

FEMALE EXECUTIVES IN ITALY PRESENCE, ROLES, AND CAREERS

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Monitor on female executives
Corporate Governance Lab

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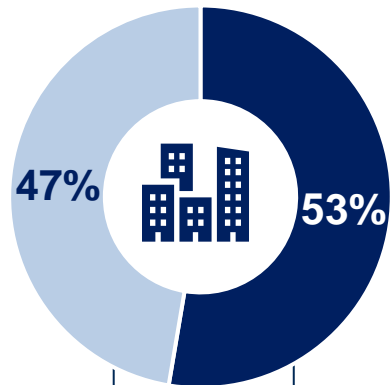
- We have examined the executive teams of **320 large companies** (169 of which are publicly listed), all Italian-owned, primarily family-controlled or State-owned enterprises (v. 3).
- In the analyzed sample of **2,920 executives**, **one in six is a woman**, with a higher presence of women in staff roles and a sharper shortage in business roles (v. 4 and 5).
- **Publicly listed companies tend to have less virtuous practices** on average compared to non-listed ones, which is due to a greater presence of female executives in business roles within the latter (v. 4 and 6).
- The gap between male and female executives is equally wide across all sectors, including banking, insurance, and services—industries where gender balance is often assumed to be more prevalent (v. 7).
- Female executives change their roles more frequently than their male counterparts (v. 8).
- **Younger generations show a smaller, though still present, gender gap** compared to older ones (v. 9).
- Certain factors, like **obtaining an MBA** or having **international experience**, **speed up executives' career paths**, but men and women do not always benefit from this in the same way (v. 10 and 11).
- There are **structural gaps that limit potential access to CEO positions**, particularly for those coming from **operations, finance, and strategy** backgrounds. This is partly due to education and the significant gender disparity in STEM fields (v. 13-16 and 12).
- Future scenarios: **The gap emerging from the projection of the current situation urges companies to accelerate development paths** (functional area changes, international experiences...) to **"close" this gap in the most virtuous way possible**.

THE SAMPLE OF FIRMS

320

Italian companies examined

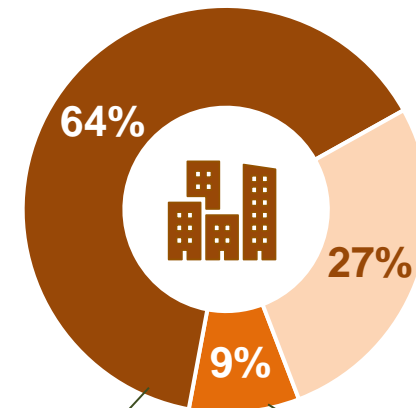
Enterprises Distribution by listing status



151 private firms

169 publicly listed firms

Enterprises Distribution by ownership structure



Most companies are family controlled (205)

28 are State-owned enterprises

The remaining 87 have heterogeneous ownership structure, coalitions, PE-backed companies, public companies

FEMALE EXECUTIVES: PRESENCE



**2.920
executives**

- **Female executives** are essentially **evenly distributed** between family-owned companies and publicly held companies, while other ownership structures show slightly lower percentages.
- Regardless of ownership structure, **publicly listed companies appear less virtuous**, with a lower representation of female executives.

Executives Distribution by gender

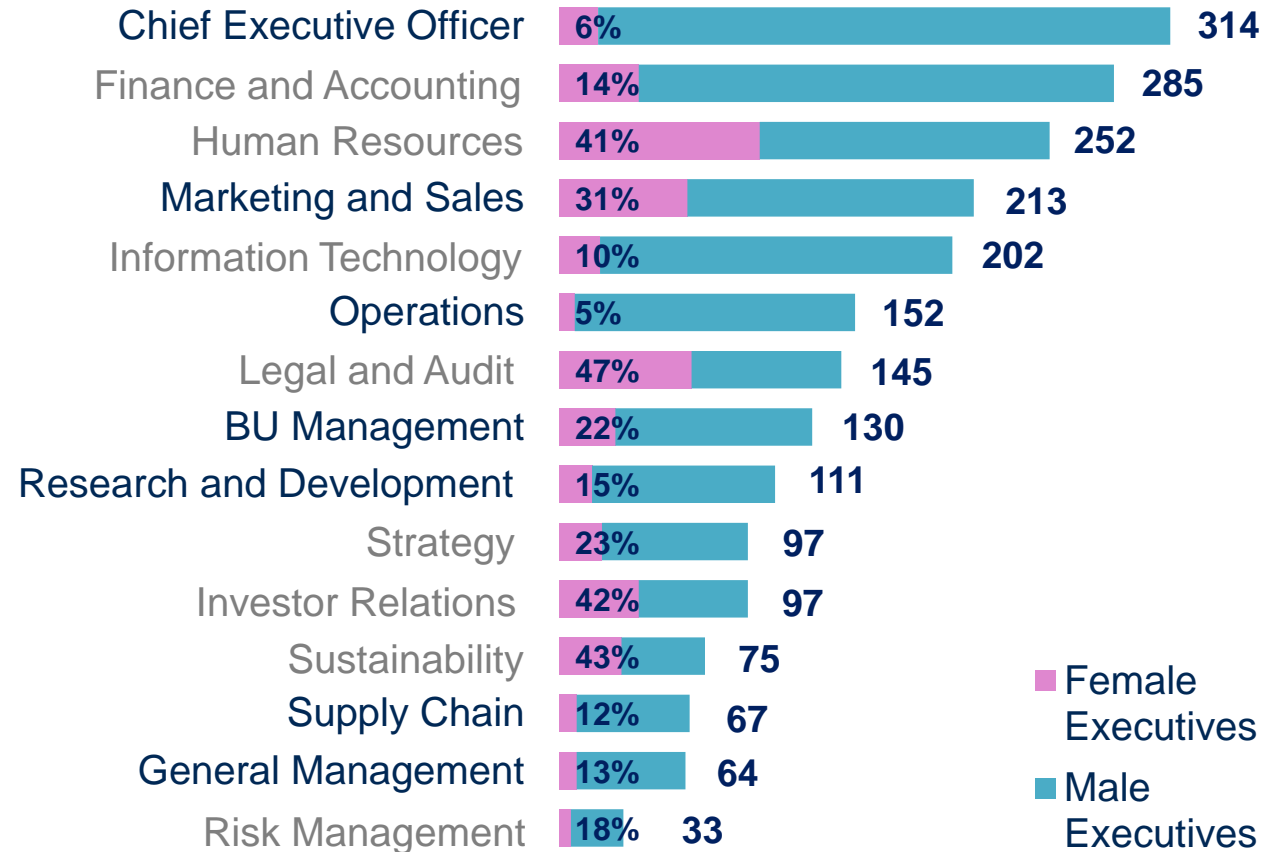


■ Female Executives ■ Male Executives

	Family Businesses	Publicly Owned Enterprises	Other ownership structures
Listed	17%	17%	14%
Unlisted	19%	20%	17%

