PEOPLE, POWER, PROFITS, PLANET:

How the biggest European companies fuel the global inequality crisis

OXFAM

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EXECUTIVE SUMMARY

In recent years, inequality has become one of the main concerns for our societies, including in European countries. According to the European Commission, 81% of European respondents think that the differences between people's incomes are too great in their countries; more than 73% believed that their governments should do something about it.

Meanwhile, multinational corporations have been registering great profits, benefiting their shareholders. In 2024, European dividends rose to attain a staggering €387.6bn, twice the EU budget for 2026. This represents an increase in dividends of 139% over 20 years; average nominal wages increased by 69% over the same timeframe. The consequences have been wage inequality, the concentration of wealth and power, and a deterioration of living conditions.

At the same time, we are witnessing both at EU and US level a backlash against corporate sustainability regulations that threaten to weak protection for human rights and environmental standards. In the US, the Trump administration is reverting DEI and climate commitments, and, in the EU, the European Commission introduced in February 2025 the Omnibus Simplification package which aims to reduce sustainability reporting and due diligence obligations for companies.

With the aim of understanding the internal dynamics of companies that have an impact on inequality, Oxfam has developed the **Corporate Inequality Framework**, a tool to analyse individual companies' contributions to various types of inequality beyond the economic. The framework analyses corporate practices across four pillars: **People**, **Power**, **Profits** and **Planet**, which map onto social, political, economic and environmental inequality, respectively.

The framework was applied to **the Fortune 500 Europe's top 100 companies** in terms of revenue. This reveals that large corporations wield excessive power and are creating inequality by increasing staff wages less than CEO compensation; using profits primarily to pay shareholders; and pursuing tax optimization strategies. They also use their wealth to establish and consolidate political influence, particularly through control of the media and their connections with the upper echelons of government.

The profits of multinational corporations benefit shareholders at the expense of workers and ordinary people. This report reveals how the power of large corporations has caused inequality to skyrocket, and how it exploits and exacerbates gender and economic inequalities, among others.

European multinationals are a metaphor for financialized capitalism. Once again, most benefiting from the economic health of Europe's biggest companies were:

- **Shareholders**, who captured **70% of the profits** on average from 2022 to 2024. The highest payout ratios in 2024 are held were by Telefonica (1051%), BP (997%) and Zurich Insurance Group (916%). Six companies (**Bayer,**

Deutsche Bahn, ZF Friedrichshafen, Koç Holdings, Glencore and **Vodafone)** even rewarded their shareholders while recording losses in 2024.

- **Top executives**, who earned an average of **78 times what the average worker earns**. The highest ratios are held by **Carrefour** (361 to 1), **Compass Group** (352 to 1) and **Inditex** (322 to 1)
- CEO remuneration reached an average of **€6.0m** in 2024. Companies paying highest remuneration to their CEOs were **Stellantis** (€22m), **Novartis** (€20.3m) and **Astrazeneca** (€17.8m).

The increase in wealth among the 100 largest European companies has benefited some groups at the expense of discriminated collectives:

- **Men earn 10.7% more than women** on average.
- CEOs and presidents are **more likely to be called John (or its equivalent in a European language) than to be a woman.** The glass ceiling is even thicker at companies' highest position, **since male CEOs earn 22.9% more than female CEOs.**
- While **79%** of companies have adopted time-bound targets to support **diversity, equity and inclusion** (DEI), only **1**% are effectively implementing these commitments in their own operations, and none in their supply chain.
- In 2024, they emitted a total of **10,001 MtCO$_2$eq of carbon dioxide equivalent of 26% of total world emissions**[1]. The most polluting companies are **Shell** (1,142 MtCO$_2$eq), **Rio Tinto** (605 MtCO$_2$eq) and **Airbus** (487 MtCO$_2$eq**).**

The framework identifies the mechanisms within the top 100 European companies that block the distribution of wealth:

- **A short-term view of the economy**. The race to satisfy shareholders 'at all costs' prevents large companies from investing in their own ecological transformation. As a result, half of the 100 largest European companies paid **32 times more** to their shareholders than they allocated to green investments. The most extreme examples in 2024 were **Saint Gobain** (838 times), **L'Oreal** (108 times) and **Deutsche Telekom** (101 times).
- **Limited worker representation.** Average worker representation has decreased from **32.4%** in 2022 to **30.3%** in 2024 in those companies where it exists, half of the total scope.
- **Male-dominated boards**. Between 2022 and 2024, only **38.4%** of seats on boards were filled by women. The lowest representation in 2024 was found in **Edeka** (8,3%), **ZF Friedrichshafen (15%)** and **Louis Dreyfuss** (22,2%).
- **Male-dominated executive committees.** Women represented just **26%** of executive committee positions in 2022–24. **Phoenix Pharma** has had no women on either its board or executive committee since 2022.
- **Male-dominated senior leadership.** Only **10%** of senior leadership positions – CEOs, executive directors and/or presidents of the board – were women in 2024.
- **Opaque political spending.** Only **18%** of companies shared details of their political expenditure (e.g., payments to political parties and lobbying), and on average these companies spent **€1.4m** in 2024**.** The largest spend that year was by **Bayer** (€15.1m)**.** Although most companies did not share details themselves, the EU Transparency register reports that, on average, the top 100 spent **€1.1m** on European lobbying, according to the EU Transparency register.

These findings indicate that the practices of these companies prioritize the interests of the most privileged segments of society — primarily shareholders and senior executives — at the expense of other stakeholders affected by or involved in business activities, such as workers, communities and marginalized groups.

The core finding is clear: reducing inequality is not a priority for Europe's large corporations. Many internal structures and decision-making processes actively deepen the divide between those who benefit most and those who are left behind. This points to a dominant business model built on an extractive vision of the economy, where gains for a few are secured at the expense of the many, entrenching inequality rather than challenging it.

TOP RECOMMENDATIONS

Now is the time to change the model. Inequality is not inevitable; it is a choice. Companies and legislators can instead choose to reduce the inequality footprint of European companies. To do so, the following is a list of non-exhaustive recommendations:

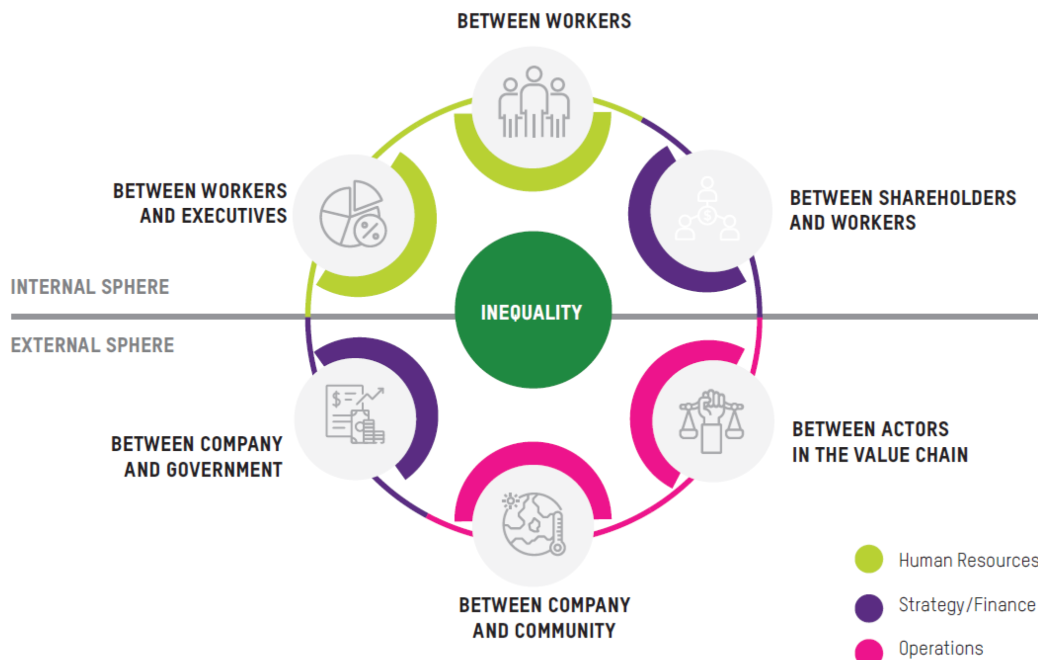
- Set a maximum CEO-to-median worker compensation ratio of 20:1.
- Cap dividends paid out to shareholders. Dividends should not be paid until a corporation is paying a living wage to all its workers and is investing in the transition and in a climate strategy built around a trajectory of absolute reductions in greenhouse gas emissions, aligned with a 1.5°C scenario.
- EU member states should swiftly transpose the Pay Transparency Directive into national law and introduce quotas to ensure women's representation in leadership and decision-making positions.
- Companies should develop, publish and implement just energy transition plans outlining how they will manage the negative socioeconomic impacts of their energy transition.

THE CORPORATE INEQUALITY FRAMEWORK

To understand the dynamics inside companies and get a sense of their impact on various kinds of inequality, Oxfam developed the Corporate Inequality Framework (CIF)[2]. This report summarizes the framework and presents an assessment of the inequality impacts of Europe's largest 100 corporations in 2022–24[3].

As the dominant actors of the European economy, large corporations influence how and where economic output is generated and distributed, and they play a critical role in shaping global and domestic inequality. Their impact on inequality is neither accidental nor peripheral but linked to their core business models and strategies. Assessing the 'inequality footprint' of individual companies is an inherently complex endeavour. The CIF sits in the middle ground between embracing this complexity and keeping the data manageable and useful. The framework can be applied across all sectors and thus provides a broad overview of the European economy. However, it does not capture the specific dynamics of individual sectors, which require more detailed analysis. Therefore, this report is not a substitute for sector-specific studies that already exist, but rather a complement to them.

FIGURE 1: THE CORPORATE INEQUALITY FRAMEWORK



Our approach analyses a range of inequalities (economic, social, political, environmental and gender) and assessment levels (policy, performance and disclosure). The result is a holistic framework that analyses corporations across 50 indicators (see the methodology in the **Annex**) divided into four pillars:

- **People.** This assesses how equitably a company treat the people it impacts, especially those most vulnerable and marginalized. For example, this pillar examines whether a company pays women and men equally, and/or ensures equity in the workplace through diversity, equity and inclusion (DEI) policies[4].

- **Power**. This assesses how economic differences between individuals and groups are maintained by certain interests and power structures. Power elucidates the political dimension of inequality.

  The interests of a corporation's decision-makers shape its inequality footprint. Thus, for a company to have more equitable impacts, stakeholders across the corporate hierarchy need to possess the power to voice grievances, express their preferences and shape corporate decisions. Key areas of power assessed include companies' governance and decision-making; gender parity at the top levels; the ability of workers to bargain collectively; and how much companies spend on lobbying and political influence.

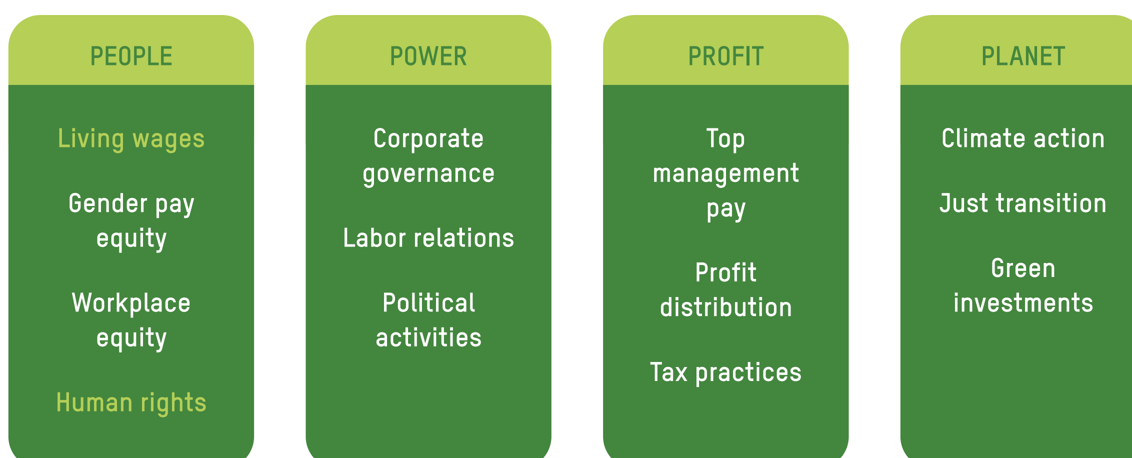
- **Profits**. This assesses how profits are made and where they go. This pillar spans three dimensions: wage gaps between top management and workers; shareholder payouts; and tax practices.

  Executives are formally remunerated in the form of salaries or similar, it is valuable to consider this as part of the distribution of corporate value. Top management has over time become increasingly aligned with shareholders, often at the expense of non-executive workers. This convergence of interests between owners (shareholders) and managers (executives) is a characteristic of financialized capitalism.

