of directors with regard to aspects such as age, gender or educational and professional backgrounds, the objective of the diversity policy, how the diversity policy has been implemented and the results of the diversity policy in the financial year. If there is no such policy, then the directors shall include in its corporate governance statement an explanation as to why it has no such policy. The company's statutory auditors will have to report as to whether this information is contained in the corporate governance statement.

If a person fails to comply with these Regulations they may be subject to a fine on summary conviction or to imprisonment for a term not exceeding six months or both. The Director of Corporate Enforcement may investigate instances of suspected offences under these Regulations, enforce the Regulations and undertake all acts or things necessary for the performance of their functions under the Regulations.

Key points of analysis: The number of women on the boards of Irish listed companies is approximately 12.5 %. There are many women who are chartered accountants or lawyers with significant commercial experience. There may be a smaller number of women who have held senior executive appointments and have experience of corporate strategy, for example. The statutory requirement for a diversity statement is important. A number of Irish companies listed on the Irish Stock Exchange namely Bank of Ireland, Allied Irish Bank, CRH plc ((Cement Roadstone Holdings) which has the highest number of women on its board)) and Glanbia publish statements concerning details of the company directors. There is a considerable difference between the 40 % quota which is applied for state boards which may be commercial or non-commercial semi-state companies (i.e. transport, utilities etc.). In some of the state boards, there is a legislative requirement for diversity on the board, i.e. male/female numbers.

Internet source: <https://www.djei.ie/en/Legislation/SI-No-360-of-2017.html>. Accessed 26 August 2017.