FEMALE EXECUTIVES: ROLES

The number of companies with at least one functional area manager



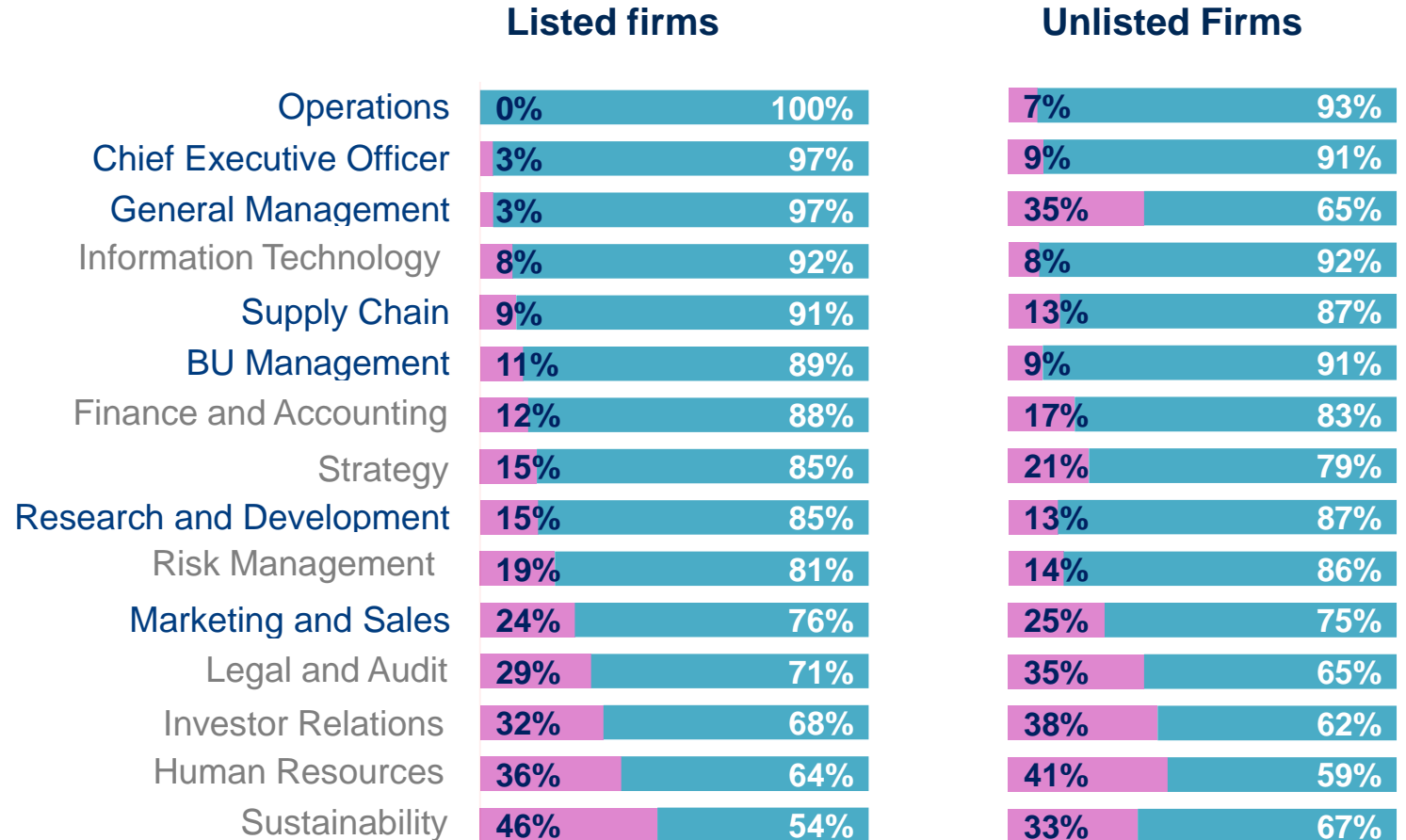
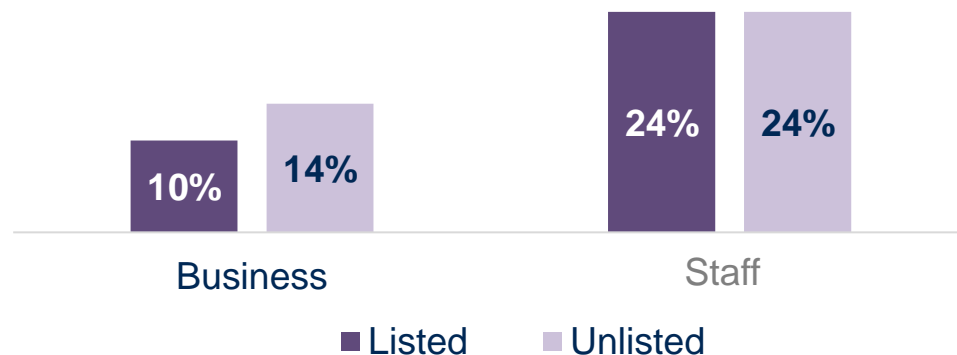
■ Business functions ■ Staff functions

- The presence of **female CEOs** is limited to just **6%** of the total sample.
- Female executives continue to be **more represented in Staff functions** (particularly Human Resources, Legal and Audit, Investor Relations, Sustainability), **and significantly less so in Business functions.**
- Among the Business functions, the most notable presence of female executives is in Marketing and Sales.

ROLES OF FEMALE EXECUTIVES: LISTED AND NON-LISTED

- Female CEOs are confirmed to be more present among non-listed companies, although in small numbers (14 female CEOs out of a total of 151 companies surveyed).
- In the other functions, similar situations are observed between listed and non-listed companies, although the presence of female executives in sustainability roles is more limited among non-listed companies..