- **Planet**. This assesses how corporations contribute to climate change, which is a major driver of inequality, through their business models and behaviours. Climate impacts are disproportionately felt by marginalized and low-income communities, who are more vulnerable to climate change and more impacted by air, water, soil or noise pollution.

  This pillar analyses companies' environmental justice performance by considering their commitments to and progress towards a net zero economy (including the goal of limiting global warming to 1.5°C); just transition efforts; and wider environmental impacts.

FIGURE 2: THE FOUR PILLARS



INTRODUCTION

Global inequality is one of the defining challenges of our time, and it is rising. In Europe, this trend manifests in increasingly unequal income distributions, the concentration of capital ownership in the top layers of society, and the uneven exposure to climate risks. While Europeans hear about record profits from multinational corporations or about billionaires' wealth surging[5], real wages for workers have not recovered to pre-pandemic levels due to profit-driven inflation in the years since[6]. However, CEO pay has increased 50% in real terms, 56 times more than worker wages[7].

During the second half of the 20th century, Europe has been the continent where equality was kept in check[8], which has led to relatively stable societies with limited extreme poverty. Now we are seeing disparities increase, with the benefits of recent economic growth not being shared equally between those that contribute to the creation of wealth. In the last 15 years, economic growth has been an average of 3.6% in the EU27[9], but 16.4% of the income has gone to the richest 5%; the bottom 30% of the population has received a total of 14.5%. This inequality is not simply the result of economic cycles but is shaped by policy decisions and the business practices of multinational corporations. It is therefore a choice: one that can be changed if decision-makers have the will to act.

CORPORATE PROFITS AND PRIMARY DISTRIBUTION

Since companies are where most income and wealth are generated, it is vital to examine how they are distributing them.

Big corporations prosper most, as reflected in their stock value: the STOXX Europe 600 has more than doubled over the last fifteen years[10]. This growth is mostly based on forecasts of future profits. However, profits do not fall from the sky; they are the result of work and market structures. While the distribution of profits partly determines inequalities, inequalities also influence the way profits are shared.

One of the reasons why big corporations are able to generate massive profits is market concentration in many sectors through mergers and acquisitions. This enables corporations to shape markets and set the terms of exchange without fear of losing busines[11]s. Globally, the tech sector exemplifies this era of corporate power, with just seven companies—the so-called "Magnificent Seven"[12]—and their CEOs dominating the market. However, Europe is experiencing similar trends, as studies observe a widespread increase in industrial concentration, with more than 70 percent of industries showing rising concentration levels[13].

The more power corporations amass, the better they can secure high dividends for shareholders and generous remuneration for executives, even while real wages for regular workers stagnate. Their sheer size gives them considerable influence over politics, for example through lobbying and campaign donations. The benefits of this

power were most clearly witnessed in the 2008–9 global financial crisis, when banks deemed 'too big to fail' were bailed out[14].

Corporations can also leverage their market power to demand higher prices without fearing negative consequences. There are significant differences depending on company size: while small companies struggle to secure modest profit margins, large corporations in highly concentrated industries with little competition are able to set substantially higher prices[15]. In 1980, a US company added an average of 17% to its costs when setting prices; by 2016, this markup had reached 60%[16].

One example of a highly concentrated sector in Europe is the German food retail industry, where only four companies dominate the market. While their combined market share stood between 55% and 66% at the beginning of the century, it now exceeds 87%[17]. Globally, a small number of companies control key points in the food supply chain, thereby exerting significant influence over which products reach the market and at what prices, while wielding power over millions of farmers on one hand and billions of consumers on the other[18].

The available data does not allow the differentiation of profit growth between sizes of companies, but over the last 20 years, profits of companies in the EU27 have doubled on average[19]. This has been reflected in increasing dividends, which have increased by 139% over the same period[20]. Average nominal wages have increased by just 69%[21]. Those who benefit from dividends belong primarily to the most privileged segments of society; in 2024, more than two thirds of the capital of European companies was in the hands of large investors (e.g., investment and pension funds, asset managers, private corporations and wealthy individuals), with the rest held by small shareholders[22].

This demonstrates how companies clearly prioritize investors over workers, with capital remuneration outweighing work compensation. This dynamic lies at the heart of economic inequality. With an increasingly smaller share of wealth going to the poorest members of society, the reproduction of the labour force is no longer even guaranteed. This dynamic increases inequality, but it also threatens the entire economic system and paves the way for future crises.

Economic inequality does not only exist between the wealthiest and the rest of the people, there are multiple types that also take place inside companies. For instance, corporate dynamics have a clear impact on gender pay gaps, which discriminate between people in equivalent professional levels. The gender wage gap in 2024 was 11%[23]. This gap is decreasing slowly, having been at 16% in 2014[24]. If this pace was maintained, **the gender pay gap within Europe's biggest companies will not be closed for another 30 years: we cannot let down another generation of women to be underpaid and undervalued.**

BOX 1: DEFINING INEQUALITY

Inequality is complex and multi-faceted. The variety of pathways through which companies can affect it means there are many potential starting points for developing a holistic framework. The following four questions can serve as useful starting points:

- **'Inequality of what?'**[25] Like wellbeing, inequality is multi-dimensional. For example, there are inequalities based on wealth, gender, ethnicity and caste. These different dimensions often intersect, determining people's quality of life and shaping their societies.

- **'Inequality of opportunity or outcomes?'** Opportunity and outcomes are two sides of the same coin[26]. Within a company, inequality of opportunity can relate to policies and practices (e.g., on hiring or promotion), which in turn affects inequality in outcomes (e.g., workforce demographics, pay equity).
- **'Inequality between whom?'** Inequality is based on the comparison of groups. Corporations can affect inequality between a variety of stakeholder groups inside and outside its organizational boundaries. These can include employees, shareholders, consumers, community members and supply chain workers.

THE BACKLASH AGAINST CORPORATE REGULATION

Growing inequality globally has found fertile ground in the current political context. US President Donald Trump's administration's offensive against DEI has resulted in reduced demands for increased corporate transparency, reporting and accountability. The wider environmental, social and governance (ESG) backlash is leading to weakened protections for human rights and environmental standards[27]; the country's withdrawal from the Paris Agreement stands as one of the most symbolic decisions. This administration has triggered a wave of deregulation that has extended beyond the United States[28].

Far-right populist parties around the world are benefiting from inequality, since it creates fertile ground for a politics that depicts itself as against elites, while further contributing to it by weakening regulation[29].

Europe has been grappling with the rise of far-right movements; far-right parties are participating in the governments of five EU countries[30]. Such movements – along with corporate lobbying in Europe by both US and European firms – have fuelled the growing backlash[31] against the European Green Deal[32] and the idea of ambitious social or climate policy.

Former Italian Prime Minister Mario Draghi's 2024 report on EU competitiveness[33], calling for 'simplifying' the European regulatory framework, gave European Commission (EC) President Ursula von der Leyen the justification to deregulate. On 26 February 2025, the EC introduced the Omnibus Simplification Package (also known as 'Omnibus I'), which aims to reduce sustainability reporting and due diligence obligations for companies.

BOX 2: THE FALSE DICHOTOMY BETWEEN COMPETITIVENESS AND SUSTAINABILITY

The main argument for deregulating corporate sustainability requirements lies in the assumption that they threaten competitiveness. This reflects a broader debate over whether sustainability measures are a burden or a source of competitive advantage for firms.

At a time when climate change is becoming increasingly urgent and inequality threatens the prosperity of our societies, the possibility of companies disregarding ecological and social concerns is not only deeply irresponsible, but also reinforces the mistake of considering business activity disconnected from the social and environmental contexts in which it takes place.

It is also a mistake to consider sustainability as a cost and not as a value, since it can be a key competitive factor in the medium and long term. A strategic approach based on sustainability is focused on long-term value creation and thus benefit investors as well as societies and the environment. Therefore, companies that integrate

sustainability as a strategic component are likely to be more resilient[34] and have a strong differentiating factor as a competitive advantage that can help them to improve customer loyalty and talent attraction, as well as better access to financing[35].

Beyond mainstream corporate arguments, companies should be accountable and assume the responsibility of the impacts of their activity on planet and all the people affected by it. Only companies that integrate a social and environmental vision in their business model contribute to holistic progress and prosperity when viewed through a longer-term lens.

The social licence of companies to operate is the legitimacy they have to carry out their activities in the societies in which they are present[36]. However, this legitimacy is not granted by companies themselves, but must be deserved and awarded by the groups affected by their performance, as an ever-active constant improvement process.

Rather than yielding to the wave of anti-regulation, Europe's governments and corporations should demonstrate leadership in times of growing geopolitical tensions and frequent environmental catastrophes. They should do so by providing stability and upholding their initial commitments to climate objectives (including the Green Deal), and the reinforcement of human rights protection against corporate abuses.

THE INEQUALITY FOOTPRINT OF MAJOR EUROPEAN COMPANIES

This report contains the findings from applying the CIF to a sample of the 100 largest European companies by revenue in 2022–2024[37]. The analysis presents general and aggregated findings for each pillar (see **Chapter 1**). Oxfam has published a detailed dashboard that provides aggregated assessments for each indicator.

This initial assessment includes several indicators for which data was limited, which explains the variations in the depth of analysis across different sections. Some sections focus more on transparency than on performance, such as examining how recent EU obligations, like the European Sustainability Reporting Standards (ESRS), have improved transparency. However, this report does not aim to evaluate compliance with legal requirements, but rather to assess how companies perform based on their contribution to inequality. That is why some companies might be compliant with Corporate Sustainability Reporting Directive (CSRD) obligations but still perform poorly in this report. Finally, the authoring team intended to compare how different sectors would perform in each indicator, but, as some sectors are over-represented and some under-represented, such comparisons are impossible.

BOX 3: THE CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

The CSRD is a key EU law from 2022 that aimed to strengthen corporate transparency. Replacing the Non-Financial Reporting Directive, it requires large companies and listed SMEs to disclose detailed information on ESG impacts. At the core of the CSRD's implementation are the ESRS, which specify the precise information companies must report on ESG issues. Standardized reporting is critical because it allows policymakers, investors and civil society groups to analyse social and economic inequalities, track corporations' negative (and positive) impacts, compare companies to each other and hold them accountable.

The first companies to implement this obligation were the large European corporations (small- and medium-sized enterprises have more time to adapt to the new legislation), which published their standardized indicators in 2025 (for data from 2024). These data were used for this study. As expected, we found that disclosure rates increased significantly between 2023 and 2024 for certain data points (e.g., gender pay gaps). Oxfam believes that legislation is key to accelerating the transformation of companies to be more sustainable – and it starts with being transparent.

However, the EC started to deregulate their own achievements on sustainability by proposing Omnibus legislations (see **Section 2.2**). These packages are ostensibly 'simplifying' processes, but are weakening Green Deal achievements by deregulating. They have already reduced the ambition of the CSRD[38].

The EU has thus yielded to converging pressures, notably from industrial lobbies and far-right political forces openly calling for the dismantling of the Green Deal. This announced deregulation, amplified by the various so-called "Omnibus" texts, will have direct consequences for workers, affected populations, marginalized groups and the planet. Beyond the social and environmental issues at stake, this sequence reveals a worrying weakening of European democracy. These abuses have been highlighted by the European Ombudsman Teresa Anjinho warns of the risk of erosion of democratic trust, stressing that the EC is pursuing 'simplification'[39]. She also warns against weakening democratic safeguards in an international context already marked by a decline in regulation.

PILLAR I: PEOPLE

This chapter presents the findings from the CIF's People indicators for the 100 largest European companies: pay equity and workplace equity, focusing on gender.

An assessment of whether companies pays a living wage and respect basic human rights will be published later in 2026.

PAY EQUITY

WHY IT MATTERS

Companies' wage practices are drivers of inequality or equality. When sharing the added value created by the company, it is only fair that the workers who create this value receive a fair and equitable wage. Corporate pay practices drive inequality in two ways:

1) Firms can deepen vertical inequality by keeping wages low for many workers while simultaneously awarding generous compensation to executives and senior managers (see **Chapter 6**, which covers the Profit pillar).

2) Firms can worsen horizontal inequality by compensating certain groups more than others, e.g., pay gaps between permanent full-time workers and part-time or temporary contractors, or disparities based on gender.

In Europe, according to Eurostat, approximately 8% of workers in 21 EU countries (13 million people) earn the minimum wage or below. This figure is 10% of workers for another seven countries, including France, Greece, Poland and Slovenia[40]. Some groups are more affected by inequality and poverty than others. For example, **in 2024, women in the EU earned an average of 11.1% less per hour than men**, meaning that for every €100 earned by a man, a woman earned approximately €89[41].

In a world where half the world's population lives on less than $8.30 per day[42], CEOs are becoming billionaires, women are over-represented in low-paid jobs and continue to earn less than men,

WHAT WE ASSESSED

We analysed the gender pay gap by assessing:

- disclosure; and
- the difference between male and female wages, as well as adjusted and unadjusted pay gaps.

