## Annex I- Information provided by competent authorities

In February 2020, the European Banking Authority issued a benchmarking report on diversity practices in institutions and investment firms. The report concluded that based on data as of end of September 2018. The report found that there are still many institutions, 41.61% out of 834, that had not yet adopted a diversity policy. Moreover, the representation of women in management bodies was found to be relatively low and many institutions did not have a gender diverse board.

When publishing the report, the EBA called on institutions and Member States to consider additional measures for promoting a more balanced representation of both genders and on competent authorities to ensure institutions’ compliance with the requirement to adopt diversity policies.

To the largest extent the questions to be answered by institutions and investment firm can be analysed directly by the EBA using available statistical tools, but with regard to a few qualitative aspects of diversity policies, the answers can contain free text explanations. Given the number of participating institutions and investment firms and the resources available at the EBA, it is therefore necessary that competent authorities provide a summary of the qualitative information received.

The EBA is therefore asking competent authorities to answer the following questions regarding the actions taken that should ensure the compliance of institutions and investment firms with the requirements under Article 88(2) and Article 91(10) of Directive 2013/36/EU and the practices observed that would lead to a better representation of woman in management bodies and to provide the requested summaries of qualitative information as indicated in the below table.

The filled in word file with the information on supervisory actions taken and the summary of the qualitative aspects of diversity policies should be submitted together with the excel file that contains the anonymised information provided by institutions and investment firs to the EBA as further specified in the information request.

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| Member State | ESTONIA |
| Contact person | Siret Saarmets  [siret.saarmets@fi.ee](mailto:siret.saarmets@fi.ee)  +372 668 0542 |
| Please describe briefly the measures taken by the competent authority to ensure compliance with the requirements to set out and implement a diversity policy, including quantitative targets for the underrepresented gender where Article 88(2) CRD applies, and that diversity is taken into account by institutions and investment firms when recruiting new members of the management body. | |
| During on-site inspections, one of the possible areas under investigation is fit&proper – during which the adherence to the diversity principles is also checked. During the on-site inspections Finantsinspektsioon determines whether a supervised entity has diversity policies and whether the policies are followed in practice. Estonian legislation has not stipulated quantitative targets for the least represented gender which is why strict thresholds are not established nor observed. | |
| Please describe briefly any relevant observed initiative taken by the financial sector, including institutions, investment firms and their associations that aim at increasing the representation of woman at the level of the management body, please provide a link to the website holding this information if available. | |
| Unfortunately there are no initiatives taken to our knowledge. But one institution answered to the questionnaire that in relation to the representation of the underrepresented gender in the management bodies, the institution aims that no later than in 2024 at least 40% of the total number of members of the supervisory council should be female and at least 50% of the total number of members of the management board should be female. | |
| Under questions 8c, institutions were asked to provide a short text in case they have set a gender target in a qualitative way. Competent authorities are kindly asked to provide a summary of the different approaches observed. | |
| There were few examples like:   * In order to maintain independent opinions, critical thinking and allow a variety of views, management bodies will be formed in line with local law and will be sufficiently diverse, including, for example gender, age, geographical origin, education and experience. * One of the tasks of the Nominating Committee is to regularly assess, among other aspects, the principles of diversity in the composition of governing bodies and the procedure for the election of governing bodies and, if necessary, make amendment proposals, plus implement the principles of diversity in the composition of governing bodies, including taking into account a reasonable target level for the number of people of an underrepresented gender in governing bodies, and prepare a respective purposeful policy based on such principles, supervise its implementation and disclose information on it, including making the necessary amendment proposals. | |
| Under questions 8c, institutions were asked to indicate if they apply a diversity policy that considers other genders than the male or female gender. Competent authorities are kindly asked to provide a brief summary of observed practices. | |
| Unfortunately there were no answers to that question. | |
| Under questions 8d, institutions were asked to indicate the criteria and objectives set within the diversity policy regarding the age of the members of the management body. Competent authorities are kindly asked to provide a brief summary of observed practices. | |
| There were different approaches, some were quite specific and the other ones rather general. For example there was diversity policy which provided that different diversity aspects should be taken into account in the nomination process without setting specific measurable criterias and targets. There was also a policy that stated that in order to maintain independent opinions, critical thinking and allow a variety of views, management bodies will be formed in line with local law and will be sufficiently diverse, including, for example gender, age, geographical origin, education and experience. Another policy provided that the management body should consist of people of different ages to favour critical thinking and diverse insights. And one other policy provided that if all indicators for candidate selection criteria are equal the person of underrepresented age shall be selected as final candidate and/or second best candidate for the position to be filled. | |
| Under questions 8d, institutions were asked to indicate if they apply a diversity policy that considers geographical provenance in terms of ethnical diversity. Competent authorities are kindly asked to provide a brief summary of observed practices. Where such a policy would not be lawful in the Member State, please provide a short explanation of the legal impediment. | |
| There were few approaches which considered geographical provenance in terms of ethnical diversity. One that was more general - provided that different diversity aspects should be taken into account in the nomination process without setting specific measurable criterias and targets. And the other one provided specifically that the management body should consist of people of different geographical background to favour critical thinking and diverse insights. There was also a policy that provided that if all indicators for candidate selection criteria are equal the person of less represented or unrepresented area of geographical/ethnic origin shall be selected as final candidate and/or second best candidate for the position to be filled. | |