Share of Female Executives

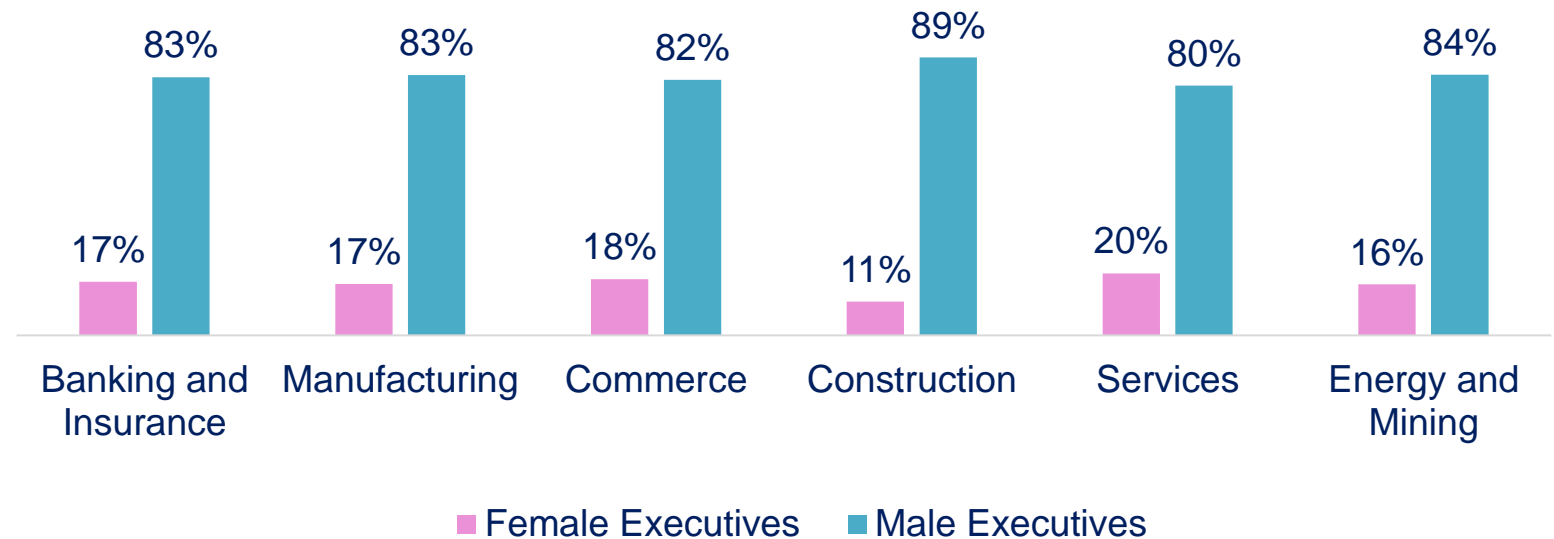


■ Male Executives ■ Female Executives
■ Business Functions ■ Staff Functions

PRESENCE OF FEMALE EXECUTIVES BY SECTOR

The gap between female and male executives is **consistently wide across all sectors**, including banking, insurance, and services, where it is commonly believed there is a greater gender balance.

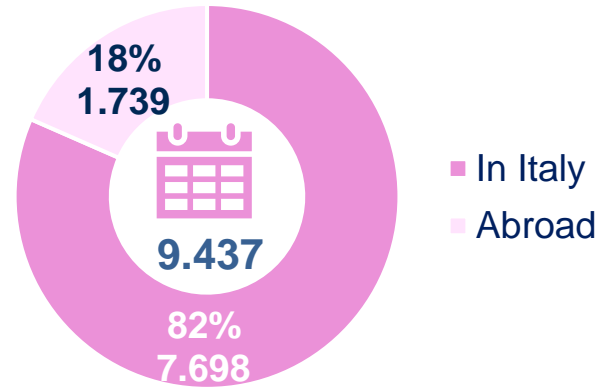
Executives' Gender Balance across Sectors



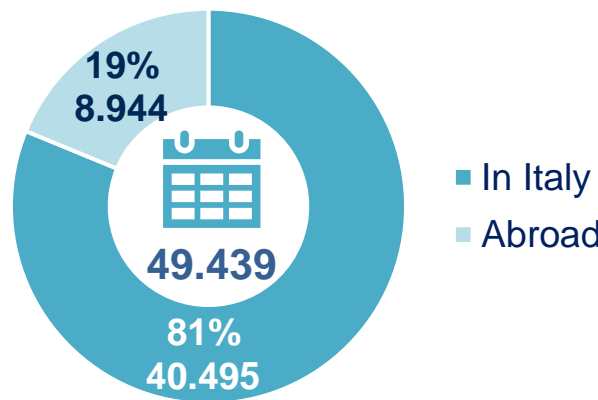
AVERAGE TENURE IN POSITION

- Overall, we analyzed about 50,000 years of career for male executives and over 9,000 for female executives.
- Women held 3,192 positions (1,425 companies), while men held nearly 16,000 (in 6,283 companies).
- On average, women's tenure is shorter: when analyzing the average duration of employment while controlling for other factors (such as educational background or function), **female executives remain in the same job position for an average of one year less than their male counterparts.**