Adjusted pay gaps measure whether employees receive equal pay for comparable work by statistically controlling for factors such as education, skills, seniority, job title and experience. Unadjusted pay gaps compare the overall annual earnings of one group against another without accounting for these differences, thereby reflecting the unequal opportunities and constraints individuals face before entering the workplace or negotiating pay. As a result, unadjusted pay gaps capture wider structural and societal forces that channel women into lower-paying roles and career paths. Performance is shown by comparing average wages between men and women, based on what companies published between 2022 and 2024

We assessed the disclosure rate by looking at whether companies published the breakdown of gender pay gap by either employee category, country or both. This granularity of disclosure is a testament to a company's willingness to understand its gender pay gap, which is more complex than simply comparing average wages between groups of thousands of employees working in different regions with different job categories.

WHAT WE FOUND

In 2024, 49 of the largest 100 companies did not disclose data on their gender pay gap. For the 51 companies that did, the average unadjusted pay gap is 10.7%, close to the EU average of 11%. This means that, on average, **men earned almost 11% more than women**.

However, there is a high degree of variance among the companies that reported the data. The highest pay gaps in 2024 were **Deutsche Bank** (38.8%), **BNP Paribas** (35%) and **Talanx** (32.1%). However, **Unilever**, **EXOR Group**, **Daimler Truck**, **BMW**, **Renault**, **Nestlé**, **Sanofi**, **Iberdrola**, **DHL Group**, **Rio Tinto**, **Orlen** and **Novartis** had a **negative pay gap**, meaning their wage practices or realities of the sector favour female workers. Between 2022 and 2024, **Lyondellbasell Industries** and **Inditex** were consistently the **closest to 0**.

When analysing by sector, **financial institutions** show the highest gender pay gaps by far, with an average of **26.58%** in 2024. Other industries and sectors represented by the companies in our sample, like those working in engineering and materials[43], do not directly disclose the data.

Disclosure of gender pay gaps by employee category and/or country increased between 2022 and 2024 from **22%** to **57%**. This reflects the impact of the CSRD (see **Box 3**). This is key to better assess and understand how wage practices affect gender inequality.

However, some countries (such as Spain and UK) had already put transparency legislation into effect[44] [45]. Indeed, British and Spanish companies on the list have all reported adjusted and unadjusted pay gaps since 2022. Many companies from EU countries, like France and Germany, didn't report in 2022 and 2023 but did in 2024. Legislation is an effective way to foster corporate transparency and accountability.

BOX 4: EU LEGISLATIVE EFFORTS TOWARDS GENDER EQUITY

In recent years, the EU has adopted several directives aimed at strengthening gender equality in the labour market. These represent significant progress at the European level and reflect a clear political commitment to gender equality. However, their real impact depends on their rapid and comprehensive transposition into national legislation. This is therefore an essential condition for transforming European commitments into concrete and effective equality.

DIRECTIVE ON SALARY TRANSPARENCY AND GENDER PAY EQUITY

The European Council adopted new rules on pay transparency in 2023. This EU directive[46] aims to combat pay discrimination and help close the gender pay gap. Under the new rules, EU companies will be required to share information on salaries and take action if their gender pay gap exceeds 5%. The directive also includes provisions on compensation for victims of pay discrimination and penalties, including fines, for employers who break the rules.

DIRECTIVE ON WORK-LIFE BALANCE

This 2019 directive[47] established new rights regarding parental leave, carers' leave and flexible working arrangements, with the aim of promoting a more balanced sharing of family responsibilities. These measures address the persistent under-representation of women in the labour market and support their career progression by improving work–life balance. In particular, they aim to broaden access to leave schemes and flexible work options, while encouraging greater uptake by men of family leave and flexible working arrangements.

DIRECTIVE ON WOMEN ON BOARDS

This 2022 directive[48] aims to achieve a more balanced representation of women and men on the boards of listed companies. It includes provisions allowing listed companies sufficient time to make necessary adjustments. Its two main objectives are:

- members of the under-represented gender hold at least 40% of non-executive board seats; and
- members of the under-represented gender occupy at least 33% of all board positions, both executive and non-executive.

WORKPLACE EQUITY (DIVERSITY, EQUITY AND INCLUSION)

WHY IT MATTERS

Corporations can be champions of DEI by promoting and effectively protecting women, disabled people and minorities. DEI policies and practices are also beneficial economically[49], socially[50] and environmentally[51], according to recent studies. Diverse teams bring varied perspectives, which drives better decision-making and more innovative solutions, among other advantages.

In recent years, the rise of far-right movements and socially conservative views on what society should look like have highlighted the need to defend DEI policies, and their benefits for both the companies and societies. The United States have been particularly impacted by this backlash, with many companies abandoning their DEI programmes[52]. It has become a political matter at the expense of minorities and vulnerable groups subject to discrimination.

Movements like #MeToo, which started in the US, also took Europe by storm and have profoundly changed our way to look at inequalities, including in the corporate world. It could be argued that European companies are already subject to strong legislations promoting and protecting DEI, such as gender equality and disability inclusion legislations[53]. Nevertheless, these subjects are never safe from backlash – so going beyond legislation is key to reducing inequality and defend positive norms.

Workplace equity is possible when companies create diverse, equitable, and inclusive workplaces and counter structures of patriarchy that are still present in European cultures and institutions.

Though corporate DEI lenses and regulatory frameworks are useful to foster progress, to a certain point, on equality, it is necessary to move beyond corporate DEI rhetoric and acknowledge that diversity initiatives should not coexist with exploitative labour practices, environmental destruction, and tax injustice if structural economic models remain unchanged.

WHAT WE ASSESSED

We assess workplace equity by looking at companies' diversity, equity, and inclusion (DEI) policies and disclosure practices, their workplace equity performance, with a particular focus on gender equality, looking at five aspects (for more information see the **Annex**): recruitment, hiring, training, promoting and retention. While DEI encompass a broad range of dimensions, including race, disability and other forms of social marginalization, gender equality has historically been a central focus for Oxfam's work and campaigns. By focusing on gender, we aim to shed light on persistent disparities and drive actionable change, while acknowledging that DEI in its fullest sense extends far beyond this single dimension. A lack of data has prevented us from addressing other relevant aspects, like how policies and practices impact disabled people, migrants, racialized people, etc. (For example, unlike the United States, many European countries prohibit race-based data collection[54].)

WHAT WE FOUND

In 2024, the largest 100 European companies demonstrate an uneven approach to DEI. While an outright lack of commitment remains limited (only **four companies**), the majority (**68**) exhibit only partial commitments, i.e., they do not cover all five aspects. A significant proportion of companies (**79**) have adopted time-bound targets. However, this figure should be interpreted with caution, as in several jurisdictions such targets are driven by legal

requirements, rather than internal DEI strategies. For instance, in France, the Copé-Zimmerman law[55] and Rixain law[56] require French companies to have a certain percentage of women on boards and executive committees, respectively. Governance structures also remain inconsistent: while **two thirds** of the companies assign DEI responsibility to management, **32** still lack clear accountability that could ensure effective mechanisms and protocols. Similarly, only **63** have policies in place to prevent discrimination.

These gaps become more pronounced when examining safeguarding mechanisms[57]. Specific impact assessments, including those covering gender, within companies' own operations are rarely comprehensive: only **one company** (Assicurazioni Generali) fully met requirements, **43** partially addressed them, while the other **56** failed to implement any at all. The situation is even more concerning in supply chains, where no company fully implements gender-specific safeguard mechanisms; **85** report none at all. While companies frequently express commitments to protecting marginalized groups, particularly women, these intentions are rarely translated into effective mechanisms, especially beyond their direct operations. This highlights a persistent divergence between stated DEI commitments and the operational measures needed to ensure their realization, especially in global value chains. Between 2022 and 2024, we see a **steady but very slow improvement** in all indicators of DEI.

While DEI is facing a backlash in the United States, the EU has been promoting it in recent years. The EU has adopted a range of strategic equality and inclusion policies that reflect DEI principles[58]. However, according to EY, companies in Europe were still behind in improving diversity in 2024, with only 7% building a real inclusive culture[59].

PILLAR II: POWER

This chapter presents the most politically oriented pillar, which focuses on examining the power imbalances that exist within each company, specifically:

- the extent to which companies are governed by boards integrating interests and views beyond those of their main shareholders;
- how companies address labour relations and guarantee labour rights and stability for their workforce; and
- the economic resources that companies allocate to influencing political processes and decisions, based on the privileged access they may have to policymakers.

CORPORATE GOVERNANCE

WHY IT MATTERS

Corporate governance is a significant reason why inequality persists in major multinational corporations. Governance structures influence how shared value is distributed, how environmental and social challenges are tackled, and how companies reduce their impact on inequality both inside and outside the organization.

Decisions made by the board and executive committees shape the culture of a company and therefore their policies. In a financialized capitalist economy, these policies prioritize financial and economic decisions. Capital remuneration, through shareholder payouts, are often favoured over green investments; the remuneration of labour; closing the gender pay gap; or ensuring a just transition to a sustainable economy. Short-term objectives ruin chances of the systemic changes possible only through long-term sustainable models.

Gender inequality and a lack of worker representation promote the narrow point of view of privileged white male executives. Diversity in boards is essential to foster equality, increase resilience and accelerate a just transition[60]. In 2024, women made up 35% of board members in the EU's largest listed companies – the highest level recorded since 2010. Nevertheless, in most member states, female representation on boards remains below 30% according to the European Institute for Gender Equality[61].

WHAT WE ASSESSED

Compared with the other areas in the CIF, corporate governance constitutes a more fundamental category, as it concerns the rules and decision-making processes that underpin many of the other practices addressed. It is closely interconnected with – and in many cases shapes – several other components of the framework, including CEO remuneration and shareholder distributions (see **Chapter 6** on the Profits pillar).

Our analysis is grounded in the assumption that diversity and the representation of different stakeholders within corporate decision-making spaces are essential to reducing companies' direct and indirect inequality footprints. We analyse the positive impact of different stakeholders in boards and executive committees.

When assessing board composition, we asses both gender diversity and worker representation. Some results take into account national legislation that impact board composition in their jurisdiction. We also counted the number of CEOs identified as women. We assessed the gender diversity of companies' executive committees, alongside national laws where applicable.

WHAT WE FOUND

PARITY

Corporate power is still dominated by men. In 2024, of the 100 companies of the scope, only **seven** had a woman as CEO: three were French companies (**Engie**, **Orange** and **Veolia**), two were British (**GlaxoSmithKline** (GSK) and **Vodafone**), with the other two being based in Ireland (**Accenture**) and Germany (**Daimler Truck**). Only **four companies have a woman as** president: **Accenture**, the French company **Louis Dreyfus**, and two Spanish companies: **Banco Santander** and **Inditex**, although both of the latter are heirs of a family business.

These findings show that the glass ceiling is especially present at the highest position of the companies. Even more telling: **CEOs and presidents of the top 100 European companies are more likely to be called John (or its equivalent) than to be a woman[62].**

With a high disclosure rate, women's representation on corporate boards has shown gradual but insufficient progress between 2022 and 2024. On average, women accounted for **37.3%** of board members in 2022, **38.2%** in 2023 and **39.6%** in 2024. However, **Saint-Gobain**, **BNP Paribas**, **Bayer**, **BP, HSBC Holdings** and **AXA** had more women than men on their boards in 2024. At the other end of the spectrum, **Edeka**, **Phoenix Pharma** and **ZF Friedrichshafen** are among the worst performers throughout the period, with less than **20%** of board members identified as women. Thus, gains in gender representation are uneven and fragile – and they do not reflect policies aiming towards parity, especially in the context of backlashes against DEI (see **Section 4.2**). **This means that quotas are more essential than ever.**

Women's representation on executive committees remains very low, with only modest progress over the three-year period. In 2022, women accounted for an average of **24.8%** of executive committee members, increasing slightly to **26.0%** in 2023 and **27%** in 2024. A small number of companies demonstrate that higher representation is achievable: by 2024, **AstraZeneca**, **BP**, **Groupe BPCE**, **GSK**, **J. Sainsbury**, **Maersk**, **Roche Group**, **Shell, UniCredit** and **Zurich Insuranc**e had reached **50%** representation. Yet, a number had **no female representation** at all in 2022–24, including **Anheuser-Busch InBev**, **Chubb**, **Edeka**, **Iberdrola**, **Louis Dreyfus** and **Phoenix Pharma**. The latter had no women on either its board or executive committee since 2022, despite being one of Europe's largest pharmaceutical companies.

Even when a company has one or two women in top management positions, they remain a clear minority. We highlight this to show that token presence does not equate to equity or address the broader under-representation of women in senior leadership positions.

BOX 5: REGULATION ON SENIOR MANAGEMENT PARITY

Legislation for stronger regulatory measures, accountability mechanisms and binding targets works, as companies from certain countries show higher scores due to national laws aiming at higher gender representation. Some countries require a minimum percentage for some companies (ranging from 30% to 40% by country), including France, Germany, Italy and Spain. France has put financial penalties in place, and both Germany[63] and France entail legal and economic consequences if targets are not met. However, many of these regulations are relatively recent and companies have still time for compliance, but in many cases the effort is clearly not enough, and the lack of resolute progress reveals a weak commitment with effective parity by companies beyond strict law compliance[64].

EU legislators have approached this issue through the Gender Balance on Corporate Boards Directive, which entered into application in 2024. This requires companies to comply with a 40% floor of the under-represented gender among their non-executive directors and 33% for all directors. EU member states should have transposed the directive in December 2024, which may result in changes in **the Netherlands** and **Denmark**, which do not yet have such requirements. At the time of writing, Belgium is adapting its current enforced quotas to align them with the directive.

WORKERS' REPRESENTATION

Representation of workers on boards in European corporations slightly declined among the top 100 companies, from an average of **32.4%** in 2022 to **30.3%** in 2024. The proportion of companies disclosing information on this has risen from **54%** to **58%**, highlighting a persistent lack of transparency. The highest levels of representation are consistently found in German companies, with an average of 46% workers representatives on their supervisory boards, reflecting the impact of binding German legal requirements[65].

Outside Germany, representation remains significantly lower. These trends suggest that stronger regulatory frameworks might be required across Europe to ensure employees' influence in corporate decision-making[66].

INDEPENDENCE OF BOARDS

According to our findings, the average percentage of board members considered independent has slightly increased, from **61.1%** on average in 2022 to **63.5%** in 2024.

There is a high rate of separation of executive officers and presidents, in an average of **89%** of the companies rage between 2022 and 2024. Compared to the United States, this indicator show that Boards and Executive teams are more separated in European companies.

BOX 6: FALSE INDEPENDENCE ON BOARDS AND REVOLVING DOORS

Including independent members on corporate boards is a key aspect of good governance. It helps avoid conflicts of interest and guarantees that the board pursues what is best for the company beyond the interests of management teams and controlling shareholders. Such 'independence', depending on legislation, can be defined as having no financial ties with the company and/or no close ties with management, tenure compliance or not exceeding a maximum duration (usually 10 years). These criteria are not internationally standardized, and depend on corporate governance codes, codes of conduct or national laws (as in Spain[67] and Belgium[68]). However, in 2005, the EC passed a recommendation laying down the necessity of independence for protecting both shareholders and other stakeholders[69].

However, in many cases, CEOs and board members serve on each other's boards, thus creating a false sense of 'independence' and keeping a closed-circle privileged world at the top of Europe's largest companies. In France, for instance, 53% of independent board members sit on other listed companies' boards, with an average of 2.6 mandates[70]. In our sample, one clear example is John Elkann, who is both executive director in EXOR and president of Stellantis.

Additionally, there are many cases in which companies appoint former government staff as independent members of their board. This phenomenon is called the 'revolving door' and is quite common in many countries. Spain, for instance, has many former ministers sitting on the boards of energy companies[71]. This risks maintaining privileged access to power and legislative impact.

The independence of boards should therefore be reassessed inside companies to account for real independence and diversity. It should also be discussed at EU level to close loopholes and tighten definitions.

LABOUR RELATIONS

WHY IT MATTERS

Labour relations show how a company engages with its workforce, including their rights to organize and bargain collectively. Undermining collective bargaining is a way to reduce workers' power to protect themselves from abusive corporate practices and erode the mechanisms workers have to negotiate their fair share of a company's profits.

It is more important than ever to promote labour relations and its positive impacts on both workers and their employers. Union representation has significantly declined in recent decades: union density in Europe is 23% on average[72], held down by low levels in countries like France (8%), Estonia (10%) and Poland (12%). There are much higher levels of membership in Northern European countries like Finland (74%), Sweden (70%) and Denmark (67%). However, workers in countries like Belgium, Italy the Netherlands and France benefit from great coverage of collective bargaining thanks to strong legal frameworks[73].

The multinational corporations sampled in this report have operations in many countries, even outside Europe. Recent Amnesty International reports show that there is widespread repression of labour rights in the garment industry in countries like, India, Pakistan and Sri Lanka, where workers supply major European brands[74].

The reports highlight widespread anti-union abuse in the garment industry, manifesting in abuses of workers' rights, harassment and violence by employers. Instead, corporations need to be held accountable for protecting workers throughout their supply chains in effective and measurable ways.

WHAT WE ASSESSED

We assess labour relations by looking at:

- companies' practices and policies on workers' rights to freedom of association and collective bargaining; and
- how much these companies use non-standard work arrangements.
- Regrettably, there are no data on unionization rates on a company-by-company basis. We therefore assess whether companies have a policy on workers' rights to organize and bargain collectively without interference or retaliation, and the number of countries covered by collective arrangements at company level.

Non-standard work arrangements encompass part-time work and other arrangements that deviate from stable full-time employment in which the worker is employed directly by the company. This includes contracting, outsourcing and temporary work. Through outsourcing and contracting, entire functions and departments can be separated from the companies' organizational boundaries and handled by external vendors. Companies can use these boundary-altering strategies to keep labour costs low and employment conditions flexible in their favour.

WHAT WE FOUND

Most of the 100 companies have committed to respecting collective bargaining. In 2024, **71** were completely committed, **17** have also a policy commitment, but does not cover the global operations, while **12** did not have any form of commitment. Some **59** state that they align with International Labour Organization conventions[75]. However, only **20** have committed clearly and unequivocally to not retaliate against workers.

In terms of actual performance, we encountered a low disclosure rate. Only 30 companies published information on the proportion of their suppliers that assure collective bargaining rights across their countries of operation. In 2024, collective bargaining was in place in **less than a quarter** of the countries of operation for **22 out of the 30** companies disclosing this information. This low score shows how companies are not effectively enforcing their commitments globally, thus weakening workers' rights.

The proportion of staff employed part-time decreased slightly, from **12.7%** in 2022 to **11.3%** in 2024. Usually, the majority of workers with part-time contracts are women due to unpaid care responsibilities[76]. Temporary workers represented an average of **5.8%** of the workforce in 2022 and **5.9%** in 2024. Only **five** or **six** companies disclosed information on contractors each year, preventing analysis of trends.

BOX 7: OUTSOURCING INEQUALITY

In recent decades, many companies have chosen to concentrate on their core business and outsource the rest of their functions, even those essential to their objectives. A recent study estimated that 80% of businesses around the world resort to outsourcing services[77]. Thus, assessing wage and labour inequalities only within companies

does not include a considerable portion of the workers involved in value creation – often with lower pay levels and working conditions.

Outsourcing can entail wage reductions and a deterioration of working conditions for employees[78]. This generates significant inequality between companies, with the least skilled workers being concentrated in companies providing outsourced services[79].

POLITICAL ACTIVITIES

WHY IT MATTERS

Companies' political influence has grown in recent decades and goes hand-in-hand with growing inequalities[80]. They shape our ways of consuming goods and services, but they also influence our way of understanding the economy and how it impacts our societies. They play a major part in shaping policy decisions that reinforce their economic privileges while impacting people and the planet.

Capitalism promotes a short-term mindset that explains how political elites help economic elites to reinforce their shared vision. The liberal economist Milton Friedman in the 1970s argued that a company's responsibility is towards its shareholders, not to the public or society in general – he considered its sole social responsibility to be the generation of profits[81]. This view unfortunately still influences our economies today (see **Section 2.1**). Short-term financialization has been encouraged to the detriment of workers, wider society and the planet, benefitting the holders of capital. Denying that companies are responsible for their impact on society only protects the remunerations of shareholders and CEOs.

Market concentration and the resulting corporate power also mean that large companies are exerting growing influence on politics. Companies with market power use their financial resources and influence on political decisions, which often leads to advantageous laws, subsidies or advantages in public procurement[82]. The resulting vicious circle of corporate power and political influence is driving social inequality ever further[83].

Big corporations and trade associations have lobbied heavily to weaken the EU's flagship human rights and climate law, the Corporate Sustainability Due Diligence Directive (CSDDD)[84]. Some **84%** of the meetings held by the EU commissioner responsible for the 'Omnibus' simplification measures on competitiveness (see **Section 2.2**) in a little over a year were with corporations or business associations[85] .

While companies' influence can never be fully confined to what might be considered 'responsible', there are ways to limit their negative impact on progress toward sustainability. For example, citizens and civil society can engage in dialogue with corporate leaders who share a long-term vision, i.e. those that recognize the urgency of accelerating a just transition, and prioritize the protection of human rights, workers' rights and the environment.

WHAT WE ASSESSED

To analyse the impact of Europe's 100 largest companies on inequality through a political lens, we looked for:

- a responsible political activities policy that outlines a company's approach to political contributions, lobbying and engagements with policymakers; and
- political expenditures (e.g. lobbying and campaign donations) provide an overview of the amounts spent extending their influence and reveal the participatory divide between corporate elites and ordinary citizens.

WHAT WE FOUND

Transparency around corporate political engagement remains limited in European countries. Only a small number of companies disclose relevant information, and their disclosures are often partial or incomplete.

In 2024, only **22** had policies governing their political activities, **half** have only limited policies in place, while **28** appear to have no policy at all. There has been a positive trend between 2022 and 2024.

We also found that the amounts disclosed did not necessarily follow the same methodology, complicating comparisons. Only **16** of the companies disclosed their spending on political activities. In 2024, the average amount for this subset of companies was **€1.4m.** The company with the highest political expenditures in 2024 were **Bayer** (€15.1m), **Schneider Electric** (€1.6m) and **Volvo** (€1.3m).

These findings point to significant gaps in corporate transparency and governance, underscoring the urgent need for clearer disclosure requirements, comprehensive political engagement policies and stronger accountability mechanisms to prevent undue influence and ensure responsible corporate conduct.

As the companies disclose little information, we looked into external sources. According to the EU Transparency register, on average, assessed companies spent **€1.1m** on EU lobbying in 2024. The **67** companies that were included in this dataset spent a total of **€74.6m**. Given that the average salary for the largest 100 companies in 2024 was €67,820, companies spent the equivalent of **1,100 employees' salaries** on lobbying the EU.

PILLAR III: PROFITS

This chapter analyses the impact on inequality of how Europe's 100 largest companies distribute the economic value they create. This value is shared between stakeholders: workers (through wages), shareholders (through dividends) and the state (through tax) among others[86]. The CIF assesses:

- the gap between top management pay and workers' wages;
- the proportion of value distributed to shareholders and workers; and
- tax practices.

It reveals a short-term financialized vision in the approach to the distribution of added value.

BOX 8: VALUE DISTRIBUTION

Corporate value distribution refers to how a company allocates the economic value it generates among its various stakeholders. Rather than just looking at profit, this concept examines the flow of wealth to everyone who contributes to or is affected by the business (e.g., employees, shareholders, suppliers, the state and banks). It is essential to understand how companies contribute to economic inequality and how we can prevent it.

Value is distributed in different ways at different moments of the value creation sequence, such as via:

- wages to employees – with a clear differentiation between those in top managerial positions and the rest;
- dividends to shareholders and share buybacks;
- tax payments to governments;
- debt payments to banks; and
- reinvestment into the company itself.

The way companies redistribute the wealth created is a choice, and the current shareholder-focused model tends to favour the enrichment of the wealthiest people. The defendants of this system often argue that shareholders' payments remunerate them for the risk that they take. However, when shareholders are systematically remunerated, even when the company reports losses, then that risk is erased.

Governments, convinced by the need to protect the capitalist system, have also created a system that favours the owners of capital through subsidies and tax exemptions. However, economic crises have proven that this system is not only protecting shareholders, but it also comes at the detriment of employees (through lower wages), the state (through reduced tax receipts and increased costs in subsidies) and the planet (by not prioritizing green investments).

Oxfam has long called for a more equitable value distribution by interrogating the reasons for the way companies distribute their wealth, and by imposing strict rules that would protect all stakeholders[87].

TOP MANAGEMENT PAY

WHY IT MATTERS

The difference between how companies remunerate their top managers and the rest of their employees often sets the basis for inequality. After all, a wage can be considered a measure of how much companies value the contribution made by their workers. Some may argue that the more responsibilities people have, the more they should gain, but when should we consider that it is “enough”?

In recent decades, CEO pay has risen massively, while the average worker has not experienced the same. In the United States for instance, the CEO-to-worker pay ratio was 21 to 1 in 1965; by 2024 it was 281[88]. In the UK, the ratio of CEO pay to average national earnings rose from 30:1 in 1968 to a peak of 178:1 in 2016[89]. In France, the wage gap between the top remunerations and the average worker’s remuneration is estimated to have been 40:1 in 1970, and 162:1 in 2012[90]. This trend can be partly attributed to the adoption of short-term financialization of the economy, which has influenced European companies and the way they remunerate their CEOs[91]. This is a symptom of a profit-driven economy, at the detriment of workers.