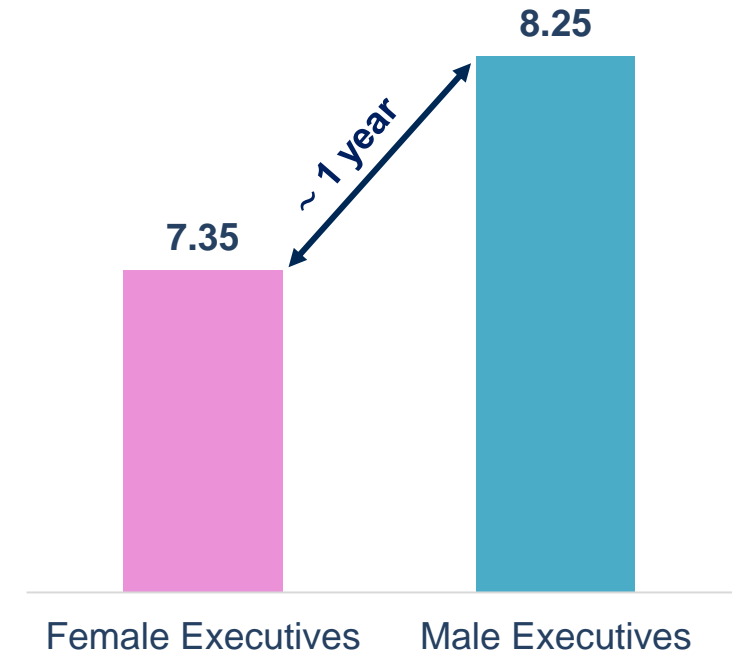
Female Executives' career years



Male Executives' career years



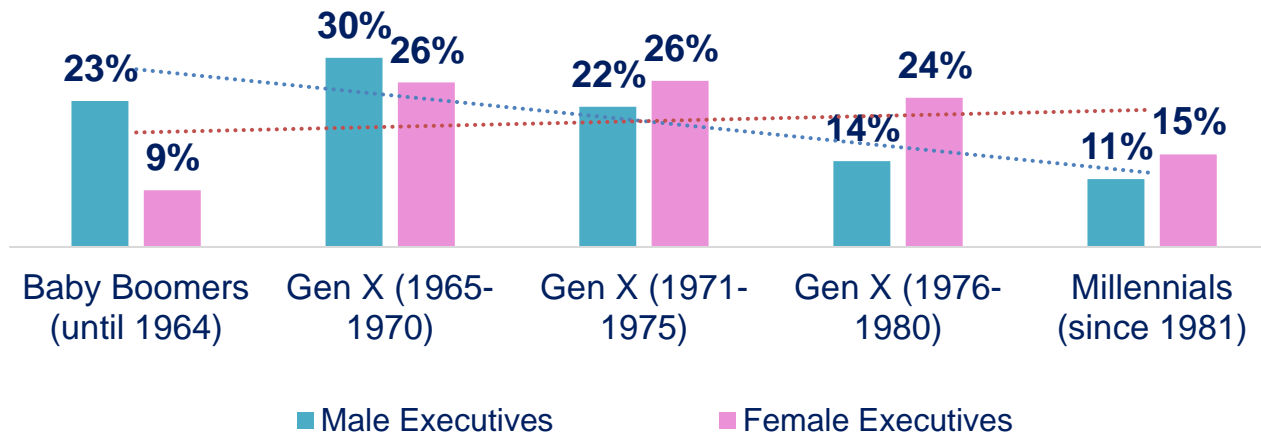
The average time spent in the same job position



* Econometric analyses run with ordinary least squares regression.

FEMALE EXECUTIVES BY GENERATION

Executives' age*



- The female executives in the sample have an average age of 50, while the male executives have an average age of 54. The sample shows an increasing role of women in the younger generations, a trend that significantly differentiates them from men. Among Millennials, women make up 25% of executives, whereas among Baby Boomers, they represent only 10%.

The average age of Executives by functional area *

	Female Executives	Male Executives
Chief Executive Office	53	57
BU Management	49	55
General Management	53	55
Human Resources	51	53
Information Technology	53	54
Investor Relations	49	53
Legal and Audit	50	53
Marketing and Sales	47	51
Operations	53	55
Research and Development	49	54
Risk Management	51	55
Strategy	51	49
Supply Chain	54	55
Sustainability	49	54
Finance and Accounting	52	54

* The sample size is 1'777 executives.

EDUCATION AND CAREER PATH

An MBA reduces **the average time needed to become an executive by about a year and a half**. The usefulness of the MBA appears to be higher in the Services, Commerce sectors, and in Banking and Insurance.

	Services	Commerce	Manufacturing	Energy and Mining	Construction	Banking and Insurance
Degree	12	13	13	14	14	13
MBA	10	11	12	13		10

(in years)

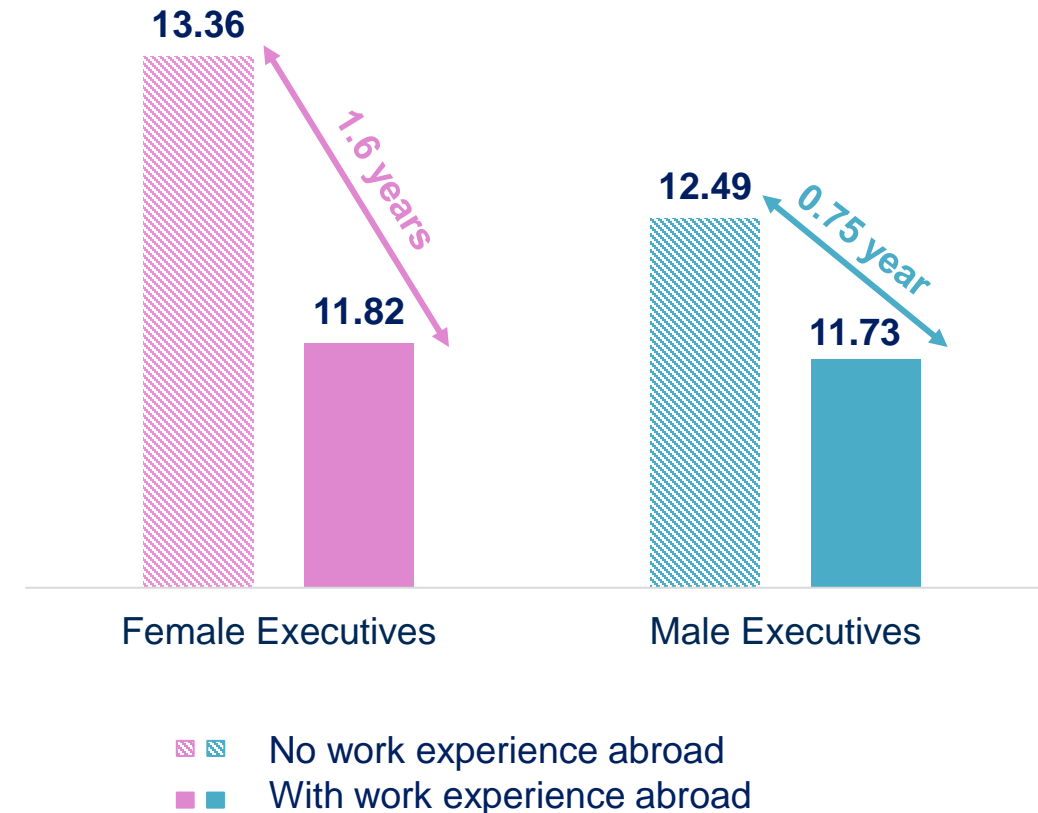
	Services	Commerce	Manufacturing	Energy and Mining	Construction	Banking and Insurance
Degree	12	12	13	12	13	13
MBA	10	10	12	11	12	11

(in years)

* The sample size is 2'610 executives.