This ‘shareholders first’ approach is often accompanied by monumental rewards for top managers who prioritize propping up share prices in the short term over long-term value creation. The latter includes considerations of aspects that may not be immediately profitable, such as sustainability and a company’s broader impact on social inequality. Short-term profit maximization conflicts with the building of long-term future profits[92]. The exorbitant amounts received by top executives of large companies is a threat to any notion of shared prosperity. Ultimately, the enormity of these salaries and the excessive wage disparities that result from them reflect a conception of economic and business activity that, instead of prioritizing the common good, involves the extraction of income and wealth towards the most privileged. This contributes to perpetuating and exacerbating inequalities through a highly unequal distribution of economic and business value.

The dominant view claims that wage inequalities are a natural consequence of globalization in a capitalist economy driven by profits and constant technological progress. However, inequalities can be tackled if there is political willingness to do so, alongside corporate champions who go against the current idea of what a company should be doing.

WHAT WE ASSESSED

To analyse the impact of Europe's 100 largest companies on inequality through management pay, we assessed:

- CEO-to-median worker pay ratios;
- CEO-to-mean pay ratio; and
- the components of performance-based payment for CEOs, e.g., whether it relies on stock market performance or the achievement of ESG goals.

CEO-to-median worker pay ratio is widely considered a clear standard for wage inequality, and companies are increasingly requested to disclose it by different legal and voluntary sustainability disclosure initiatives. However, because companies that do disclose this information only take a portion of employees into account – for instance, many only include employees based in the company headquarters – we calculated the CEO-to-mean pay indicator. This was estimated using available data on personnel costs (including wages and salaries), divided by the number of employees (measured in terms of full-time equivalent staff).

For comparison purposes, data on CEO pay is calculated using remuneration actually received in the year, rather than what they were awarded on paper, which may vest or be paid in future years.

It is also relevant to check the components of the CEO remuneration in order to see which kind of performance is incentivized through salary. In that sense, it matters how much of it relies on the stock value of the company, and thus in short term results, and how much in sustainability goals.

WHAT WE FOUND

CEO remuneration, including share-based payments, reached an average of **€6.0m** for the 89 companies that disclose this information. Of those that did, 46**%** of them are paying their CEOs more than **€5m** per year. In 2024, the highest CEO payments were **Stellantis** (**€22m**), **Novartis** (**€20.3m**) and **Astrazeneca (€17.8m)**. At the other end of this pay scale are the French state-owned companies **SNCF** (**€453,000**) and **Electricité de France** (**€450,000**), and Poland's **Orlen** (**€231,000**). French law caps CEO pay for state-owned companies at €450,000[93]. Nonetheless, this shows that successful companies can thrive without disproportionate executive pay.

The glass ceiling is even thicker at companies' highest position. The gender pay gap (see **Section 4.1**) is wider for CEOs than for the average worker. Between 2022 and 2024, the average remuneration of male CEOs was **€5.9m,** whereas for female CEOs it was **€4.8m**. This means that, across Europe's biggest companies, **male CEOs earned 22.9% more than their female counterparts**. The average wage gap between male and female CEOs is therefore twice as wide as the average unadjusted pay gap in the EU (11%)[94].

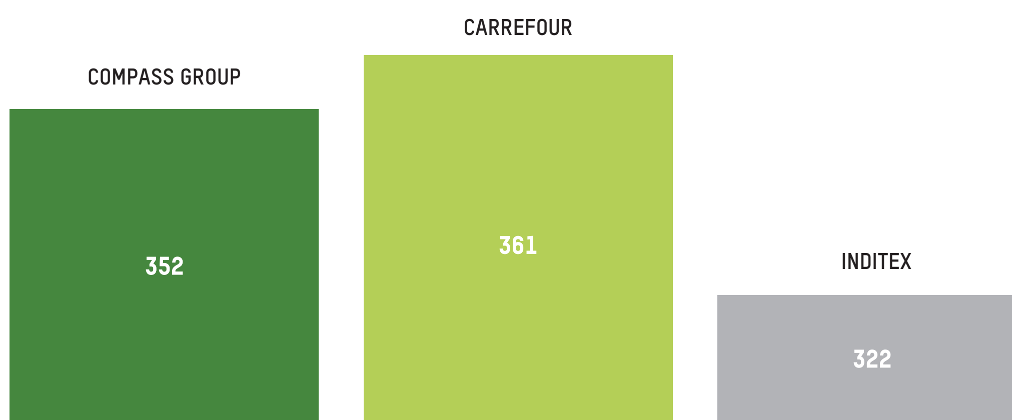
Only **23** of the companies report on the components of their CEO remuneration paid in 2024. In these companies, an average of **21%** of total CEO remuneration is linked to stock performance, and **12%** to ESG goals. In **35%** of the companies, more than a fifth of CEO pay is related to stock performance; just **4%** of them link a similar proportion of pay to ESG goals.

In 2024, only **half of the** companies disclosed their CEO–median worker pay ratio. On average, the figure was **159.7 to 1**; this means that CEOs earn the equivalent of their median worker's annual pay in just 2.5 days. The ratio increased by 29% between 2022 and 2024, but the disclosure rate also increased over this period from 25% to 50%, so comparison is difficult.

Given these limitations, we calculated the CEO-to-mean pay ratio, which can be calculated for nearly all companies since the required data is typically public. While median remuneration provides a more accurate snapshot of typical worker pay – unaffected by extreme values – mean remuneration allows for a more comprehensive comparison across the corporate landscape.

In 2024, CEOs earned on average **78 more than the mean personnel cost** in their companies, when this ratio was 74 two years before. However, there are great disparities between companies' performances. **Carrefour** had the largest ratio, at **361 times** the average remuneration, followed by **Compass Group** (352 times) and **Inditex** (322 times). The lowest CEO-to-average-worker pay ratios were at **Electricité de France** and **Orlen** (5 times), and **SNCF Group** (7 times).

CHART 1: COMPANIES WITH WIDER CEO PAY – MEAN SALARY RATIOS



Source: 2024 companies annual accounts

PROFIT DISTRIBUTION

WHY IT MATTERS

Shareholders' remuneration comes from the profits made by a company, but these funds are also the potential source for reinvestment. The latter is how companies can achieve long-term viability and resilience, but also the means by which they can achieve net zero objectives to reduce their environmental impact.

Thus, the proportion of profits distributed to shareholders is an indication of how much a company is prioritizing short-term benefits and contributing to inequality through an extractive business model that serves economic elites.

In recent decades, the dominant corporate model has been the maximization of profits to benefit shareholders. This paradigm is increasingly being questioned because it has puts companies' long-term resilience at risk and overlooks harmful impacts on people and planet[95].

WHAT WE ASSESSED

To analyse the impact of Europe's 100 largest companies on inequality through profit distribution, we assessed:

- the shareholder payout ratio; and
- the number and scale of employee ownership schemes.

The payout ratio shows how much of a company's profit is distributed to shareholders. Most often it happens through cash payments as dividends, although companies also use other more sophisticated mechanisms. In recent years, many companies are supplementing payments through dividends with share buybacks, to increase shareholders' earnings. The latter consist for a company in repurchasing its own shares in order to reduce their number on the market, therefore increasing stock value and earnings per share of the remaining ones. The payout ratio is calculated by dividing the sum of dividends and share buybacks by the company's net profit of the year.

Although a great proportion of company shares are held by investment funds and wealthy individuals, company payouts do not only benefit external actors. In fact, some companies have employee ownership schemes that facilitate workers to own shares of the company they work for and are included in the profit distribution accordingly.

WHAT WE FOUND

A. SHAREHOLDERS PAYOUT

The average shareholder payout was on average **70%** between 2022 and 2024. It increased in the last year, from **63% to 83%** in 2024. **That is to say that more than two-thirds of the profits have been used to reward shareholders in the last three years.** In the period 2022–24, on average, **46%** of global profits of all 100 companies were distributed via dividends, and **17%** was allocated for share buybacks. Only **Uniper**[96] didn't distribute dividends over the same period;

In 2024, **22** companies spent more on shareholder payouts than what they earn in net profit, pushing their payout ratio above 100%. This means that shareholders are taking money from the companies. This practice is getting more common with the years, the number of companies increasing **69%** from to 2022 to 2024. At the other end of the scale, **30** companies had payouts of **less than 50%** in 2024, **27%** fewer than in 2022.

Along these companies, some stand out more than others. The companies with the highest payout ratios in 2024 were **Telefonica** (1051%)**, BP** (997%) and **Zurich Insurance Group** (916%)**.** In 2023, they were **Maersk** (360%)**, Glencore** (260%) and **J.Sainsbury** (223%), in 2022, the top three were **Continental** (831%), **Engie** (683%) and **Swiss Re** (380%)**.**

Not only are there companies that are rewarding their shareholders with amounts exceeding their net profit, but some are doing so while recording losses, i.e., without any profits:

- In 2022, **Electricité de France, Renault and Deutsche Bahn**[97] paid dividends, while **BP** paid dividends and made share buybacks.
- In 2023, **Bayer**, **Deutsche Bahn** and **Thyssenkrupp** paid dividends, while **Telefónica** paid dividends and made share buybacks.
- In 2024, **Bayer, Deutsche Bahn, ZF Friedrichshafen, Koç Holdings,** and **Glencore** paid dividends, while **Vodafone** distributed both dividends and made share buybacks.

From 2022 to 2024, the 100 major European companies distributed **€785bn** and made share buybacks of **€302bn**. The biggest dividend payouts during the period were by **HSBC** in 2024 (**€16.4bn),** and Volkswagen (**€11.7bn)** in 2023 and **Rio Tinto** (**€11.2bn**) in 2022. **Shell** spent the most on buybacks: **€17.7bn** in 2022 and more than **€13bn** in both 2023 and 2024.

BOX 9 — PAYOUTS TO SHAREHOLDERS: A CONTEXTUAL READING

Our payout ratio indicator measures the share of profits distributed to shareholders in the form of dividends and share buybacks. While it provides a useful lens through which to assess how companies prioritize the distribution of financial benefits over, for instance, investment or wage increases, it must be interpreted with care given the diversity of company structures within our scope.

Not all companies in our top 100 are structured alike, and the nature of their shareholding significantly shapes what the payout ratio actually tells us.

Some companies in our scope operate as limited companies, public agencies, cooperatives or mutual organizations. Crédit Mutuel, for instance, is owned by its members — known as "sociétaires" — rather than by external private shareholders seeking a financial return. In such cases, the distribution of benefits operates according to a fundamentally different logic than in publicly listed corporations.

Similarly, several companies in our scope are fully or majority state-owned. When a state-owned company pays dividends, those revenues flow back to the public purse rather than to private investors — and are, at least in principle, available to fund public services. Deutsche Bahn[98], for example, is wholly owned by the German federal government. In other cases, state-owned companies may not pay dividends at all: Uniper[99], nationalized by the German government in 2022 following the energy crisis, is a case in point, as the State's priority has been to restore the company's financial stability rather than to extract returns.

These differences do not invalidate the indicator, but the payout ratio should be considered alongside broader context for certain companies. A high payout ratio in a listed corporation with dispersed private shareholders carries a different meaning than the same figure — or its absence — in a state-owned or mutualist entity. However, this indicator still tells us how in Europe companies prioritize, regardless of their structure, the redistribution of the wealth created by their workers and the evolution of this indicator is a great way to assess how our economy values the different companies' stakeholders.

B. EMPLOYEE OWNERSHIP

Regarding employee ownership, **32%** of the companies had employee ownership schemes in 2022–24. Most were companies from countries that have a relevant legal framework, France[100] and Germany[101] especially. The average employee ownership in these companies was **3.7%** in 2024, with three cases above 10%: **Bouygues** (21.6%), **Vinci** (10,9%) and **Société Générale** (10.2%) - all French companies.

TAX PRACTICES

WHY IT MATTERS

Taxation is the primary redistributive mechanism to correct inequality in our societies. Tax contributions provide the funds for investing in essential public services and social protection programmes that benefit low-income groups. Tax contributions are one of the main ways for companies to share in the costs of government expenditure from which they have benefited. For that reason, responsible tax contributions are key for companies to demonstrate their effective commitment to the public good of the societies in which they operate.

Corporate tax avoidance practices have various negative effects. First, tax avoidant companies affect indirectly their workers through declining wages, deterioration of working conditions and decline of employment[102]. Second, society as a whole pays the price, as lost tax revenues mean less spending on public services, which tend to deteriorate. The continued and widespread use of tax avoidance strategies by multinational corporations impacts the levels of compliance among individuals and businesses[103].

Companies operating in different countries must properly disclose that they are paying their fair share of taxes in each country in which they operate and generate real economic value. This includes avoiding tax dodging practices that could help them artificially decrease their tax bill.

Effective corporate taxation also ensures that companies contribute to society in line with the benefits they enjoy from public infrastructure, a well-functioning government (such as the legal certainty and business environment provided by the judiciary and legal systems), and healthy and educated workforces.

WHAT WE ASSESSED

To analyse the impact of Europe's 100 largest companies on inequality through their tax policies, we assessed:

- how they define their tax commitment;
- tax practice disclosures; and
- whether or not companies are present in tax havens.

A proper statement of commitment to paying tax should show a company going beyond compliance and tax risk management, guided by principles of contributing to society; sustainability; and responsibility and accountability. Tax accountability should be reinforced through disclosure of a company's tax practices. Public country-by-country reporting (pCbCR) is the most complete format for companies to demonstrate that they are paying in taxes where they have to, based on their significant economic presence. For this to be effective, pCbCR has to be complete, with full geographic disaggregation and include the key data categories: revenues, profit, number of employees, subsidies received and taxes paid.

To assess corporate presence in tax havens, we have used a list of established tax havens that Oxfam and its allies have identified[104]. Nevertheless, this analysis must be treated with caution, since many of these territories have significant commercial relevance besides facilitating tax dodging. Thus it is not possible to affirm that having a presence there is solely, mostly or even partly for tax-minimization purposes.

WHAT WE FOUND

Only **49** of the assessed companies had a tax policy including the necessary principles to assure a responsible approach in 2024. This is an increase on **40** in 2022 and **42** in 2023.

Only **21** of the companies disclosed complete pCbCR, fully disaggregated by country and containing all the key data categories. Another **23** made incomplete disclosure (i.e., lacking geographical disaggregation or a key data category), while **56** had insufficient disclosure.

Only **2** of the companies do not have a presence in a tax haven: **Continental** and **J. Sainsbury**.

We assessed **no** company positively on the three criteria established for tax practices. However, **15** meet at least two of them, **50** meet one, and **35** did not receive a positive assessment for any of them. This demonstrates that most European companies are still far from guaranteeing a responsible approach to their tax practices.

PILLAR IV: PLANET

This chapter assesses the effect of companies' environmental impacts on inequality. Climate change increases inequalities within and between countries, amplifying existing social, economic and political gaps. Large companies play a leading role in this, as recognized by Sustainable Development Goal 13 on climate action[105]. Companies' commitments and progress towards a carbon-free economy and a just transition are crucial to understanding their impact on inequalities. To this end, the CIF assesses companies on their commitments and progress towards:

- net zero and a carbon-free economy; and
- a just transition that balances out the winners and losers of decarbonization[106].

CLIMATE ACTION

WHY IT MATTERS

The distribution of carbon emissions is unequal. Just a few large polluting companies are responsible for a disproportionate share of carbon pollution. In contrast, low-income households contribute much less to the climate crisis and already meet 2030-Target in Europe. The role of large corporations is well documented, and the Intergovernmental Panel on Climate Change has drawn attention to their significant responsibility in the climate emergency, particularly the fossil fuel sector[107]. Indeed, half of the world's CO_2 emissions come from just 32 fossil fuel firms[108]. They can even be held directly responsible for exacerbating the severity of heat waves in recent decades due to the high carbon footprint of their operations.

Therefore, big corporations, especially those with more emission-intensive activities play a crucial part in economies achieving net zero emissions by 2050 through setting science-based net-zero targets and by demonstrating progress in reducing their CO_2 emissions.

WHAT WE ASSESSED

To analyse the performance of Europe's 100 largest companies on climate action, we assessed their:

- climate and net zero-related commitments and targets; and
- emissions.

An adequate corporate statement on climate action should include:

1. A public commitment to achieve net zero greenhouse gas emissions by 2050 or earlier, aligned with the Science Based Targets Initiative (SBTI) net zero standard (1.5°C pathway)[109].

2. Science-based greenhouse gas reduction targets covering scope 1, 2 and material Scope 3 emissions, with base year, target year and percentage reductions (see **Box 8**).

3. A formal climate risk assessment identifying physical risks (e.g., floods and heatwaves) and transition risks (e.g., policy changes and carbon pricing) to the company's operations or value chain.

4. The assignment of senior management or board-level responsibility for climate targets and risk oversight.

5. An ambitious process to support suppliers in attaining net zero.

BOX 10: EMISSIONS SCOPES

Companies have to disclose their emissions in the three scopes: scope 1 relates to direct emissions by companies due to their own activities; scope 2 emissions are those generated by the companies' energy consumption; and scope 3 covers emissions generated along the supply chain[110].

To allow comparisons and trend analysis, it is important that emission disclosures are consistent between years. This is particularly challenging for scope 3 emissions, since data is often not directly available to companies and calculations are less standardized, and thus may differ between companies and sectors.

Comparing calculations of emissions from every scope provides a reading on the progress and performance of companies on net zero targets and towards a carbon free economy.

WHAT WE FOUND

In terms of net zero commitment statements of the 100 companies:

- Just **four** have robust commitments containing all five of the elements listed – **BMW**, **Roche**, **Tesco** and **Unilever.** These companies are the only ones that involve their suppliers in attaining net zero, even though this requirement is crucial to implement their commitment.

- The worst performers – **Crédit Mutuel**, **Edeka** and **Landesbank Baden-Württemberg** – only include one of the elements.

- **Two thirds** have a commitment aligned with Science Based Targets initiative goals.

- **60** have science-based emissions reduction targets.

- **91** are assigning senior management or board-level responsibility for climate targets, which reflects that many companies understand, even when their targets are not credible enough, that it is a challenge to be handled at the highest level of the company.

- **All but two** – **Edeka** and **Phoenix Pharma** – include a formal climate risk assessment and risk oversight.

In 2024, **92** of the companies made full disclosures of their emissions in the three scopes. Another **seven** – **Bosch**, **Zurich Insurance Group**, **ING Group, Landesbank Baden-Württemberg**, **Louis Dreyfus**, **GSK** and **J. Sainsbury** – make incomplete disclosures, either scope 1 or 3 missing. The remaining company– **REWE Group** – did not disclose their emissions in 2024.

In 2024, that accounts for the most recent methodology to calculate emissions, the top 100 companies emitted in total **10,001 MtCO_2eq**[111]**.** In 2024, the most polluting companies, based on their disclosures were **Shell** (1,142 MtCO_2eq), **Rio Tinto** (605 MtCO_2eq) and **Airbus** (487 MtCO_2eq)**.**

According to companies' annual reports, only **one** company, **Nestlé**, showed a decrease on the three scopes of emissions during the three years assessed. 58% of companies increased their emissions in the three years and 41% decrease them, showing a quite erratic path of progress towards carbon free activity in the aggregated sample of companies.

Total scope 1 emissions across all the companies decreased **18%** between 2022 and 2024, while scope 2 emissions increased **7%**. Scope 3 emissions are less standardized, thus preventing easy comparison between companies from different sectors. However, even though the comparison is to be nuanced, based on our findings, scope 3 emissions increased **11%** between 2022 and 2024. The lack of consistency in measuring scope 3 emissions is a detrimental to our comprehension of the extent of carbon footprint of companies.

Since scope 1 emissions are the ones generated directly by the companies, we focus on their evolution in the three years assessed. Hence, the company that most drastically reduced its direct emissions (scope 1) was **Uniper**, with a decrease of **41 MtCO_2eq** between 2022 and 2024. They were followed by **Enel** (**-33 MtCO_2eq**) and **ArcelorMittal** (**-16 MtCO_2eq**). In percentage terms, the greatest scope 1 reductions in the period were **Uniper** (-73.5%), **Enel** (-61.9%) and **Barclays** (-55.9%).

There are companies that are reducing their scope 1 emissions even though they are not reducing their use of fossils fuels as coal and gas. This shows that decreasing emissions does not necessarily imply that a company is completely committed to effectively reducing their environmental and climate footprint. The sectors and companies that need to change the most – energy and industrial sector for instance – should be accelerating their efforts.

In contrast, the company that most increased its direct emissions between 2022 and 2024 was **Lufthansa** (+6 MtCO_2eq), followed by **BP** (+2.4 MtCO_2eq) and **Thyssenkrupp** (+0,8 MtCO_2eq).

JUST TRANSITION

WHY IT MATTERS

Besides reducing their emissions, companies need to advance towards productive processes that are carbon-free and help societies' transition to a new greener economy. The challenge is that this transition should leave no-one behind, even though there is the risk that the changes necessary for the transition could generate negative social impacts, e.g., by rendering some workers' skills and functions obsolete.

Companies' efforts to transition to a new way of doing business has to be guided by a plan and supported by investments to replace technology and equipment in ways that promote sustainability, such as those focusing on renewable energy, energy efficiency and the circular economy.

EU climate and industrial policies have taken a recent strategic turn towards competitiveness and energy independence. Although decarbonization is still a priority, this turn threatens to postpone the climate goals. Thus, a robust and effective just transition commitment by the biggest European companies remains urgent and essential, so that the backlash in climate policies and deregulation of companies do not lead to a reduction of their ambition to take action for facing the climate emergency.

WHAT WE ASSESSED

To analyse the performance of Europe's 100 largest companies on their progress towards a just transition by assessing their:

- relevant strategies; and
- green capital expenditure (capex)

A comprehensive just transition plan would include all these elements:

- Scalable and transparent investments in the low-carbon transition;
- Clear emission reduction actions aligned with the Paris Agreement/1.5°C goal;
- Measures to mitigate socioeconomic impacts, e.g., retraining staff;
- A commitment to protect workers' rights (e.g., collective bargaining and fair treatment); and
- Steps to reduce inequality during the transition.

Capex is the investment a company makes to purchase, renew and maintain their equipment and buildings. They can demonstrate their efforts towards a just transition by disclosing the amount of capex allocated to technologies that help to mitigate climate change. The EU's green taxonomy (see **Box 9**) is the clearest reference for classifying whether an investment is green or not, as of now. In our methodology, we compare green capex against both total capex amount and shareholders' remuneration. This forms a measure of whether a company is prioritizing short-term profitability or environmental transformation.

BOX 11: THE EU'S GREEN TAXONOMY

Since 2022, large European companies have been required to report their investments and activities according to the EU's environmental taxonomy[112]. This legislation requires companies to inform investors about how environmentally sustainable their economic activities are, based on a classification system. Large companies must indicate, among other things, what share of their capex goes toward fixed assets, technology and infrastructure designed to reduce their carbon footprint and promote the ecological transition.

The taxonomy is, however, far from adequate to meet its original objective. For instance, banks and financial institutions are excluded from its scope, despite being key actors for the transition. Also, the taxonomy legislation includes fossil gas and nuclear energy as 'sustainable' or 'transition' activities, despite not being suitable solutions to the environmental challenge.

Nonetheless, the green taxonomy is a first attempt to set criteria that allow companies' efforts towards environmental sustainability to be compared. This, however, shouldn't prevent EU and national legislators to improve the efficiency of this indicator in the future by excluding non-sustainable sources of energy.

WHAT WE FOUND

In 2024, only **nine** of Europe's 100 largest companies – **Deutsche Bank**, **E.ON**, **Enel**, **Engie**, **Glencore**, **Iberdrola**, **Lloyds Banking Group**, **Saint-Gobain** and **Volkswagen** – had an adequate plan to assure a just transition. The energy and industrial sectors were most represented because it is a more scrutinized sector in this area both by rightsholders and investors and more required by legislations to make effective progresses.

Another **27** of companies have a plan with some of the required elements missing, while **64** have not released a just transition plan, or their disclosure was too vague or general to assess alignment with climate and social goals. The trend is slightly positive: in 2022, **72** of the companies did not disclose any plan, and only **six**[113] had a proper one.

Although more than half of the companies do not disclose any information, the capex dedicated to green investments increased slightly from an average of **18.8%** in 2022 to **20.8%** in 2024. Companies that seem to invest most in the just transition are **Iberdrola**, whose green investments are **89%** of total capex, **Energie Baden-Württemberg** (88%) and **Enel** (**84%**)**,** again showing that the energy sector is most compelled to transforming its activities to attain net zero, because their activity itself is one of the most high-impact sectors for the environment and climate change[114].

Our findings show that the companies disclosing the relevant information – barely half of the total – paid on average **32 times more** to their shareholders than they spent on green capex in 2024. In other words, shareholders are prioritized over the just energy transition. Companies where this relation is more unbalanced were **Saint Gobain** (838 times), **L'Oreal** (108 times) and **Deutsche Telekom** (101 times). At the other end of the scale, **Electricité de France's** green capex was 23 times shareholders' return.

According to the Corporate Disclosure Project[115], European companies should dedicate at least 25% of their capex to green investments if they want to achieve net zero by 2050. We have calculated that **just 2.2%**[116] **of their dividends and share buybacks in 2024 would have been sufficient to meet minimum investments required for the climate transition.** The money exists, it only needs to be properly allocated.

A CORPORATE MODEL THAT PUTS PEOPLE AND THE PLANET FIRST

The dominant economic system is designed to make wealth for the rich. The consequences of pursuing increasing profits and growth at any cost are exacerbating the climate emergency, extreme inequality and persistent poverty. It is more urgent than ever to take the steps necessary to move towards a sustainable and equitable future. That is only possible through a radical shift in the economic system.

For that, it is vital that the state assumes a proactive role in the economy. Deregulated market-driven economies consistently prioritize private profit at the expense of collective wellbeing. A strong state has the influence to reorientate economic activity towards carbon-free productive models that assure decent work and shared prosperity. Besides public interventions in key areas of the economy, states and governments can also incentivize a corporate model that helps curb inequalities and climate change.