- **Women generally take longer to reach an executive position** compared to their male counterparts: a woman attains an executive role after **12 years and 11 months** of work experience, while men do so after **12 years and 3 months**.
- Having **work experience abroad accelerates career advancement**, with women benefiting more from it: **each year of work abroad saves women approximately a month and a half**, nearly double the benefit for men (who reduce their time by three weeks for each year spent abroad).

Average time to become an executive*

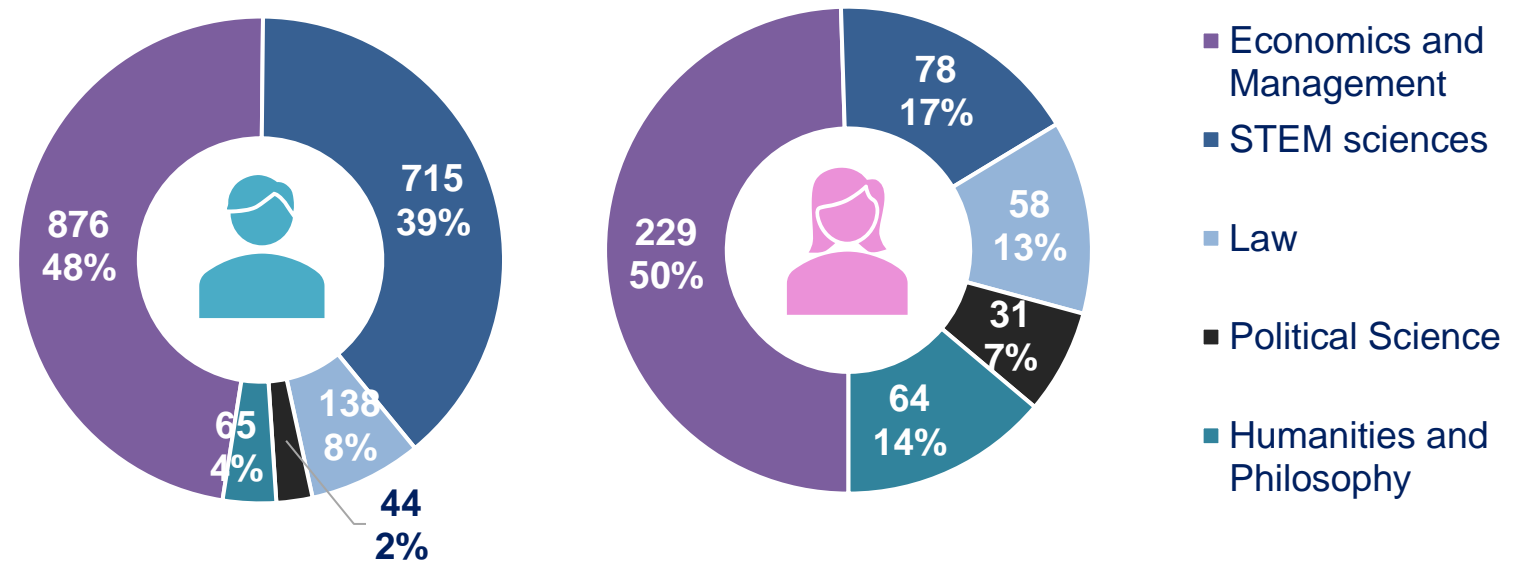


* Econometric analyses run with ordinary least squares regression.

THE DEGREE FIELD OF EXECUTIVES

- There is a notable concentration of degrees in Economics and Management, which represent almost half of the educational backgrounds for both male and female executives. However, women in executive roles demonstrate a broader range of academic fields, showcasing greater diversity in their educational choices.
- **Only 17% of women executives have a background in STEM fields, representing a significant gap of 22% compared to men.**

The degree field chosen by executives*

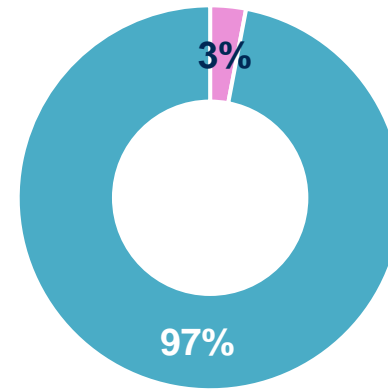


* Analisi condotta su un campione di 2.308 executive.

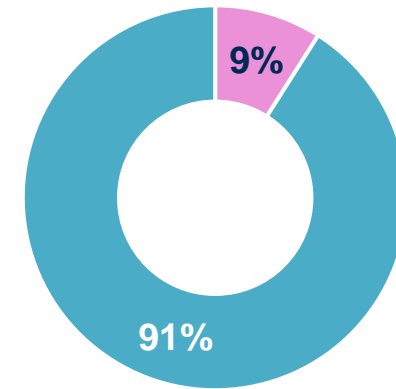
FEMALE LEADERSHIP

- Women executives are most underrepresented in the role of Chief Executive Officer, a trend that is similarly observed in operational leadership positions.
- Various factors create barriers to accessing top positions, generating a gender gap that is pervasive across all types of companies.
- In this area, progress toward gender parity has been much slower compared to advancements made in boards of directors, thanks to the Golfo-Mosca law.