In practical terms, states can set conditions on public subsidies, investment and access to procurement contracts that require the strict fulfilment of high standards in social and environmental criteria. As regulators, governments have to put in forth initiatives to break up private monopolies and curb extreme corporate concentration.

TRANSPARENCY

Corporations should:

- Comply with – and go beyond – the CSRD requirements. Our analysis shows that companies still do not provide sufficient information on some indicators to draw meaningful conclusions.
- Publish ambitious just transition plans.
- Publish country-by-country tax reports that include:
    - Revenue (distinguishing between intra-group and third-party sales)
    - Number of employees
    - Value of assets
    - Pre-tax profit
    - Taxes paid
    - Any tax exemptions or incentives

Governments should:

- Request that companies publish data on wage gaps, disaggregated by quartiles, country and gender.

CORPORATE GOVERNANCE

Corporations should:

- Reinforce the representation of workers on (supervisory) boards, considering geographical diversity of the group's staff.
- Ensure governance arrangements enable long-term resilience and alignment with internationally agreed sustainability frameworks. This includes clear board-level responsibility for overseeing risks related to inequality, workforce practices, value-chain impacts and the climate transition, in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- Companies and directors are liable for failing to implement living wage and just transition policies, and in particular when it results in human rights and environmental violations, and severe impacts on climate.
- Redefine the corporate purpose and fiduciary duties of executives and boards to ensure that the public interest and the collective interests of workers throughout supply chains, farmers, land-owners and producers, are represented in governance bodies, e.g., through advisory committees.
- Large companies must develop a strategy supported by objectives and related indicators to address and remedy identified impacts in accordance with the company's legal obligations which must, by law, include at minima an emissions' reduction target, living wages paid to all workers and a progressive cap on CEO/worker remuneration ratio.
- Mandate remuneration committees to provide oversight on general workforce compensation policies that guarantee all workers receive a living wage and set a cap on CEO–worker pay ratios.

Governments should:

- Ensure that the EU directive on gender diversity in boards is transposed swiftly into national law to guarantee gender equality in boards and management.
- Limit the number of boards individuals are allowed to sit on in order to ensure that board members remain independent.
- Mandate an increase in the participation of worker representatives in decision-making in national and multinational companies, ensuring equal representations of women and men in such roles:
- In companies with 250 to 500 FTE employees, require worker representation as a third of the board
- In companies with more than 500 FTE employees, require worker representation as half of the board
- Require companies to implement robust due diligence to identify and address severe impacts on people – women and girls in particular – and the environment in consultation with affected stakeholders. Directors should have ultimate oversight and responsibility for the implementation of this due diligence.

CEO & TOP MANAGER PAY

Corporations should:

- Set a maximum CEO–median worker pay ratio of 20:1.
- Base CEO compensation on environmental and social performance criteria – and ensure fixed compensation makes up more than 50% of the total.
- Set non-financial criteria for top manager pay that is:
    - SMART (Specific, Measurable, Achievable, Relevant, and Time-bound)
    - Based on the latest scientific evidence
    - Publicly available and accessible
- Directly connect managers' non-financial performance criteria to corporate sustainability strategies. A dedicated and separate part of CEOs' compensation should be based on sector-specific climate emissions reduction targets.
- Set financial criteria that only reflect companies' long-term economic viability, not stock market value or indicators directly related to increases in shareholder value.
- Cap the number of shares or share options offered to executives – CEOs should not earn more than 20 times the number of shares owned on average by companies' employees.
- Publish data on CEO-to-worker wage gaps disaggregated by pay quartile, gender and country.
- Tie remuneration for the CEO and board members to the achievement of the following objectives:
    - Guaranteeing a living wage across the entire value chain
    - Implementing a climate strategy with a clear pathway to reduce greenhouse gas emissions (scopes 1, 2, and 3) aligned with an overall 50% emissions reduction by 2030, adjusting targets based on the company's sector.
    - Developing an investment plan to support this transition, while considering employment impacts, supporting workers through the process, and ensuring a leading role for the Social and Economic Committee.
- In case of severe environmental and social violations directly resulting from a CEO's decisions, including after retirement or resignation, mechanisms should exist to return performance-based compensation already paid.

Governments should:

- Set and enforce a maximum CEO–median worker wage of 20:1.
- Require more than 50% of total CEO compensation to be based on environmental and social performance criteria plus fixed compensation.
- Require that variable remuneration from CEOs is linked to the just transition plans.
- Require companies to publish and limit CEO-to-worker wage gaps per quartile, gender and country.

SHAREHOLDER PAYOUTS

Corporations should:

- Make the payment of dividends conditional on addressing gaps in the providing a living wage to all workers throughout their entire supply chains and investing enough in the low-carbon transition.
- Implement employee share ownership schemes. These should be broad-based, accessible to the majority (ideally all) of the company's workforce. This ownership should allow having a voice in the company's decisions, promoting a more equal and democratic governance.
- Cap shareholder payouts to a maximum percentage of net profit.

Governments should:

- Prohibit companies paying dividends in the case of:
  - a deficit or redundancy plan
  - failure to respect an emissions trajectory compatible with the objectives of the Paris Agreement
  - failure to show the payment of a living wage to all their employees, and that a strategy is in place to ensure that workers throughout their supply chains receive a living wage
- Require companies to allocate a portion of profit into an ecological and social transition equity reserve account proportionate to current and future investment needs, before distributing dividends.
- Establish a limit of dividend payouts based on a percentage of the net profit of the year.
  - At the very least, dividend payments shouldn't be higher than their net profit.
- Open market stock buybacks should be banned, as they are primarily used by companies to boost stock market value.

DECENT WORK AND LABOUR RIGHTS

Corporations should:

- Pay living wages, provide safe and healthy working conditions, and work with trade unions to increase the negotiating power of workers throughout their value chains.
- Commit to collective bargaining agreements.
- Commit to employing workers directly instead of outsourcing low-skilled work.

Governments should:

- Restore collective bargaining coverage and promote collective bargaining rather than individual bargaining in all areas.
- Ensure that minimum wages keep up with inflation.

PARITY AND GENDER PAY GAP

Corporations should:

- Conduct a pay equity audit across all positions and levels by gender (adjusted and unadjusted pay gaps); identify and correct any pay gaps; and release the results publicly.
- Publish adjusted and unadjusted gender pay gaps per pay quartile and country.
- Commit to closing the gender pay gap and take concrete action to reduce economic inequalities between women and men. This includes measures to curb involuntary part-time work, revalue care and social work, align parental leave entitlements between women and men, and promote family-friendly practices.
- Set a gender-parity requirement at board, executive and management levels.

Governments should:

- Swiftly transpose and effectively implement directives addressing gender inequalities within companies, including pay transparency, gender balance on corporate boards and work–life balance.
- Introduce ambitious policies to promote family-friendly practices among employers, including:
    - parental leave schemes
    - new forms of work organization
    - teleworking and hybrid working arrangements
    - flexible working hours, including shorter working weeks and job-sharing arrangements.
- Require strong reporting and safeguarding mechanisms to prevent and address discrimination and sexual violence in the workplace.

DIVERSITY, EQUITY AND INCLUSION

Corporations should:

- Set specific targets to hire, retain and promote a diverse workforce, leadership and board that mirrors the diversity of society.
- Publicly disclose progress towards DEI targets.
- These recommendations would benefit from explicitly recognizing workers throughout global supply chains, particularly migrant, outsourced, informal, and precarious workers, who are often excluded from labor protections despite being central to value creation.

POLITICAL ACTIVITIES

Corporations should:

- Identify whether their policy priorities and positions align with its sustainability goals and reflect its responsibilities to society.
- Cease making contributions to political parties.

Governments should:

- Prohibit corporate contributions to political parties.
- Introduce measures to prevent revolving doors by former political representatives, such as prohibiting being employed for a certain period of time by companies in strategic sectors such as energy, finance and housing.

TAXES

Corporations should:

- Pay their fair share of taxes where they operate and generate real economic value, without seeking stratagems or tricks to abuse the inconsistencies of the tax systems.
- Ensure tax transparency through pCbCR, in line the with the GRI Tax Standard.

Governments should:

- Make multinational corporations disclose their profits, revenue, number of employees and other key financial numbers for all countries in which they operate, through pCbCR.

CLIMATE CHANGE

Corporations should:

- Adopt a climate strategy with a clear pathway to reduce greenhouse gas emissions (scopes 1, 2, and 3) aligned with an overall 50% emissions reduction by 2030, adjusting targets based on the company's sector.
- Develop a climate action plan that is aligned with the latest climate science, ensuring global warming does not exceed 1.5°C over pre-industrial levels.
- Publish an investment plan on how to implement the climate action plan.
- Invest in a low-carbon transition by ensuring that green capex represents at least 25% of total capex[117] until attaining short-, mid- and long-term emission reduction objectives. This figure should be however adapted to sector-specific objectives.
- Develop, publish and implement a just energy transition plan outlining how the company will manage the socioeconomic impacts of its energy transition.

Governments should:

- Mandate binding environmental responsibility and reporting for all companies, including the following criteria:
  - o Publication of direct and indirect carbon footprints (scopes 1, 2, and 3)
  - o A 1.5°C climate strategy aligned with a global pathway to reduce absolute greenhouse gas emissions (scopes 1, 2, and 3) aligned with an overall 50% emissions reduction by 2030, adjusting targets based on the company's sector
  - o An associated investment plan that takes employment impacts into account

PUBLIC AID

Governments should:

- Make public aid (subsidies, tax exemptions), and access to public finance, investment procurement contingent on capping dividends.
- Tie public aid and public finance, investment and procurement to investments in a just transition and to a climate strategy as described in **Section 8.10**.
- Encourage cooperative models and incentivize alternative business models – such as employee ownership, community ownership models – to help build wealth security and reduce inequality.

AT EU LEVEL

EU policies directly shape the actions of countless companies. In a time when sustainability and diversity face growing backlash, the EU must use its power to drive systemic change in corporate behaviour, championing equality and environmental progress.

The EU's recent sustainability agenda (i.e., the Green Deal) led to several key directives for corporate sustainability across member states. The CSDDD and CSRD are examples of this agenda; however, they have been impacted by deregulation in 2025 through the Omnibus I Package (see **Section 2.2**). The ambition of both directives has been significantly reduced, thanks to the heavy lobbying from multinational companies.

Even as the Green Deal has been weakened, other abandoned policies can be discussed again. For example, the CSDDD was originally called the 'Sustainable Corporate Governance directive'. In its early stages, EU debates on sustainable corporate governance focused explicitly on expanding directors' duties and shifting responsibility for sustainability outcomes from the corporate entity to individual directors and boards, in line with frameworks such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. While this approach was ultimately rejected, the underlying concern it sought to address has not disappeared. Instead, it is re-emerging through revisions of the Shareholder Rights Directive, evolving stewardship expectations, and sustainable finance reforms that increasingly emphasize long-term value creation, risk oversight and transition planning.

In this context, the question is no longer whether corporate governance should account for sustainability, but whether governance structures are sufficiently robust to ensure corporate resilience. Companies that lack effective board-level oversight of workforce practices, value-chain impacts, inequality risks and climate transition are less resilient to economic, social and regulatory shocks. Ensuring that boards are equipped, incentivized and accountable for overseeing alignment with internationally agreed sustainability frameworks is therefore not a matter of ideology, but a prerequisite for resilient, competitive and sustainable companies.
Therefore, the EU should:

- Ensure that the European Commission come up with good, clear, ambitious CSDDD guidelines for which they consult stakeholders, specifically also member states.
- Ensure that a directive on corporate governance is discussed in the coming months.
- Ensure that the next revision of the Shareholders Rights Directive is driven by human rights and the need for a just transition.
- Establish a minimum effective tax rate for corporations of 25%.

ANNEX: METHODOLOGY

A1 GENERAL APPROACH

Oxfam's Corporate Inequality Framework (CIF) includes four pillars: People, Power, Profits and Planet. This breaks down into 12 topics. These consist of 15 sub-topics that contain 35 indicators. See **Figure 3** for a full list. The framework began with Oxfam America's Corporate Inequality Framework in 2024. The current version applies to Europe.

The aim of the CIF is to understand the links between corporate practice and inequalities, allowing us to look at their collective and individual impact on inequalities. It is sector-agnostic; however, we believe that sector-specific analysis, policies and practices are essential to properly turn the tide on inequality.

It is adaptable between regions. For instance, DEI policies in the United States include the collection of data on race, whereas this is prohibited in Europe. The goal is to be comparable between regions in order to identify institutional environments that foster equality.

The CIF allows users to apply a holistic approach on inequality to companies at individual level, analysing their transparency, implementation and performance. However, when this is impossible, our main focus has been performance indicators. Nevertheless, transparency and implementation are necessary first steps to effectively reduce inequalities.

Based on exchanges with companies in this report's scope, it is necessary to specify that this framework does not assess compliance with specific regulations. The EU's Corporate Sustainability Reporting Directive (CSRD) legally required more detailed information from companies from 2024, which has allowed more analysis. However, CSRD requirements do not always match those of the CIF definition of 'full disclosure'. Therefore, when looking at our 'disclosure rate' for each indicator, it does not mean that companies do not comply with CSRD requirements, but rather that they do not meet Oxfam's methodological requirements.

A2 DATA EXTRACTION

Our data provider is Sustainometric, which extracted relevant information from companies' public reports, including universal registration documents, sustainability statements, human rights policies, just transition plans, and other relevant disclosures. The extraction process combined an AI tool with human verification to ensure accuracy for each data point. Any error in the data extraction should be attributed to them.

Oxfam and Sustainometric reviewed inconsistencies in the findings, particularly for indicators that were subject to different national legislations or sector-specific challenges. Adjustments were made based on mutual agreement to ensure consistency and comparability between companies both in Europe and the United States.

A3 LIST OF COMPANIES

For this report, we chose to focus on Europe's largest 100 companies by revenue, based on the Fortune 500 Europe list. Such a revenue-based criterion is similar to the approach applied in EU legal requirements on corporate practices, such as CSRD and the Corporate Sustainability Due Diligence Directive. It also allows for comparison of both public and non-listed companies based on a consistent definition of size. The list only includes companies that have publicly available data through a government agency, so companies usually considered the largest in some countries might not be included.

The list includes some companies from outside the EU: the United Kingdom, Switzerland, Norway and Türkiye. However, we removed Russian companies from our final list since they operate in nationalized and quasi-nationalized sectors and have corporate dynamics that make them hardly comparable with the rest of companies included in the scope.

All the companies included in the research have had the opportunity to comment on the results. We have received feedback, to a greater or lesser extent, from 41 of them. In 32 cases, we had to introduce some changes to our initial assessment.

COMPANY	COUNTRY	SECTOR
Accenture	Ireland	Technology
ACS	Spain	Engineering & construction
Airbus	France	Aerospace & defence
Allianz	Germany	Financials
Anheuser-Busch InBev	Belgium	Food & beverages
ArcelorMittal	Luxembourg	Materials
Assicurazioni Generali	Italy	Financials
AstraZeneca	United Kingdom	Healthcare
AXA	France	Financials
Banco Bilbao Vizcaya Argentaria (BBVA)	Spain	Financials
Banco Santander	Spain	Financials
Barclays	United Kingdom	Financials
BASF	Germany	Chemicals

COMPANY	COUNTRY	SECTOR
Bayer	Germany	Healthcare
BMW	Germany	Motor vehicles & parts
BNP Paribas	France	Financials
Bosch	Germany	Motor vehicles & parts
Bouygues	France	Engineering & construction
BP	United Kingdom	Energy
Carrefour	France	Retail
Christian Dior - LVMH	France	Apparel
Chubb	Switzerland	Financials
Compass Group	United Kingdom	Hotels, restaurants & leisure
Continental	Germany	Motor vehicles & parts
Coop Group	Switzerland	Food & drug stores
Crédit Agricole	France	Financials
Crédit Mutuel Group	France	Financials
Daimler Truck Holding	Germany	Motor vehicles & parts
Deutsche Bahn	Germany	Transportation
Deutsche Bank	Germany	Financials
Deutsche Telekom	Germany	Telecommunications
DHL Group	Germany	Transportation
DZ Bank	Germany	Financials
E.ON	Germany	Energy
Edeka	Germany	Wholesalers
Electricité de France	France	Energy
Enel	Italy	Energy
Energie Baden-Württemberg	Germany	Energy
Engie	France	Energy

COMPANY	COUNTRY	SECTOR
ENI	Italy	Energy
Equinor	Norway	Energy
EXOR Group	Netherlands	Financials
Glencore	Switzerland	Energy
Groupe BPCE	France	Financials
GlaxoSmithKline	United Kingdom	Healthcare
HSBC Holdings	United Kingdom	Financials
Iberdrola	Spain	Energy
Inditex	Spain	Retail
ING Group	Netherlands	Financials
Ingka Group	Sweden	Retail
Intesa Sanpaolo	Italy	Financials
J. Sainsbury	United Kingdom	Food & beverages
Koç Holding	Turkey	Industrials
Landesbank Baden-Württemberg	Germany	Financials
Lloyds Banking Group	United Kingdom	Financials
L'Oreal	France	Household products
Louis Dreyfus	France	Food & beverages
Lufthansa Group	Germany	Transportation
LyondellBasell Industries	Netherlands	Chemicals
Maersk Group	Denmark	Transportation
Mercedes-Benz Group	Germany	Motor vehicles & parts
Munich Re Group	Germany	Financials
Nestlé	Switzerland	Food & beverages
Novartis	Switzerland	Healthcare
OMV Group	Austria	Energy

COMPANY	COUNTRY	SECTOR
Orange	France	Telecommunications
Orlen	Poland	Energy
Phoenix Pharma	Germany	Healthcare
Renault	France	Motor vehicles & parts
Repsol	Spain	Energy
REWE Group	Germany	Food & Beverages
Rio Tinto Group	United Kingdom	Energy
Roche Group	Switzerland	Healthcare
Royal Ahold Delhaize	Netherlands	Food & beverages
Saint-Gobain	France	Materials
Sanofi	France	Healthcare
Schneider Electric	France	Industrials
Shell	United Kingdom	Energy
Siemens	Germany	Industrials
SNCF Group	France	Transportation
Société Générale	France	Financials
Standard Chartered	United Kingdom	Financials
Stellantis	France	Motor vehicles & parts
Swiss Re	Switzerland	Financials
Talanx	Germany	Financials
Telefónica	Spain	Telecommunications
Tesco	United Kingdom	Food & beverages
ThyssenKrupp	Germany	Materials
TotalEnergies	France	Energy
UBS Group	Switzerland	Financials
UniCredit Group	Italy	Financials

COMPANY	COUNTRY	SECTOR
Unilever	United Kingdom	Household products
Uniper	Germany	Energy
Veolia Environnement	France	Energy
Vinci	France	Engineering & construction
Vodafone Group	United Kingdom	Telecommunications
Volkswagen	Germany	Motor vehicles & parts
Volvo	Sweden	Motor vehicles & parts
ZF Friedrichshafen	Germany	Motor vehicles & parts
Zurich Insurance Group	Switzerland	Financials

A4 INDICATORS

FIGURE 3: PILLARS, TOPICS AND INDICATORS

TOPIC	SUB-TOPIC	INDICATOR NAME	DEFINITION	OUTCOME
PILLAR I : PEOPLE				
Living Wage	Not applied in this report			
Pay equity	Pay Equity	Disclosure on average salaries of women and men	The company publishes data on average remuneration of women and men	Yes/No
		Gender pay gap	Adjusted and unadjusted gender pay gap (difference between the average wage of women and men)	numerical value (%) of total adjusted and unadjusted pay gap and in different job categories
Workplace Equity	Pay Equity	DEI policy	The company has (a) released a DEI policy commitment and (b) it has time bound plans related to the company's recruitment, hiring, training, promoting, and/or retention	Yes/No/Partial
		DEI responsibility	The CEO takes responsibility for disparities, and the company solicits input from diverse employees; there is an internal DEI department and a DEI officer	Yes/No/Partial
		DEI implementation disclosure"	The company reports on its progress in implementing its DEI policy commitments including disclosure of hiring, retention, and promotion rate data across gender, race and ethnicity categories	Yes/No/Partial
Human rights	Not applied in this report			

TOPIC	SUB-TOPIC	INDICATOR NAME	DEFINITION	OUTCOME
PILLAR II : POWER				
Corporate Governance	Board Diversity & Accountability	Board Independence	Degree of independence of the Board. Includes separation of the roles of CEO and Board chair roles	numerical value (%)
			Includes separation of roles of Executive Director and President of the Board	Yes/No
		Board Oversight	Includes separation of roles of Executive Director and President of the Board	Yes/No
		Board Diversity Performance	Gender composition of the Board	numerical value (%)
		Worker Representation	Workers are represented on the company board and/or in any of the delegated committees (remunerations committee, appointments committee, etc.)	Yes/No/ partial
		Management Committee Diversity	Gender composition of the Management Committee	numerical value (%)
Labor Relations	Collective Bargaining	Commitment	The company has a policy on workers right to organize and bargain collectively without interference or retaliation	Yes/No/ partial
		Coverage	Percentage of the company's total workforce covered by collective agreements (at domestic and global level)	numerical value (%)
	Non-standard Work Arrangements	Performance	% of part-time/total staff	numerical value (%)
			% of contractors/total staff	numerical value (%)
			% temporary employees/total staff	numerical value (%)
Political accountability	Political accountability	Disclosure	The company discloses its political expenditures and activities	Yes/No/ partial
		Policies	The company has a detailed policy governing its political activities	Yes/No/ partial
Antitrust	Antitrust	Competitive Behavior	The company does not have (a) any pending cases with the European Directorate-General for Competition or similar body at national level, and the company does not have (b) competition related offenses with the European Directorate-General for Competition or similar body at national level (since 2000)	Yes/No

TOPIC	SUB-TOPIC	INDICATOR NAME	DEFINITION	OUTCOME
PILLAR III : PROFITS				
Top management pay	**CEO pay**	Total Compensation Performance	The amount the company's CEO earned in the past year. Includes base salary, bonus, value of stock awards, value of option awards, non-equity incentive plan compensation, change in pension value and deferred compensation earnings, and other compensation	numerical value (€)
		CEO-Worker Pay Ratio	The ratio between the CEO's total compensation and a median employee salary	numerical value (ratio)
		Pay Linked to Stocks	% of CEO pay that is linked to stock incentives	numerical value (%)
		Pay Linked to ESG	% of CEO pay that is linked to ESG performance	numerical value (%)
	Top managers pay	Total Compensation Performance	Average compensation received by members of the company's management committee in the past year. Includes base salary, bonus, value of stock awards, value of option awards, non-equity incentive plan compensation, change in pension value and deferred compensation earnings, and other compensation	numerical value (€)
		Top managers-Worker Pay Ratio	The ratio between the average compensation received by members of the company's management committee and a median employee salary	numerical value (ratio)
Equity and profit	**Equity and profit**	Shareholder Payout	Sum of the company's payments to shareholders, through dividends or share buybacks, as a % of the company's net profit	Numerical value (€)
			Profits made by the company	Numerical value (€)
			Dividend payments	Numerical value (€)
			Buybacks payments to shareholder	Numerical value (€)
		Effective Employee Ownership	The company's employees own company equity through a good broad based employee ownership plan (ESOP or Employee Stock Ownership Plan, EOT, Worker Cooperatives, Community Ownership, and Steward Ownership). Participation in ownership must be inclusive, meaningful and free	Yes (% of company equities owned by employees) /No/ partial

TOPIC	SUB-TOPIC	INDICATOR NAME	DEFINITION	OUTCOME
Tax practices	Tax practices	Policy on Responsible Tax	The company publishes a responsible tax policy statement	Yes/No
		Tax Transparency	The company is transparent about its tax payments where it operates (country-by-country reporting). Transparency means (a) the company publishes its country-by-country report and (b) it includes all jurisdictions where it has activities.	Yes: data fully disaggregated by geograhy and complete, including the five key data categories (revenues, profit, FTEs, subsidies and tax payments) Partial: not fully complete data or not fully disaggregated No: insufficient data and/or not disaggregated by country
		No Tax Havens	The company does not have any presence in tax havens. This means (a) the company reports all significant offshore subsidiaries and (b) the offshore subsidiaries are not designated as tax havens by Oxfam	Yes/No

TOPIC	SUB-TOPIC	INDICATOR NAME	DEFINITION	OUTCOME
PILLAR IV : PLANET				
Climate Change	**Climate Action**	Net Zero Disclosure	The company discloses its scope 1, 2 and 3 emissions	Yes/No/partial
		Net Zero Performance	% and absolute value reduction in GHG emissions (scope 1,2,3) (year-by-year)	Yes/No/partial
		Net Zero Performance	% reduction in GHG emissions (scope 1,2,3) (year-by-year)	numerical value (%)
	Just transition	Plan	The company discloses a public document that outlines how it will deal with the socio-economic impacts of transitioning to a zero carbon economy. This should include the presence of transparent and scalable investments in the low carbon transition, transformational action to cut GHG emissions, reducing inequality impact, include compatibility with the Paris Agreement and its 1,5°C goal, as well as clear engagements of protection rights for workers	Yes/No/partial
		Green Investments	The company dedicates a significant part of its investments (CAPEX aligned with the EU Taxonomy) to the transformation of its business to attain Net Zero	Numerical value (%)
			The ratio between the green investments and the dividends paid to shareholders. The company pays more or less its shareholders than invests to attain Net Zero (green CAPEX aligned with the EU Taxonomy)	Numerical value (ratio)

NOTES

All links last accessed 7 April 2026 unless otherwise specified.

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