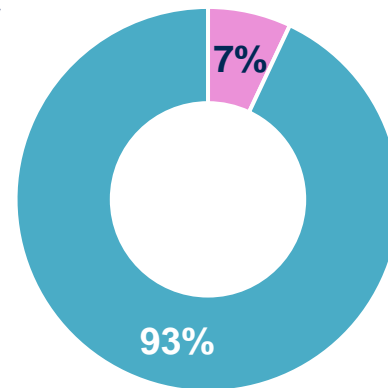
Listed Firms



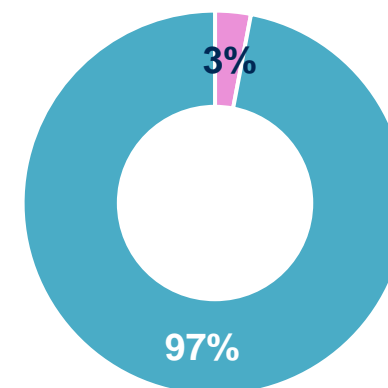
Unlisted firms



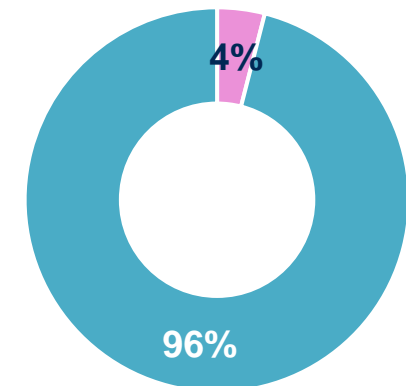
Family Businesses



Publicly Owned Enterprises



Enterprises with other ownership structures

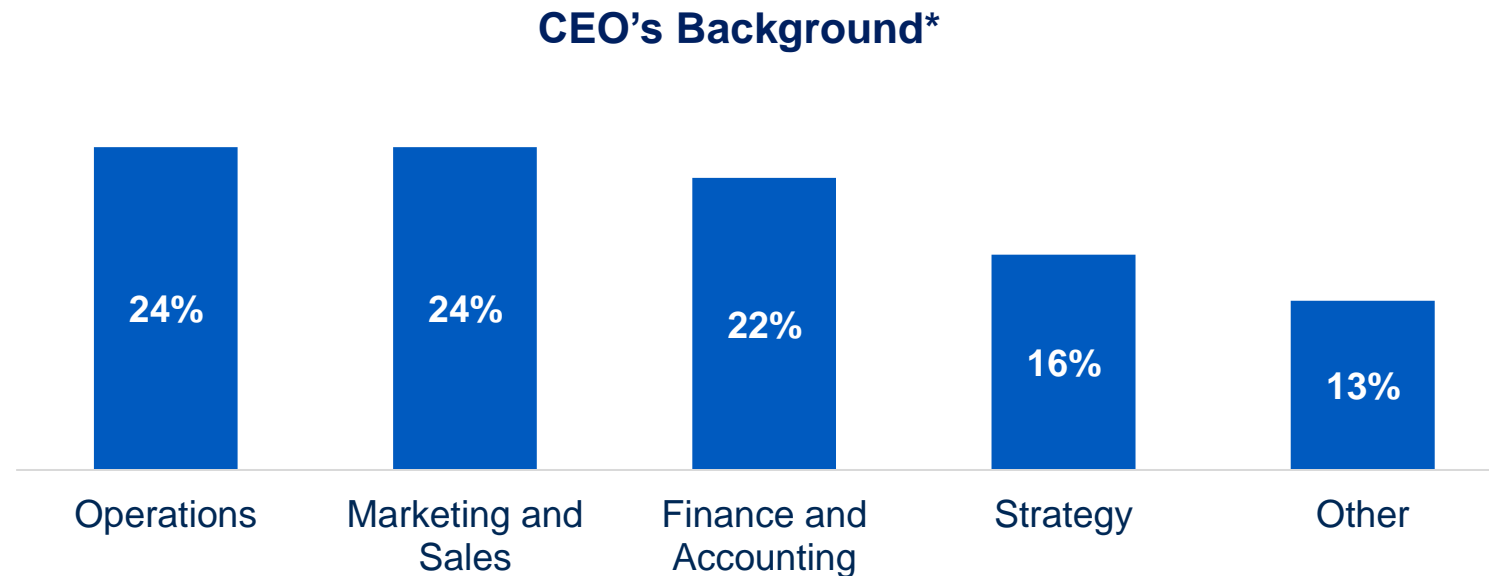


■ Male CEO ■ Female CEO

FEMALE LEADERSHIP: PROJECTIONS FOR THE FUTURE

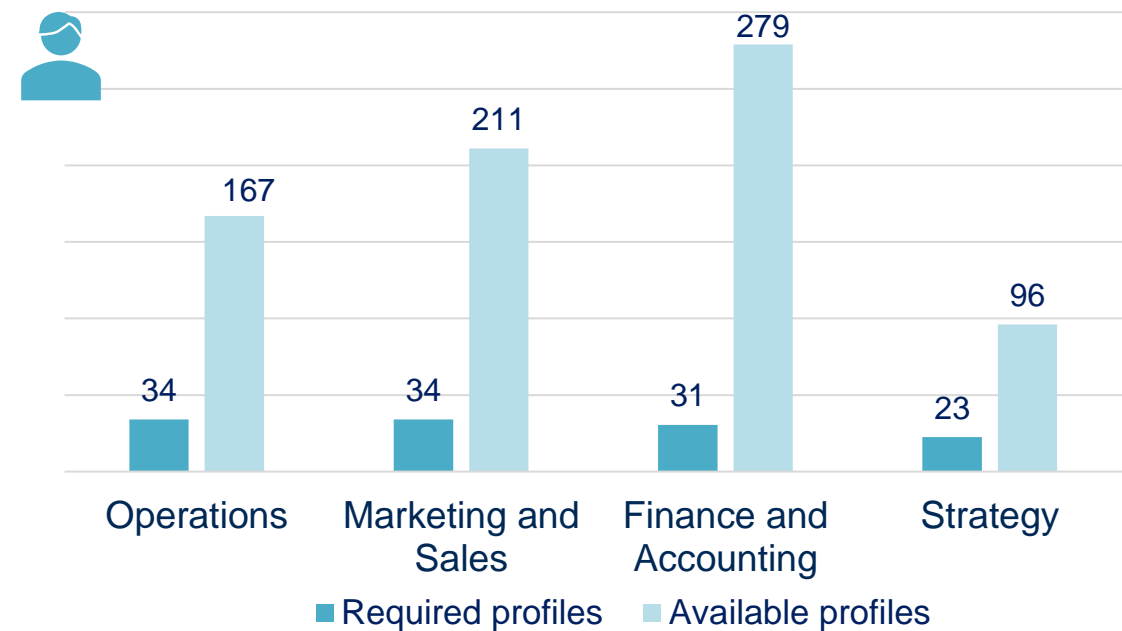
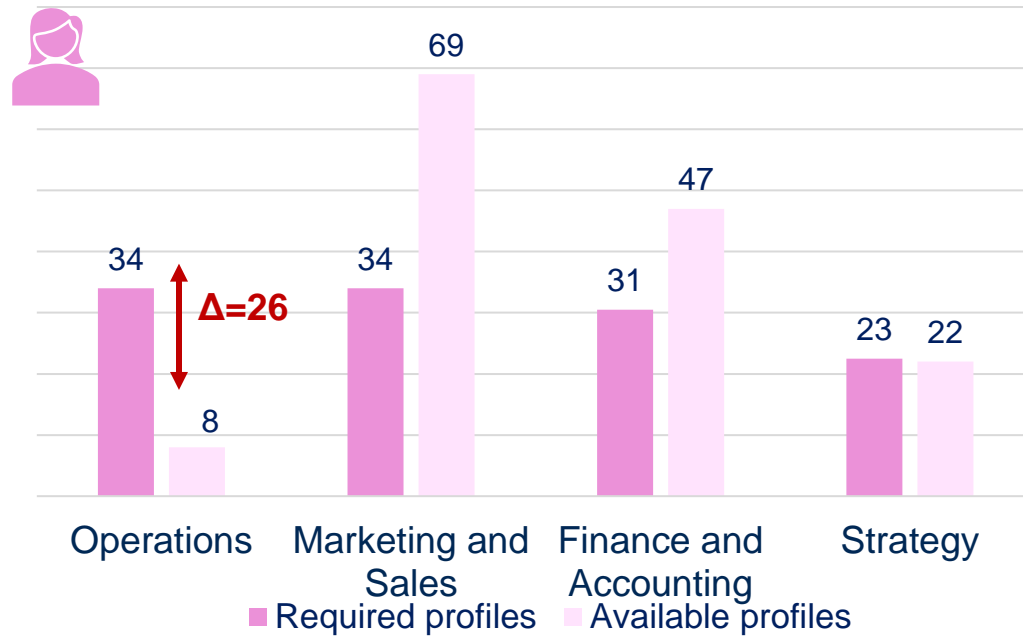
We have made projections for the future generation of CEOs in terms of gender balance, adopting the following assumptions regarding companies' choices for future CEOs:

- Companies will, on average, choose CEOs with the same background as the current ones.
- Companies will have no gender preferences in selecting candidates, resulting in a balance between selected women and men.
- In the first case, we considered all executives; in the second, only those over 45, as they have the highest chances of being considered potential CEOs.

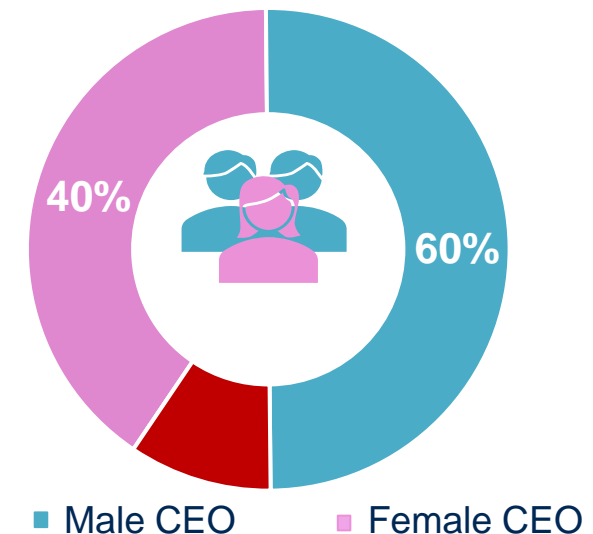


* We analyzed 277 CEOs, excluding founders.

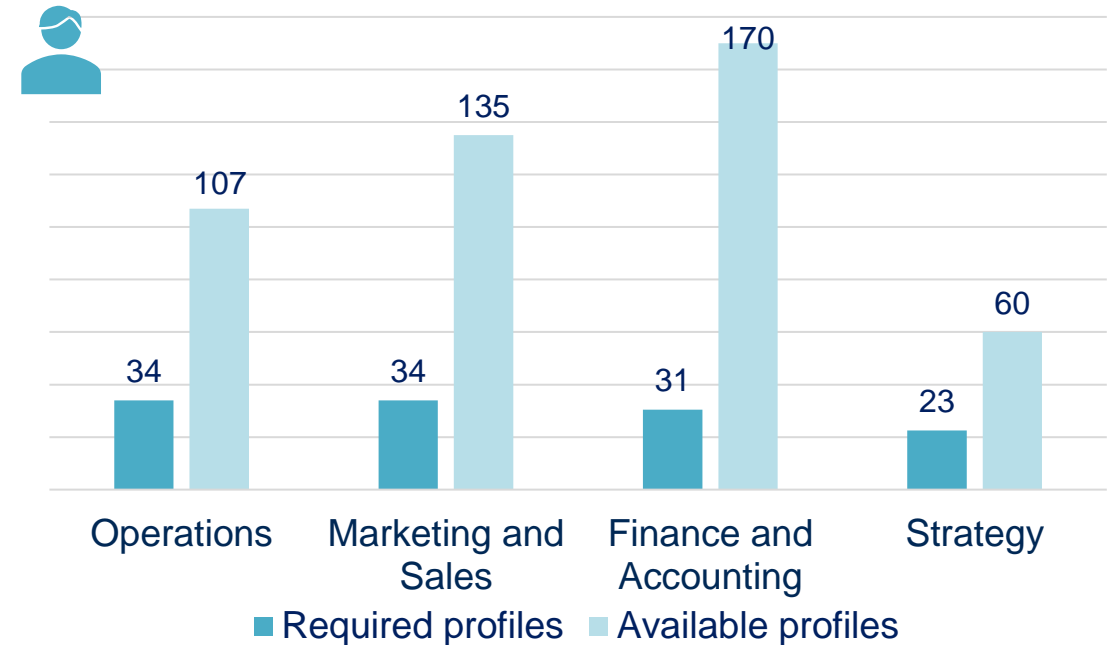
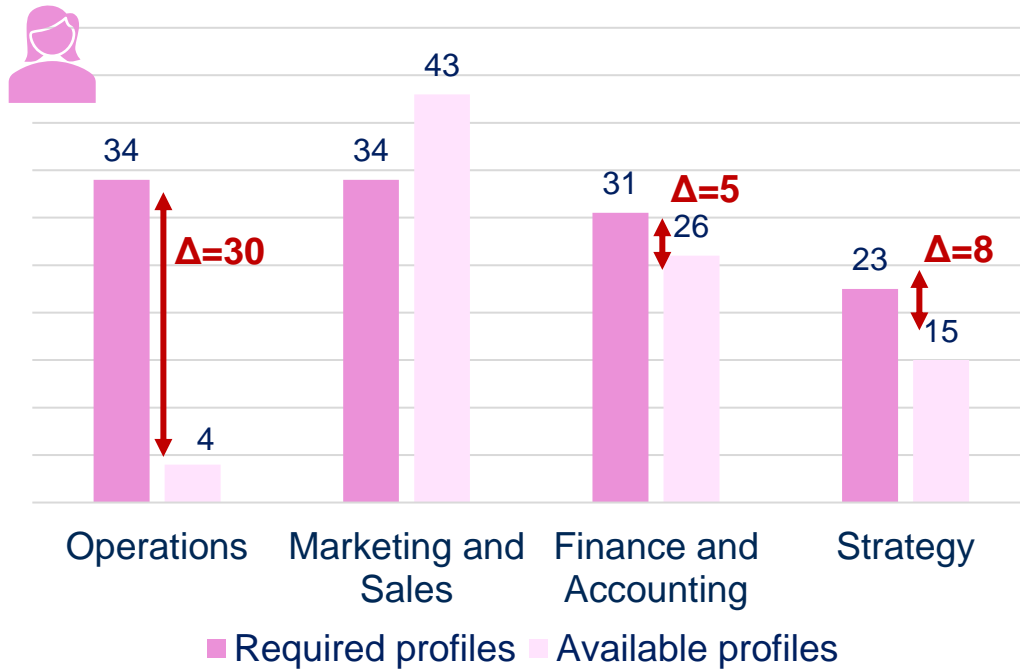
CURRENT EXECUTIVES AND FUTURE CEOs



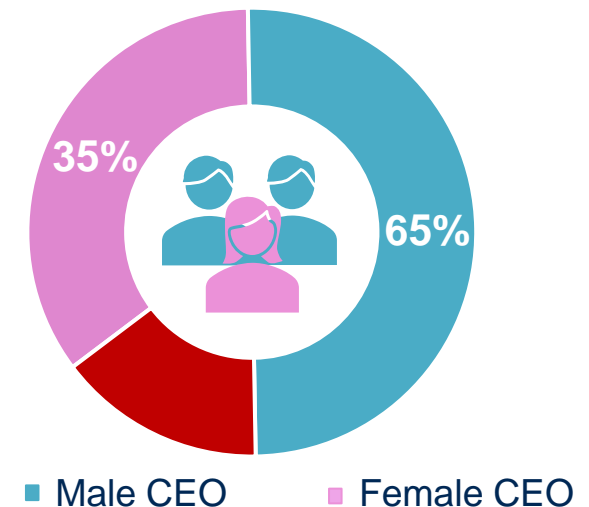
For the CEOs chosen from the **Marketing and Sales and Finance functions, there are enough candidates.** However, for those selected from the Strategy function, the number of female candidates is insufficient to fill all positions and would require selecting all current female executives. **The gap is evident in the Operations function, where only 24% of the required profiles are available. This would result in a 20% gap, with 60% of the candidates chosen from men and 40% from women.**



CURRENT EXECUTIVES AND FUTURE CEOs: OVER 45



For the CEOs chosen from the Marketing and Sales function, there would be sufficient female candidates. However, gaps would emerge for candidates selected from the Finance function (-16%) and the Strategy function (-35%). **The candidates from the Operations function would be extremely limited:** only 4 out of 34 (-88%). This would result in a 40% gap, with two out of three candidates selected from men.



The sample of companies consists of all issuers included in the FTSE MIB, Mid-Cap, and Small-Cap indices as of March 1, 2024, as well as a group of selected unlisted industrial companies based on revenue (over 150 million), number of employees (over 300), and sector, for a total of 320 companies.

Data Collection and Executive Profiling

The classification of companies into sectors of activity was based on their ATECO codes, while for holding companies, the predominant sector of activity of their subsidiaries was assigned.

- The Manufacturing sector includes ATECO codes 01-03, 10-18, 20-33.
- The Banking and Insurance sector includes ATECO codes 64 and 65.
- The Energy and Extraction sector includes ATECO codes 05-09, 19, 35-36.
- The Construction sector includes ATECO codes 41-43.
- The Commerce sector includes ATECO codes 45-47.
- The Services sector includes ATECO codes 37-39, 40-53, 55-56, 58-64, 66, 68-75, 77-82, 84-88, 90-99.

For the role of executive, the analysis considered Chief Executive Officers and all managers identified as the primary reporting line for functional areas, starting from the organizational chart published by the companies, and if not available, from public sources (LinkedIn profiles, interviews and articles, dedicated databases, etc.), prioritizing the following functional areas: General Management, Business Unit Management, Finance and Accounting, Information Technology, Investor Relations, Legal and Audit, Marketing and Sales, Operations, Research and Development, Risk Management, Human Resources, Strategy, Supply Chain, Sustainability.

Data Processing and Analysis

Family-owned businesses are those where one (or two) families hold 50% + 1 of the share capital (and voting rights in the assembly). For listed companies, the threshold is reduced to 25%.

Publicly held companies are classified as those in which the state or a public entity holds 50% + 1 of the share capital (and voting rights in the assembly). For listed companies, the threshold is also reduced to 25%.

The category "other ownership structures" includes the residual types of companies in the sample, such as:

- **Companies with ownership coalitions**, where ownership is fragmented among four or more shareholders, not necessarily homogeneous (multiple families; families and individuals; multiple individuals; families, individuals, and other companies; etc.).
- **Companies under financial control**, where the majority of shares are owned by an investment fund, a bank, or an insurance company.
- **Public Companies**, listed companies with a fragmented ownership structure, where no shareholder holds a significant relative controlling interest.

Regression analyses were performed using multivariate linear regression models with robust standard errors for heteroscedasticity. In analyses where the dependent variable is discrete, the Poisson regression model with robust standard errors was used.



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